

**Pontefract Academies Trust**  
**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**Year ended 31 August 2018**

# Pontefract Academies Trust

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## Contents

	<b>Page</b>
Reference and Administrative Details	1
Trustees' Report	2
Governance Statement	15
Statement on Regularity, Propriety and Compliance	22
Statement of Trustees' Responsibilities	23
Independent Auditors' Report on the Financial Statements to the Members of Pontefract Academies Trust	24
Independent Reporting Accountant's Report on Regularity to Pontefract Academies Trust and the Education and Skills Funding Agency	27
Statement of Financial Activities incorporating Income & Expenditure Account	29
Balance Sheet	30
Statement of Cash Flows	31
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	32
Other Notes to the Financial Statements	36

# Pontefract Academies Trust

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## Reference and Administrative Details

<b>Members</b>	U A Murray OBE J Gough J Allinson R Foreman (until 28 September 2018) J A Craig (from 2 May 2018)
<b>Trustees (who are also Directors)</b>	P Jones J Appleyard OBE (Chief Executive & Accounting Officer) ** (appointed 5 March 2018) J A Craig (Chief Executive & Accounting Officer) * ^ (until 4 March 2018) J Gough # J Allinson (until 4 March 2018) M K Brooke # ^ (until 9 April 2018) D Wilkin ^ A Clarke (Chair of the Audit & Risk Committee) # E Shepherd (appointed 2 May 2018) <i># members of the audit &amp; risk committee</i> <i>^ members of the finance &amp; general purposes committee,</i> <i>*staff trustee</i>
<b>Company Secretary</b>	D Samwell
<b>Senior Management Team</b>	Chief Executive Officer & Accounting Officer until 4 March 2018 – J Craig Chief Executive Officer & Accounting Officer from 5 March 2018 - J Appleyard OBE Director of Secondary Education from 1 May 2018 – J Franklin-Smith Executive Headteacher – G Lindley Executive Headteacher until 31 August 2018 – J Parkin Headteacher (Carleton High School) until 31 August 2018 – H Bolton Head of School (Carleton High School) from 1 September 2018 – J Cross Headteacher (Carleton Park J&I School) until 30 June 2018 – R Rowett Head of School (Carleton Park J&I School) from 1 July 2018 – J Ayre Head of School (De Lacy Primary School) until 31 October 2018 – D Dunn Head of School (Halfpenny Lane JI&N School) – J Parkinson Headteacher (Larks Hill J&I School until 31 October 2017 – A Smith Head of School (Larks Hill J&I School) from 11 June 2018 – I Shuttleworth Head of School (Orchard Head JI&N School) – J Vickers Head of School (The King's School) – E Briggs Head of School (The Rookeries, JI&N School) – N Ellwand Director of Finance, Business & Operations – D Samwell
<b>Principal Registered Office</b>	c/o The Barracks Business Centre, Wakefield Road, Pontefract WF8 4HH
<b>Company Registration Number</b>	08445158 (England & Wales)
<b>Independent Auditor</b>	Allotts Business Services Ltd, Chartered Accountants, Registered Auditors, The Old Grammar School, 13 Moorgate Road, Rotherham. S60 2EN
<b>Bankers</b>	Lloyds, 27/28 Stodman Street, Newark, Notts NG24 1AW
<b>Solicitors</b>	Wrigleys Solicitors, 19 Cookridge Street, Leeds. LS2 3AG

# Pontefract Academies Trust

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## Trustees' Report

The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the year from 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 6 primary academies and 2 secondary academies in Pontefract, West Yorkshire. Its academies have a combined pupil capacity of 3,885 (2017: 3,780) and a roll of 3,570 (2017: 3,511) (reception to year 11 pupils) in the school census on January 2018. The Trust also operates nursery provision at three of its primary academies. These academies have a combined nursery capacity of 234 (2017: 234) places and a roll of 140 (2017:149) part-time nursery age children in the school census on January 2018.

