

Registered number: 07821367

VENTRUS LIMITED
(A company limited by guarantee)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018



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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members	H Whittaker, Chair of Board Exeter Diocesan Education Network University of Exeter
Trustees	H Whittaker, Chair R Roberts (was Diebner), Vice Chair G Chown, Chief Executive C Thomas L Bent (resigned 31 December 2017) A Gicquel (resigned 12 November 2018) J Norton (appointed 27 September 2017) L de Sousa-Webb (appointed 15 December 2017, resigned 13 June 2018) D Edwards (appointed 3 October 2018)
Company registered number	07821367
Company name	Ventrus Limited
Principal and registered office	Woodwater Academy Woodwater Lane Exeter Devon EX2 5AW
Company secretary	S Richards (resigned 26 January 2018) E Emery (appointed 29 January 2018)
Chief executive officer	G Chown
Executive leadership team	G Chown, Chief Executive L Miller-Marshall, Executive Headteacher (resigned 30/04/2018) C Baillie, Director of School Improvement A Leeson, Director of School Improvement S Levi, Head of Human Resources (resigned 26/01/2018) L Hyland, Director Finance and Commercial
Independent auditors	Griffin Chartered Accountants 165 High Street Honiton Devon EX14 1LQ
Solicitors	Michelmores LLP Woodwater House Pynes Hill Exeter EX2 5WR

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates 14 Primary Academies and 1 Secondary Academy in Devon. Its academies had a combined number on roll of 3,385 as per the school census of October 2017. Three further schools joined the Trust in July/August 2018 bringing the combined pupil total to 3,841.

Structure, governance and management

a. CONSTITUTION

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Trustees of Ventrus Limited are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Ventrus Limited.

Details of the Trustees who served during the year 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.

c. TRUSTEES' INDEMNITIES

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 Trust business. The limit of this indemnity is £5,000,000 and this cover is provided by Zurich Municipal Insurance Company.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The Articles of Associations of the Trust with effect from 20 July 2015 state that the number of Directors (Article 45) shall not be less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Appointment of Directors

Subject to Articles 48 and 49 of The Articles of Association, the Academy Trust shall have the following Directors:

- The Members may appoint up to 5 Directors, 2 of which shall be representatives of the Local Governing Bodies appointed in consultation with the relevant Local Governing Bodies.
- The Members shall appoint 2 Executive Directors (one of whom shall be the Chief Executive Officer (if appointed) and each of whom shall be a Principal of an Academy or group of Academies) through such process as they may determine, provided that the total number of Directors who are employees of the Academy Trust does not exceed one third of the total number of Directors.
- The Foundation Member shall appoint 2 Foundation Directors one of which shall be the Incumbent and such additional Foundation Directors as may be required to maintain as near as possible the 25%:75% ratio of Foundation Directors to non-Foundation Directors at all times provided that the total number of Foundation (including ex officio Foundation Directors) would not thereby exceed 25% of the total number of Directors.

Chief Executive Officer

- The Chief Executive Officer shall be an Executive Director for as long as he/she remains in office.

Co-opted Directors

- The Directors may with the consent of the Diocesan Board of Education (such consent not to be unreasonably withheld and having regard only to the need to maintain the ethos of the Church Academies) appoint up to 2 Co-opted Directors for such term (not exceeding four years) and otherwise open such conditions as they shall think fit (it being acknowledged that the 25%:75% balance of Foundation Directors to non-Foundation Directors (or as near as possible) is to be maintained at all times). A 'Co-opted Director' means a person who is appointed to be a Director by being Co-opted by Directors who have not themselves been so appointed. The Directors may not co-opt an employee of the Company as a Co-opted Director if thereby the number of Directors who are employees of the Academy Trust would exceed one third of the total number of Directors (including the Chief Executive Officer).

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Trustees are given a full induction into their role. They receive training on their statutory responsibilities as outlined in the ESFA Financial Handbook, Charities commission guide – "The Essential Trustee", Memorandum and Articles of the Company and the Nolan Principles. Trustees are provided with a mentor to support their induction.

Directors and local governors have access to general training and support provided by Babcock Learning & Development Partnership Governor Support, the Diocesan Board of Education, as well as Michelmores solicitors and the Devon Association of Governors. Details of courses and events are circulated to all Directors by the Company Secretary and Directors are encouraged to attend. Relevant newsletters, publications and guidance are circulated by the Company Secretary to keep the Directors informed of statutory requirements and changes in legislation.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

f. ORGANISATIONAL STRUCTURE

The Board of Directors delegates to the Executive Directors and their Senior Leadership Team the day to day running of their schools. Their activities and decisions are monitored by the Board of Directors, their committees, portfolios, and their Local Governing Bodies.

From 1 September 2017 to 31 August 2018, the Board of Directors of Ventrus MAT delegated the governance of their local schools to the Executive Directors and the Executive Leadership Team within the Trust, with the exception of the following powers:

- Accounts statutory reporting
- Agreeing admission arrangements
- The approval of the first formal budget plan for each financial year
- The approval of the central Trust budget
- The appointment of the Chief Executive Officer, the Executive Headteachers and Headteachers
- The approval of Trust's policies
- Setting the level of delegation to Local Governing Bodies and/or Directors' Committees
- Keeping a register of Directors' business interests.

The Scheme of Delegation and Terms of Reference are available on request from the Company Secretary.

From 1 September 2013 to present, each school has their own Local Governing Body with agreed terms of reference, as well as agreed delegation for the leadership & management of the school.

Between 1 September 2017 and 31 August 2018 the Directors had two committees with agreed delegated powers to conduct the main business elements of the Trust. The terms of reference are available from the Company Secretary.

The Trust has a Finance policy detailing the arrangements for the delegation of financial powers to Trust staff.

g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

Trustees have commissioned external benchmarking and market analysis for the setting of the salaries of the CEO and Finance Director. The CEO and Directors of School Improvement are paid in line with School Teachers Pay and Conditions document. Other executive posts are benchmarked as part of the externally supported recruitment process and reviewed periodically.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

h. TRADE UNION FACILITY TIME

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £

Total cost of facility time	596
Total pay bill	15,334,087
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	10 %
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i. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The Board have maintained a zero tolerance for related party transactions of which there were none for the year ended 31 August 2018.

Ventrus is the sole trustee and member of Hemyock Pre-School. Hemyock Pre-School is an independent charity (charity number 1030985), operating as an unincorporated association. Further details are given in note 29.

Bickleigh Pre-School (Charity No. 1158483) is on a shared site with Bickleigh C of E Primary School, the Headteacher of the school is a trustee.

In July 2018 approval was given for Bickleigh and Hemyock Pre-schools to become part of their respective schools through a change to the age ranges of the schools, effective 1 September 2018.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Objectives and Activities

a. OBJECTS AND AIMS

The objects of the Charitable Company are specifically restricted to the following:

- (a) In relation to all of the academies within the Trust to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum; and
- (b) In relation to all Church academies within the Trust these to be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Master Funding Agreement) and in having regard to the advice of the Diocesan Board of Education.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The Trust was formed with a vision to share education expertise and resources across the schools within the Trust to provide the best education, opportunities, and experiences for each and every pupil within the Trust.

The Trust's model of school improvement is one that is both simultaneously top down, bottom up and sideways. Top down school improvement is enacted principally through the Chief Executive Officer and the two Directors of School Improvement. There is a comprehensive self-evaluation cycle of activity and school improvement scrutiny that feeds directly into the school improvement portfolio of the Board of Trustees and connects to Local Governing Bodies through school improvement reports and the Trustees' dashboard of indicators.

Each school receives a minimum of termly visits from the Chief Executive Officer and/or the two Directors of School Improvement. Targeted areas for improvement are supported by the Ventrus Teaching School, network leads, Trust SLEs/NLE or staff from across our schools, who have been identified with the appropriate strength within our Talent Management Matrices. Reports from all school improvement activity are presented to the Board of Trustees and Local Governing Bodies on a termly basis.

The Board's dashboard of indicators includes termly updates on school improvement activity, performance risk register and SEF ratings for each school. Local governors have the responsibility to forensically monitor and challenge the school improvement planning process of their individual school. The engine room of school improvement for Ventrus is, without doubt, the extensive networks that the Trust operates. There are networks for Governors, Leaders, key year groups, school improvement priorities, across the Trust e.g. SEND Network, EYFS Network and Safeguarding Network. Funded by the Trust, most teachers are part of a network, which contribute to school improvement through best practice dialogue, action research projects and the sharing of knowledge and information. Networks are audited for their impact through both a qualitative and quantitative survey. All networks are led by a member of the Trust leadership team; as a network lead they hold a portfolio for the specific year group, or aspect for the whole Trust. Networks also provide rich opportunities for bottom up improvement; innovative and creative approaches to improving the experience of our pupils are not seen solely as the responsibility of senior leaders.

The Trust has a range of strategies to actively promote leadership development, including encouraging all teachers to have a system leader impact across our schools and inviting teachers and leaders to participate in leadership programmes e.g. NPQSL, NPQML. There is a strong focus on developing and sharing best practice irrespective of the age or experience levels of staff. Non-teaching staff have several professional development routes, including NVQs and school-based teacher training opportunities, via the Ventrus Teaching School. The quality of dialogue, depth and our commitment to networking, and staff development, within Ventrus fundamentally underpins our approach to school improvement and the development of our signature pedagogy. During the period from 1 September 2017 until 31 August 2018, key priorities and the strategies for achieving

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these priorities were clearly defined in the school improvement plans for each school within the Academy Trust and within the Trust improvement plan. Improvement plans for individual academies were monitored by the Executive Leadership Team and the Local Governing Bodies. Trustees monitor the Trust improvement activity and maintain a strategic oversight of individual academies through exceptions reporting in the Trust risk register and data dashboard.

c. PUBLIC BENEFIT

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the academy's aims and objectives and in planning its future activities.

All the schools within the Academy Trust provide an inclusive curriculum for the pupils within their local community and offer the facility for local organisations to let their premises. All the schools work with their local secondary schools to ensure a smooth transition into secondary education for pupils.

Strategic report

Achievements, performance and key performance indicators

KS1 MAT outcomes

Context of Pupils – 293 Y2 pupils underwent statutory assessment in May 2018. Of these pupils 19% were disadvantaged and 21% had special educational needs (SEND). The level of disadvantage and SEND in this cohort was higher than the national average. Despite these challenges the pupils achieved extremely well.

- **Reading:** The average outcomes of all pupils 75%, was in line with national at the expected standard. At the greater depth standard, the outcomes of 27% were above national.
- **Writing:** The average outcomes of all pupils 68% was below national at the expected standard. At the greater depth standard, the outcomes of 13% were also below national.
- **Maths:** The average outcomes of all pupils 77%, was above national at the expected standard. At the greater depth standard, the outcomes of 21% were broadly in line with national.

KS2 MAT outcomes

Context of Pupils – 335 Y6 pupils underwent statutory assessment in May 2018. Of these pupils 26% were disadvantaged and 28% had special educational needs (SEND). The level of disadvantage and SEND in this cohort was significantly higher than (more than double) the national average. Despite these challenges the pupils achieved extremely well.

- **Reading:** The average outcomes of all pupils was above national at the expected standard (77%). At the greater depth standard, the outcomes of 30% were also above national.
- **Writing:** The average outcomes of all pupils was above national at the expected standard (81%). At the greater depth standard, the outcomes of 21% were above national.
- **Maths:** The average outcomes of all pupils was slightly below national at the expected (72%) standard. At the greater depth standard, the outcomes of 16% were also below national.
- **Reading, writing and maths combined:** The average outcomes of all pupils was in line with National at the expected standard and at the greater depth standard.

MAT Progress from KS1 to KS2:

- Writing progress was strongest, at +0.7;
- Reading progress was +0.50;
- Maths progress was -0.50,
- All Trust primary schools were above the floor standard for progress and attainment.

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KS4 Outcomes

Rapid School Improvement within the context of improved financial performance at Pilton Community College has been a key focus for Trustees this year. The following key activities have supported this work:

- Restructure of the SLT
- Redundancy programme for non-teaching staff
- Implementing Trust accountability systems and processes
- Strengthening the role of middle leaders

The achievement of pupils has improved on the previous year in most subjects. The progress measures for most subjects and most groups of pupils have improved on the previous year and the percentage of children attaining GCSE grades 9-4 is now broadly in line with National Average at 60%.

During the academic year 2017/18 the Trust schools underwent 3 Ofsted inspections. Ofsted were very complimentary about the impact of the Trust in all inspections.

- Pilton Community College - November 2017

"Since the previous inspection, the trust has taken effective steps to strengthen the quality of governance. The terms of the multi-academy trust's scheme of delegation mean that the local governing body is now able to focus more sharply on teaching, learning and assessment, with most other matters reserved to the board of trustees."

- Woodwater Academy - July 2018

Woodwater received a short inspection and the school was judged to continue to be a good school.

"Leaders at all levels in the academy trust, including the Head of School and local governors, have the highest expectations about the academy's continuous improvement and are working hard to ensure that this is happening. This outstanding leadership and management is bringing about rapid school improvement."

- St. Andrew's C of E Primary School – July 2018

"Leaders of the multi-academy trust and members of the local governing body are ambitious for the school, its staff and its pupils. Since assuming responsibility for the school following conversion to academy status in 2015, trust leaders have sustained a determined and effective commitment to improving the school."

Key financial performance indicators:

During the year the Trust undertook a benchmarking exercise with Bishop Fleming and an ICFP piece of work with Effervesce to understand its key financial indicators and performance.

Key indicators from the accounts are as follows;

Staff costs as a % of total revenue costs	83%
GAG income as a % of total revenue income	78%
Current ratio	1.91:1
Cash balances vs prior year- increase (decrease) %	111%
Unrestricted reserves as a % of total revenue income	0.7%

a. GOING CONCERN

The Trust has undertaken considerable work towards returning to and maintaining a surplus position, along with an achievable recovery plan which is in place. The Trustees have no material uncertainties regarding going concern. The Trust has been in contact with the ESFA and has verbal assurance around support and working with them going forward. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

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TRUSTEES' REPORT (continued)
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Financial review

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

The Trust also receives grants for fixed assets from the DfE and these are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful economic life of the assets concerned, as defined in the Trust's accounting policies.

During the year ended 31 August 2018, the Trust received total income of £18,994,000 (2017- £18,307,000) (excluding restricted fixed asset funds and pension reserve) and incurred total expenditure of £18,434,000 (2017- £19,198,000) (excluding fixed assets and pension reserve). A transfer of £78,000 (2017 - £36,000) was made between the GAG income and the fixed asset funds. As at 31 August the funds brought forward were £Nil (2017 - £624,000) of unrestricted funds and -£218,000 (2017 - £85,000) of restricted funds, being the ATP sinking fund of £85,000 and deficit on GAG of £303,000. The funds carried forward as unspent were £137,000 (2017 - £Nil) of unrestricted funds and £283,000 (2017 - Deficit £218,000) of restricted funds including the ATP sinking fund of £85,000. Therefore, there was a surplus in the year of £638,000 (2017- Deficit £927,000).

The Trust has a deficit in the Local Government Pension Scheme in respect of its non teaching staff. The deficit is incorporated within the Statement of Financial Activity with details in note 25 to the financial statements.

a. MATERIAL INVESTMENTS POLICY

Due to the nature and timing of receipt of funding, the Trust may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of short term bank investment accounts to take advantage of higher interest rates. No other forms of investment are authorised.

b. PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees recognise the requirement to appropriately identify and manage the principal risks and uncertainties of the Trust. The principal risks and uncertainties facing the Trust are as follows:

- Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In addition the impact of lagged funding and the transition to a National Funding Formula are key risks that the Trustees will continue to review and monitor.
- Reputational - the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.
- Staffing - the success of the Trust is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- Pilton Community College is on a journey of recovery from Requires Improvement (October 2016). The Trust appointed a new Headteacher during the spring term of 2018.
- The Trust has continued to strengthen its risk management by developing colleagues understanding of risk management at all levels in the Trust.

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c. RESERVES POLICY

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review. The reserves policy is reviewed annually by the Trustees.

The Trustees intention is to work towards an ongoing free cash reserves equal to at least 1 month of salary costs.

Fundraising

The Trustees are responsible for ensuring that the organisation operates within a responsible, sustainable financial framework and that the organisation has adequate resources to carry out its work.

Trustees have the responsibility of ensuring the survival and continuation of the Trust. This includes responsibility for ensuring funding is available to support the activities of the organisation.

While Trustees may delegate many of the operations of fundraising to other parts of the organisation, the Executive Leadership team retains the responsibility for inspiring other fundraisers, demonstrating the perceived importance of fundraising to the organisation, and demonstrating their leadership in this area.

The Trustees are committed to ensuring that fundraising activities are carried out in an ethical manner. The guiding fundraising principle is – we will only use an ethical fundraising approach that we would be comfortable with being used on our own Trust. In doing so, the organisation will adhere to the following standards:

- The Trustees will have regard to the Charity commissions publication 'Charity Fundraising' (CC20)
- Fundraising activities carried out by the schools will comply with all relevant laws.
- Any communications to the public made in the course of carrying out a fundraising activity shall be truthful and non-deceptive.
- All monies raised via fundraising activities will be for the stated purpose of the appeal and will comply with the school's stated mission and purpose.
- All personal information collected by the school is confidential and is not for sale or to be given away or disclosed to any third party without consent.
- No general solicitations shall be undertaken by telephone or door-to-door.
- Fundraising activities should not be undertaken if they may be detrimental to the good name or community standing of the Trust.
- Financial contributions will only be accepted from companies, organisations and individuals the Board considers ethical.
- All Trustees, Governors, casual, permanent and contract staff and volunteers are responsible for adhering to these procedures.
- Fundraising activities should not be undertaken if they will expose the organisation to significant financial risk.
- Complaints will be dealt with in accordance with the Charity Commissions guide CC20

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TRUSTEES' REPORT (continued)
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Plans for future periods

a. FUTURE DEVELOPMENTS

Ventrus has a strong track record of school improvement. Trustees have approved a responsible and measured growth strategy that will support educational improvements across Devon whilst securing sustainability of the Trust. The Trust's growth strategy is targeted to areas of existing provision. Trustees continue to invest in securing a high quality central business support function. Trustees are committed to minimising the cost of central support with growth models that will deliver year on year reductions in the cost per pupil of central services.

Draft KPIs 2018/19

- Incremental improvement is evident in all schools across the trust as evidenced by external evidence and moderation of internal self- review.
- To strengthen and embed leaders and teachers shared understanding of the purpose of formative and summative assessment supported by a trust-wide view of age related expectations for all pupils.
- To rapidly improve the achievement of all pupils at the end of KS2 in mathematics, ensuring high prior attaining pupils make progress sufficient to attain greater depth.
- To diminish the difference in achievement between disadvantaged and their non-disadvantaged peers, while ensuring the achievement of non-disadvantaged pupils is at least in line with similar pupils nationally.
- To further develop financial performance and stability through ongoing strengthening of financial systems, process and controls.

FUNDS HELD AS CUSTODIAN

No funds are held as custodian on behalf of others.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The academy carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The academy has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the academy's Equal opportunities policy, the academy has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the academy's offices.

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TRUSTEES' REPORT (continued)
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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 the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12 December 2018 and signed on its behalf by:



H Whittaker
Chair of Trustees



G Chown
Accounting Officer

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Ventrus Limited has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Ventrus Limited and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
H Whittaker, Chair	6	6
R Roberts (was Diebner), Vice Chair	4	4
G Chown, Chief Executive	6	6
C Thomas	6	6
L Bent	2	2
A Gicquel	6	6
J Norton	5	6
L de Sousa-Webb	1	4
D Edwards	0	0

The key changes in the composition of the Board were as follows:

- Leo De-Souza Webb appointed 15/12/17 removed from office 13/6/18
- Jasmine Norton appointed 27/09/17
- Lyndon Bent resigned 31/12/17
- A Gicquel resigned 12/11/18
- D Edwards appointed 03/10/18

The full Board of Trustees met 6 times during the year with the Finance and Audit Committee meeting 4 times during the year. The Pay Committee met twice during the year. In addition to sitting on these committees Directors also have portfolio responsibilities for HR, Premises and School Improvement; they report on these areas on a termly basis at Directors' meeting.

In May 2018 the Board members each visited a school within the Trust. They met the Headteacher of School to learn first-hand about the school's performance and the effectiveness of the Trust in supporting the school in its day to day operations. The Board has a rolling programme of school visits and attendance at local governing body meetings.

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GOVERNANCE STATEMENT (continued)

Governance Review

The Board receive the vast majority of papers and data dashboards a week in advance of their meeting and pre-tabled questions are invited. The Board offer high quality challenge and support drawing on their varied and complementary backgrounds and skills.

Trustees have completed a Trust checklist drawn from 'Building better trust boards' produced by the Academy Ambassadors in relation to their own individual effectiveness. The Trustees have worked closely with Academy Ambassadors across this year to ensure the Trust has a robust succession plan that ensures the Board continues to be able to offer high quality challenge from trustees who have the appropriate skills and knowledge.

The Board receive termly reports on School improvement and pupil outcomes which offer both "Headline" information but also the ability to "drill down" to explore further information.

The Board of Directors are planning to undertake their next self-review in July 2019.

The Finance and Audit Committee is a sub-committee of the Board and its roles are to maintain an oversight of the Trust's finances and financial management and investment strategy and to maintain an oversight of the Trust's governance, risk management, internal control and value for money framework. It reports its findings annually to the Board of Directors and the Accounting Officer as a critical element of the Trust's annual reporting requirements.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
H Whittaker	4	4
C Thomas, Chair of Committee	4	4
G Chown	4	4
J Norton	0	2

REVIEW OF VALUE FOR MONEY

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

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

The Trust has been working with the Schools' Buying Hub South West on improved procurement. The Trust has undertaken a procurement for water via this initiative and could make significant savings. The Trust has submitted energy details for a framework procurement.

The Trust has increased controls on overtime and supply costs with the introduction of strict monthly procedures, reviews and authorisation processes.

The Trust has introduced detailed Term 1 and Term 2 financial reviews which is attended by the Executive Leadership team, Head Teachers, school administration and optionally, the Chair of Governors. This has identified key areas for savings and purchases which are explored by Head Teachers as a group, and then Trust deals and savings are negotiated.

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GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Ventrus Limited for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Bishop Fleming as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

- Governance
- Payroll
- Strategic and Operational Review
- Bank and Petty Cash
- Charge Card Review
- Expenditure
- Income

On an annual basis, the auditor reports to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal auditor delivered their schedule of work as intended and a plan is in place to address weaknesses and ensure continuous improvement.

VENTRUS LIMITED
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

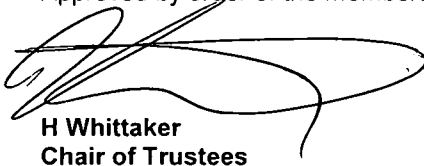
REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 12 December 2018 and signed on their behalf, by:



H Whittaker
Chair of Trustees



G Chown
Accounting Officer

VENTRUS LIMITED
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



G Chown
Accounting Officer

Date : 12 December 2018

VENTRUS LIMITED
(A company limited by guarantee)

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018**

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 Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and 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:

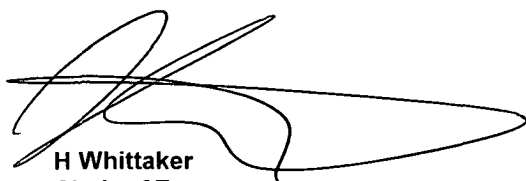
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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



H Whittaker
Chair of Trustees

VENTRUS LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
VENTRUS LIMITED**

OPINION

We have audited the financial statements of Ventrus Limited (the 'academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, 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 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

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

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

VENTRUS LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
VENTRUS LIMITED**

OTHER INFORMATION

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

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

We have nothing to report in this regard.

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 academy 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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy 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.

VENTRUS LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
VENTRUS LIMITED**

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

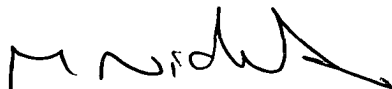
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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.

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.

USE OF OUR REPORT

This report is made solely to the academy'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 academy'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 academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Misty Nickells FCA (Senior statutory auditor)

for and on behalf of

Griffin

Chartered Accountants
Statutory Auditors

165 High Street
Honiton
Devon

EX14 1LQ

Date: 13/12/18

VENTRUS LIMITED
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO VENTRUS LIMITED AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 24 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ventrus Limited during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF VENTRUS LIMITED'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Ventrus Limited's funding agreement with the Secretary of State for Education dated 1 January 2012, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

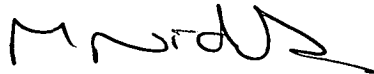
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

VENTRUS LIMITED
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO VENTRUS LIMITED AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

CONCLUSION

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



Misty Nickells FCA

Griffin

Chartered Accountants
Statutory Auditors

165 High Street
Honiton
Devon
EX14 1LQ

Date: 13/12/18

VENTRUS LIMITED
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

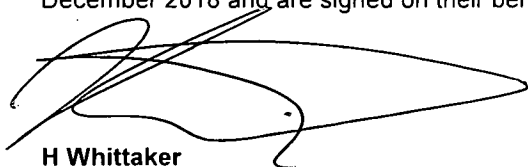
		Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted Fixed Asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
	Note					
INCOME FROM:						
Donations & capital grants:						
Transfer from local authority on conversion	2	158	(958)	1,282	482	-
Other donations and capital grants	2	376	12	1,733	2,121	1,646
Charitable activities	3	586	17,466	-	18,052	17,563
Other trading activities	4	395	-	-	395	238
Investments	5	1	-	-	1	3
TOTAL INCOME		1,516	16,520	3,015	21,051	19,450
EXPENDITURE ON:						
Raising funds		350	-	-	350	457
Other charitable activities		1,029	18,413	1,142	20,584	20,698
TOTAL EXPENDITURE	8	1,379	18,413	1,142	20,934	21,155
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		137	(1,893)	1,873	117	(1,705)
Transfers between Funds	19	-	78	(78)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		137	(1,815)	1,795	117	(1,705)
Actuarial gains on defined benefit pension schemes	25	-	2,667	-	2,667	1,294
NET MOVEMENT IN FUNDS		137	852	1,795	2,784	(411)
RECONCILIATION OF FUNDS:						
Total funds brought forward		-	(10,577)	30,161	19,584	19,995
TOTAL FUNDS CARRIED FORWARD		137	(9,725)	31,956	22,368	19,584

VENTRUS LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 07821367

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£000	2018 £000	£000	2017 £000
FIXED ASSETS					
Tangible assets	15		30,959		29,581
CURRENT ASSETS					
Stocks	16	8		4	
Debtors	17	749		971	
Cash at bank and in hand		2,219		1,052	
		<u>2,976</u>		<u>2,027</u>	
CREDITORS: amounts falling due within one year	18	<u>(1,559)</u>		<u>(1,665)</u>	
NET CURRENT ASSETS			<u>1,417</u>		<u>362</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>32,376</u>		<u>29,943</u>
Defined benefit pension scheme liability	25		<u>(10,008)</u>		<u>(10,359)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>22,368</u></u>		<u><u>19,584</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	19	283		(218)	
Restricted fixed asset funds	19	31,956		30,161	
		<u></u>		<u></u>	
Restricted income funds excluding pension liability		32,239		29,943	
Pension reserve		<u>(10,008)</u>		<u>(10,359)</u>	
Total restricted income funds			<u>22,231</u>		<u>19,584</u>
Unrestricted income funds	19		<u>137</u>		<u>-</u>
TOTAL FUNDS			<u><u>22,368</u></u>		<u><u>19,584</u></u>

The financial statements on pages 24 to 59 were approved by the Trustees, and authorised for issue, on 12 December 2018 and are signed on their behalf, by:


H Whittaker
Chair of Trustees

The notes on pages 27 to 59 form part of these financial statements.

VENTRUS LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	270	(463)
Cash flows from investing activities:			
Dividends, interest and rents from investments		1	3
Purchase of tangible fixed assets		(837)	(509)
Capital grants from DfE Group		1,733	807
Net cash provided by investing activities		897	301
Change in cash and cash equivalents in the year		1,167	(162)
Cash and cash equivalents brought forward		1,052	1,214
Cash and cash equivalents carried forward	22	2,219	1,052

VENTRUS LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

Ventrus Limited constitutes a public benefit entity as defined by 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 academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

VENTRUS LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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.

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

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

All expenditure is inclusive of irrecoverable VAT.

VENTRUS LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised 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 incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Leasehold land	-	125 year straight line
Leasehold property	-	50 year straight line
Furniture and fixtures	-	4 year straight line
Motor vehicles	-	25% reducing balance
Computer equipment	-	3 year 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 incorporating income and expenditure account.

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.7 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.

1.8 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.

VENTRUS LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.9 Liabilities and provisions

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.

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. 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.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 18. 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 instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.11 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.12 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

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.

1.13 Fund accounting

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

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**NOTES TO THE FINANCIAL STATEMENTS
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2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted Fixed Asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Transfer from local authority on conversion	158	(958)	1,282	482	-
Subtotal detailed disclosure	158	(958)	1,282	482	-
Donations	376	12	-	388	503
Capital Grants	-	-	1,733	1,733	1,143
Subtotal	376	12	1,733	2,121	1,646
	534	(946)	3,015	2,603	1,646
Total 2017	503	-	1,143	1,646	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Education	546	17,466	18,012	17,526
Nursery	40	-	40	37
	586	17,466	18,052	17,563
Total 2017	584	16,979	17,563	

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**NOTES TO THE FINANCIAL STATEMENTS
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FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
DfE/ESFA grants				
General Annual Grant	-	14,622	14,622	14,274
Other DfE/ESFA Grants	-	769	769	611
Pupil Premium	-	954	954	897
	-	16,345	16,345	15,782
Other government grants				
Special Educational Needs	-	374	374	516
Other government grants non capital	-	691	691	680
	-	1,065	1,065	1,196
Other funding				
Other	546	56	602	548
	546	56	602	548
	546	17,466	18,012	17,526
<i>Total 2017</i>	547	16,979	17,526	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Hire of facilities	325	-	325	174
Other	70	-	70	64
	395	-	395	238
<i>Total 2017</i>	238	-	238	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

5. INVESTMENT INCOME

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Bank interest	1	-	1	3
<i>Total 2017</i>	3	-	3	

6. DIRECT COSTS

	Education £000	Total 2018 £000	Total 2017 £000
Educational supplies	211	211	271
Examination fees	75	75	77
Staff development	99	99	199
Other costs	260	260	282
Supply teachers	101	101	193
Recruitment and other staff costs	32	32	32
Technology costs	15	15	31
Wages and salaries	8,866	8,866	9,810
National insurance	761	761	818
Pension cost	1,373	1,373	1,577
Depreciation	541	541	579
	12,334	12,334	13,869
<i>Total 2017</i>	13,869	13,869	

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**NOTES TO THE FINANCIAL STATEMENTS
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7. SUPPORT COSTS

	Education £000	Nursery £000	Total 2018 £000	Total 2017 £000
Pension finance cost	262	-	262	222
Other costs	4	-	4	17
Maintenance of premises and equipment	162	-	162	193
Cleaning	65	-	65	75
Rent and rates	148	-	148	145
Heat and light	225	-	225	205
Insurance	87	-	87	100
Security and transport	29	-	29	37
Catering	614	-	614	630
Technology costs	286	-	286	272
Office overheads	268	-	268	379
Legal and professional	164	-	164	179
Bank interest and charges	11	-	11	8
Governance costs	18	-	18	13
Expenditure on church school building	396	-	396	44
Wages and salaries	3,284	40	3,324	2,531
National insurance	267	-	267	180
Pension cost	1,715	-	1,715	1,449
Depreciation	205	-	205	150
	<u>8,210</u>	<u>40</u>	<u>8,250</u>	<u>6,829</u>
<i>Total 2017</i>	<u>6,792</u>	<u>37</u>	<u>6,829</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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8. EXPENDITURE

	Staff costs 2018 £000	Premises 2018 £000	Other costs 2018 £000	Total 2018 £000	Total 2017 £000
Expenditure on raising voluntary income					
Direct costs	-	-	350	350	457
Support costs	-	-	-	-	-
Education:					
Direct costs	11,102	424	808	12,334	13,869
Support costs	5,266	761	2,183	8,210	6,792
Nursery: Support costs	40	-	-	40	37
	<u>16,408</u>	<u>1,185</u>	<u>3,341</u>	<u>20,934</u>	<u>21,155</u>
Total 2017	<u>16,558</u>	<u>1,187</u>	<u>3,410</u>	<u>21,155</u>	

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 £000	Support costs 2018 £000	Total 2018 £000	Total 2017 £000
Education	12,334	8,210	20,544	20,661
Nursery	-	40	40	37
Total 2018	<u>12,334</u>	<u>8,250</u>	<u>20,584</u>	<u>20,698</u>
Total 2017	<u>13,869</u>	<u>6,829</u>	<u>20,698</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £000	<i>2017</i> <i>£000</i>
Depreciation of tangible fixed assets:		
- owned by the charity	746	729
Auditors' remuneration - audit	11	12
Auditors' remuneration - other services	5	4
Operating lease rentals	24	32
	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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11. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £000	2017 £000
Wages and salaries	12,159	12,327
Social security costs	1,028	998
Operating costs of defined benefit pension schemes	3,088	3,026
	<u>16,275</u>	<u>16,351</u>
Agency staff costs	101	193
Staff restructuring costs	32	14
	<u>16,408</u>	<u>16,558</u>

Staff restructuring costs comprise:

	2018 £000	2017 £000
Redundancy payments	26	-
Severance payments	6	14
	<u>32</u>	<u>14</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £6,200 (2017: £14,000). This was one individual payment made on 01 February 2018. There was also non-statutory/non-contractual redundancy payments totalling £5,929. This was to seven individuals.

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**NOTES TO THE FINANCIAL STATEMENTS
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11. STAFF COSTS (continued)

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	517	458
Administration and support	220	195
Management	24	27
	<u>761</u>	<u>680</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	341	311
Administration and support	98	106
Management	23	26
	<u>462</u>	<u>443</u>

d. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	2	0
In the band £80,001 - £90,000	0	2
In the band £100,001 - £110,000	0	1
In the band £110,001 - £120,000	1	0

Four of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018 employer's pension contributions for these staff amounted to £53,779 (2017: £67,349). One of the above employees participated in the Local Government Pension Scheme. During the year ended 31 August 2018 employer's pension contributions for this member of staff amounted to £10,110.

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the executive leadership team as listed on page 1. The total of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £466,622 (2017: £604,364).

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**NOTES TO THE FINANCIAL STATEMENTS
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12. TRUSTEES' REMUNERATION AND EXPENSES

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

		2018	2017
		£000	£000
G Chown	Remuneration	110-115	105-110
	Pension contributions paid	15-20	15-20
H Nicholls	Remuneration		80-85
	Pension contributions paid		10-15

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £685 to 1 Trustees).

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy 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 £250,000 on any one claim and the cost for the year ended 31 August 2018 was £3,260 (2017 - £515).

14. OTHER FINANCE COSTS

	2018	2017
	£000	£000
Interest income on pension scheme assets	214	149
Interest on pension scheme liabilities	(476)	(371)
	(262)	(222)

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**NOTES TO THE FINANCIAL STATEMENTS
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15. TANGIBLE FIXED ASSETS

	Leasehold property £000	Furniture and fixtures £000	Motor vehicles £000	Computer equipment £000	Total £000
Cost					
At 1 September 2017	30,945	570	9	359	31,883
Additions	827	6	-	9	842
Transfer from local authority on conversion	1,282	-	-	-	1,282
At 31 August 2018	33,054	576	9	368	34,007
Depreciation					
At 1 September 2017	1,684	387	5	226	2,302
Charge for the year	585	78	2	81	746
At 31 August 2018	2,269	465	7	307	3,048
Net book value					
At 31 August 2018	30,785	111	2	61	30,959
At 31 August 2017	29,261	183	4	133	29,581

16. STOCKS

	2018 £000	2017 £000
Finished goods and goods for resale	8	4

17. DEBTORS

	2018 £000	2017 £000
Trade debtors	199	7
Prepayments and accrued income	460	767
VAT recoverable	90	197
	749	971

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**NOTES TO THE FINANCIAL STATEMENTS
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18. CREDITORS: Amounts falling due within one year

	2018	2017
	£000	£000
Trade creditors	470	378
Other taxation and social security	263	257
Other creditors	298	293
Accruals and deferred income	528	737
	<u>1,559</u>	<u>1,665</u>
	2018	2017
	£000	£000
Deferred income		
Deferred income at 1 September 2017	323	297
Resources deferred during the year	330	323
Amounts released from previous years	(323)	(297)
Deferred income at 31 August 2018	<u>330</u>	<u>323</u>

At the balance sheet date the academy was holding funds received in advance of the 2018/19 financial year.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
General Funds	-	1,516	(1,379)	-	-	137
Restricted funds						
General Annual Grant	(303)	14,622	(14,397)	78	-	-
Pupil Premium	-	954	(954)	-	-	-
Higher Needs	-	374	(374)	-	-	-
Other DfE/ESFA grants	-	718	(568)	-	-	150
Other government grants	-	691	(691)	-	-	-
ATP sinking fund	85	-	-	-	-	85
Other Restricted	-	17	(17)	-	-	-
Ventrus Teaching School	-	102	(54)	-	-	48
Pension reserve	(10,359)	(958)	(1,358)	-	2,667	(10,008)
	<u>(10,577)</u>	<u>16,520</u>	<u>(18,413)</u>	<u>78</u>	<u>2,667</u>	<u>(9,725)</u>
Restricted fixed asset funds						
Transfer on conversion	14,147	1,282	(281)	-	-	15,148
Transfer on schools joining the trust	13,393	-	(305)	-	-	13,088
Capital expenditure from GAG	219	-	(31)	6	-	194
DfE/ESFA capital grants	1,820	590	(110)	(84)	-	2,216
Other capital grants	582	1,143	(415)	-	-	1,310
	<u>30,161</u>	<u>3,015</u>	<u>(1,142)</u>	<u>(78)</u>	<u>-</u>	<u>31,956</u>
Total restricted funds	<u>19,584</u>	<u>19,535</u>	<u>(19,555)</u>	<u>-</u>	<u>2,667</u>	<u>22,231</u>
Total of funds	<u>19,584</u>	<u>21,051</u>	<u>(20,934)</u>	<u>-</u>	<u>2,667</u>	<u>22,368</u>

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NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (continued)

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

General Annual Grant (GAG)

Income from the ESFA which is to be used for the normal running costs of the academy, including education and support costs.

Pupil Premium

Funding received from the ESFA for children that qualify for free school meals to enable the academy to address the current underlying inequalities between those children and their wealthier peers.

Higher Needs funding

Income received from the Local Authority to fund further support for pupils with additional needs.

Other DfE/ESFA grants

This includes, Universal Infant Free School Meals, Sports funding, rates relief and start up grants.

Other government grants

This includes, Early Years and Nursery Plus funding.

ATP sinking fund

The astroturf pitch at Pilton Community College was part funded by The Big Lottery Fund in 2004. A condition of the grant was to set up a sinking fund to cover the cost of replacing the carpet after approximately 12 years.

Fixed assets transferred on conversion

This represents the buildings and equipment donated to the school from the Local Authority on conversion to an academy.

Transfer on schools joining the trust

This represents buildings and equipment donated to the school from academies joining the trust.

DfE/ESFA capital grants include:

Devolved Formula Capital funding from the ESFA to cover the maintenance and purchase of the academy's assets.

Capital expenditure from GAG

Funds transferred from the restricted GAG fund to purchase fixed assets.

Startup Grant

Funding received from the ESFA for the costs associated with conversion to an academy.

Other capital grants

This includes funding received from the Local Authority for the purchase of the trust's assets.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £000	<i>Total 2017 £000</i>
Bickleigh	33	37
The Duchy	(20)	(46)
Hemyock	103	35
Orchard Vale	339	159
Sampford Peverell	(213)	(230)
Sidbury	(237)	(249)
South Brent	252	228
St Andrew's	2	22
Wilcombe	(64)	(25)
Woodwater	33	(67)
Pilton	(218)	(65)
St David's	68	43
Ashleigh	98	-
Bratton Fleming	40	-
Holywell	41	-
Central	163	(60)
Total before fixed asset fund and pension reserve	<u>420</u>	<u>(218)</u>
Restricted fixed asset fund	31,956	30,161
Pension reserve	(10,008)	(10,359)
Total	<u><u>22,368</u></u>	<u><u>19,584</u></u>

The following academies are carrying net deficits on their portion of the funds as follows:

Name of academy	Amount of deficit £000
The Duchy	(20)
Sampford Peverell	(213)
Sidbury	(237)
Wilcombe	(64)
Pilton	(218)

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (continued)

The Duchy

The Duchy had an in year surplus, the Trust expects the cumulative deficit to be cleared in the next few years.

Sampford Peverell

The school has less than 100 pupils and faces challenges around the number of classes and optimal pupil numbers per class. This is likely to be an ongoing challenge and the Trust is working to find creative solutions.

Sidbury

The school is experiencing growth and continues to suffer from the effects of lagged funding.

Wilcombe

The school is currently disproportionately affected by a significant reduction in the funding for SEND due to the high volume of children who need support in advance of the receipt of the funding. The school is in a deprived area and there is often a requirement to support beyond the GAG funding in terms of meeting their complex needs.

Pilton

The school suffered from overstaffing and an unaffordable curriculum model.

The academy is taking the following actions to return the academies to surplus:

The Duchy

The Duchy had an in year surplus, the Trust expects the cumulative deficit to be cleared in the next few years. A more affordable staffing profile is in place.

Sampford Peverell

The school has a more stable staffing structure, it is likely to face ongoing financial challenge due to size in the current funding model, the Trust will work creatively to try and mitigate this where possible.

Sidbury

The school is experiencing growth and continues to suffer from the effects of lagged funding, the Directors of School Improvement are exploring class structure to mitigate this where possible.

Wilcombe

The school has reviewed and amended its staffing structure and introduced a hub for children with complex needs.

Pilton

The school has a new Head Teacher, it has restructured its TA model and reviewed its curriculum.

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19. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciat- ion £000	Total 2018 £000	Total 2017 £000
Bickleigh	405	170	4	91	670	707
The Duchy	452	175	11	104	742	750
Hemyock	543	161	6	129	839	794
Orchard Vale	962	320	13	188	1,483	1,789
Sampford Peverell	289	119	9	83	500	557
Sidbury	385	149	12	85	631	751
South Brent	580	167	4	135	886	887
St Andrew's	829	312	11	110	1,262	1,295
Wilcombe	699	161	3	127	990	1,082
Woodwater	948	304	6	187	1,445	1,468
Pilton	4,424	1,604	122	692	6,842	7,209
St David's	299	127	4	97	527	581
Ashleigh	112	41	3	8	164	-
Bratton Fleming	30	10	-	2	42	-
Holywell	24	10	-	1	35	-
Central	162	342	2	870	1,376	1,328
	<u>11,143</u>	<u>4,172</u>	<u>210</u>	<u>2,909</u>	<u>18,434</u>	<u>19,198</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2016 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2017 £000</i>
General Funds	624	1,329	(1,953)	-	-	-
Restricted funds						
General Annual Grant	-	14,273	(14,540)	(36)	-	(303)
Pupil Premium	-	897	(897)	-	-	-
Higher Needs	-	516	(516)	-	-	-
Other DfE/ESFA grants	-	611	(611)	-	-	-
Other government grants	-	681	(681)	-	-	-
ATP sinking fund	85	-	-	-	-	85
Pension reserve	(10,469)	-	(1,184)	-	1,294	(10,359)
	<u>(10,384)</u>	<u>16,978</u>	<u>(18,429)</u>	<u>(36)</u>	<u>1,294</u>	<u>(10,577)</u>
Restricted fixed asset funds						
Transfer on conversion	14,425	-	(278)	-	-	14,147
Transfer on schools joining the trust	13,698	-	(305)	-	-	13,393
Capital expenditure from GAG	174	-	(21)	66	-	219
DfE/ESFA capital grants	1,451	534	(135)	(30)	-	1,820
Other capital grants	7	609	(34)	-	-	582
	<u>29,755</u>	<u>1,143</u>	<u>(773)</u>	<u>36</u>	<u>-</u>	<u>30,161</u>
Total restricted funds	<u>19,371</u>	<u>18,121</u>	<u>(19,202)</u>	<u>-</u>	<u>1,294</u>	<u>19,584</u>
Total of funds	<u>19,995</u>	<u>19,450</u>	<u>(21,155)</u>	<u>-</u>	<u>1,294</u>	<u>19,584</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted Fixed Asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	30,961	30,961
Current assets	1,695	283	995	2,973
Creditors due within one year	(1,558)	-	-	(1,558)
Provisions for liabilities and charges	-	(10,008)	-	(10,008)
	<u>137</u>	<u>(9,725)</u>	<u>31,956</u>	<u>22,368</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted Fixed Asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	29,583	29,583
Current assets	1,361	85	578	2,024
Creditors due within one year	(1,361)	(303)	-	(1,664)
Provisions for liabilities and charges	-	(10,359)	-	(10,359)
	<u>-</u>	<u>(10,577)</u>	<u>30,161</u>	<u>19,584</u>

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £000	2017 £000
Net income/(expenditure) for the year (as per Statement of Financial Activities)	117	(1,705)
Adjustment for:		
Depreciation charges	746	729
Dividends, interest and rents from investments	(1)	(3)
Increase in stocks	(4)	(4)
Decrease in debtors	222	516
Decrease in creditors	(111)	(373)
Capital grants from DfE and other capital income	(1,733)	(807)
Defined benefit pension scheme cost less contributions payable	1,096	962
Defined benefit pension scheme finance cost	262	222
Fixed assets from schools joining the trust	(1,282)	-
Pension liability on schools joining the trust	958	-
Net cash provided by/(used in) operating activities	<u>270</u>	<u>(463)</u>

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22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	2017
	£000	£000
Cash in hand	2,219	1,052
Total	2,219	1,052

23. CONVERSION TO AN ACADEMY TRUST

Ashleigh C of E Primary School

On 01 July 2018 Ashleigh C of E Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Ventrus Limited from Devon County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net loss in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds £000	Restricted funds £000	Restricted Fixed Asset funds £000	Total funds £000
Budget surplus/(deficit) on LA funds	75	-	-	75
LGPS pension surplus/(deficit)	-	(485)	-	(485)
Net assets/(liabilities)	75	(485)	-	(410)

The above net liabilities include £75,353 which will be transferred as cash and are currently included in accrued income.

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Holywell C of E Primary School

On 01 August 2018 Holywell C of E Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Ventrus Limited previously Primary Academies Trust from Devon County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net loss in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Budget surplus/(deficit) on LA funds	40	-	-	40
LGPS pension surplus/(deficit)	-	(229)	-	(229)
Net assets/(liabilities)	<u>40</u>	<u>(229)</u>	<u>-</u>	<u>(189)</u>

The above net liabilities include £40,126 which will be transferred as cash and are currently included in accrued income.

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Bratton Fleming Primary School

On 01 August 2018 Bratton Fleming Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Ventrus Limited previously Primary Academies Trust from Devon County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed assets funds £000	Total funds £000
Freehold/leasehold land and buildings	-	-	1,282	1,282
Budget surplus/(deficit) on LA funds	43	-	-	43
LGPS pension surplus/(deficit)	-	(244)	-	(244)
Net assets/(liabilities)	43	(244)	1,282	1,081

The above net assets include £42,679 which will be transferred as cash and are currently included in accrued income.

24. CAPITAL COMMITMENTS

At 31 August 2018 the academy had capital commitments as follows:

	2018 £000	2017 £000
Contracted for but not provided in these financial statements	19	310

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25. PENSION COMMITMENTS

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

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

Contributions amounting to £265,251 were payable to the schemes at 31 August 2018 (2017 - 257,724) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £1,263,263 (2017 - £1,228,757).

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25. PENSION COMMITMENTS (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-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 scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £1,048,000 (2017 - £1,014,000), of which employer's contributions totalled £796,000 (2017 - £770,000) and employees' contributions totalled £252,000 (2017 - £244,000). The agreed contribution rates for future years are 15.4% for employers and 5.5-12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %

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

	2018	2017
Retiring today		
Males	23.5	23.4
Females	25.6	25.5
Retiring in 20 years		
Males	25.8	25.7
Females	28.0	27.9

	At 31 August 2018 £000	At 31 August 2017 £000
Sensitivity analysis		
Discount rate +0.1%	(504)	(462)
Discount rate -0.1%	518	475
Mortality assumption - 1 year increase	658	603
Mortality assumption - 1 year decrease	(637)	(583)
CPI rate +0.1%	458	397
CPI rate -0.1%	(446)	(386)

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25. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equities	7,248	5,715
Gilts	307	237
Corporate bonds	189	191
Property	1,227	973
Cash and other liquid assets	150	182
Alternative assets	497	419
Private equity	99	-
Total market value of assets	<u>9,717</u>	<u>7,717</u>

The actual return on scheme assets was £504,000 (2017 - £815,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £000	2017 £000
Current service cost	(1,887)	(1,727)
Admin expenses	(5)	(5)
Interest income	214	149
Interest cost	(476)	(371)
Total	<u>(2,154)</u>	<u>(1,954)</u>
Actual return on scheme assets	<u>504,000</u>	<u>815,000</u>

Movements in the present value of the defined benefit obligation were as follows:

	2018 £000	2017 £000
Opening defined benefit obligation	18,076	16,783
Current service cost	1,887	1,727
Interest cost	476	371
Employee contributions	252	244
Actuarial gains	(2,377)	(978)
Benefits paid	(201)	(71)
Liabilities assumed on settlements	1,612	-
Closing defined benefit obligation	<u>19,725</u>	<u>18,076</u>

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25. PENSION COMMITMENTS (continued)

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

	2018 £000	2017 £000
Opening fair value of scheme assets	7,717	6,314
Interest income	214	149
Actuarial losses	290	316
Employer contributions	796	770
Employee contributions	252	244
Benefits paid	(201)	(71)
Administrative expenses	(5)	(5)
Settlement prices received/(paid)	654	-
	<u>9,717</u>	<u>7,717</u>
Closing fair value of scheme assets	<u>9,717</u>	<u>7,717</u>

26. OPERATING LEASE COMMITMENTS

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

	2018 £000	2017 £000
Amounts payable:		
Within 1 year	13	24
Between 1 and 5 years	3	16
Total	<u>16</u>	<u>40</u>

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.

28. RELATED PARTY TRANSACTIONS

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

During the year £25,000 - £30,000 was paid to K Rycroft for her services as an employee of St Andrew's Primary School. K Rycroft is the partner of G Chown, CEO and accounting officer of the Academy Trust. At the balance sheet date the amount owed to K Rycroft was £nil.

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29. TEACHING SCHOOL TRADING ACCOUNT

	2018 £000	2018 £000	2017 £000	2017 £000
INCOME				
DIRECT INCOME				
Other income	102		-	
TOTAL INCOME		102		-
EXPENDITURE				
DIRECT EXPENDITURE				
Other direct costs	11		-	
OTHER EXPENDITURE				
Support staff costs	35		-	
Other support costs	8		-	
TOTAL OTHER EXPENDITURE	43		-	
TOTAL EXPENDITURE		54		-
SURPLUS FROM ALL SOURCES		48		-
TEACHING SCHOOL BALANCES AT 1 SEPTEMBER 2017		-		-
TEACHING SCHOOL BALANCES AT 31 AUGUST 2018		48		-

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30. SUBSIDIARY UNDERTAKING

Ventrus Limited is the sole trustee and sole member of Hemyock Pre-School. Hemyock Pre-School is an independent charity (charity number 1030985), operating as an unincorporated association.

During the year Ventrus Limited did not have any guarantees, capital commitments, contingent liabilities, pension commitments or any other financial commitments on behalf of Hemyock Pre-School.

For the year ended 31 August 2018 the financial statements of Ventrus Limited did not include any transactions related to Hemyock Pre-School.

The subsidiary is deemed not to be material to the Academy Trust and as such consolidated accounts for the year ended 31 August 2018 have not been prepared in accordance with the exemption under section 405 of the Companies Act 2006.

	2018	2017
	£000	£000
Turnover	119	107
Cost of sales and administration costs	(122)	(100)
	<u>(3)</u>	<u>7</u>

The aggregate reserves of Hemyock Pre-School for the year ended 31 August 2018 were £40,000 (2017: £43,000).