## Structure, Governance and Management

### Constitution

Pontefract Academies Trust is a company limited by guarantee and registered at Companies House under registration number 08445158 (England and Wales) and was incorporated on the 14 March 2013. The academies trust, as an exempt charity, is entitled to exactly the same exemptions from UK corporation tax as registered charities.

Pontefract Academies Trust is governed by its memorandum and articles of association. The trustees of the Academies Trust, appointed in accordance with the articles, are the charity trustees and are also the directors of the charitable company for the purposes of company law. The trustees are legally responsible for the governance and management of the Academies Trust.

Details of the trustees who served during the year and up to the date of signing are included in the Reference and Administrative Details on page 1.

### Members' Liability

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

### Members' Indemnities

There have been no qualifying third-party indemnity provisions in place for the period 1 September 2017 to 31 August 2018.

## Method of Recruitment and Appointment of Trustees

The members of the Pontefract Academies Trust are responsible for the appointment of the trustees (who are also directors). The members of the Pontefract Academies Trust are:

- U A Murray OBE
- J Allinson
- J Gough
- R Foreman (until 28 September 2018)
- J A Craig (from 2 May 2018)

All trustees are appointed based upon the contribution they can make to the development and future success of Pontefract Academies Trust. The trustees are assessed for the personal qualities, specific skills and expertise they can provide. All trustees give of their time freely and receive no remuneration other than reasonable expenses, except those trustees who are employees of Pontefract Academies Trust (denoted by an \* on page 1).

## Trustees' Report (continued)

### Policies and Procedures Adopted for the Induction and Training of Trustees

New trustees are inducted into the workings of the Academies Trust by way of mentorship; each trustee is mentored in the areas of board policy and procedure as well as mission and ethos. The induction period allows new trustees to fully understand how the organisation operates and the various committees, which are used to assist in governance. Resources and training are made available for trustees who wish to develop a more detailed understanding of their role and the work of the board of trustees.

### Organisational Structure

Pontefract Academies Trust included the following academies for the period ended 31<sup>st</sup> August 2018:

<u>Academy Name</u>	<u>Date Joined</u>	<u>Academy Type</u>
Carleton High School	1st April 2013	Secondary
Carleton Park J&I School	1st December 2013	Primary
De-Lacy Primary School	1st October 2013	Primary
Halfpenny Lane JI & N School	1st April 2013	Primary
Larks Hill J & I School	1st April 2013	Primary
Orchard Head JI & N School	1st April 2013	Primary
The King's School	1st April 2013	Secondary
The Rookeries JI & N School	1st April 2013	Primary

Pontefract Academies Trust supports all its academies through an experienced board of trustees who are responsible for identifying and establishing strategies and policies and for ensuring that these are implemented throughout the organisation. To assist with this, work the trustees have established an Audit and Risk Committee and a separate Finance and General Purposes Committee.

Each sub-committee has a detailed framework (terms of reference) for the operation of the committee and the extent of its remit. All committee terms of reference are reviewed and agreed on an annual basis by the board of trustees. In addition to the terms of reference the board of trustees have a detailed scheme of authority for effective and efficient decision making for sub-committees and senior staff throughout Pontefract Academies Trust.

Pontefract Academies Trust also operates School Governance Committees (SGCs) who report to the Pontefract Academies Trust Board of Trustees. The governance structure of each Academy and SGC is determined by the Trust Governance Policy and Scheme of Delegation.

Governance at Academy level includes the establishment of committees for pay and behaviour and the nomination of individual governors to take responsibility for key areas of focus. Each SGC is required to have a minimum of two parent governors.

### Arrangements for setting pay and remuneration of key management personnel

The pay arrangements for the Chief Executive Officer and other Executive Leaders were made on their appointment following a review of the market rate for similar sized multi academy trusts outside the London area. Annual increases based on successful performance management outcomes will be determined by the non-executive Trustees for the Chief Executive Officer and the Chief Executive Officer for other Executive Leaders. In all instances the requirements of the Academies Financial Handbook will be followed.

The pay arrangements for Executive Headteachers and Heads of School will be in accordance with the School Teacher Pay and Conditions Document.

# Pontefract Academies Trust

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## Trustees' Report (continued)

### Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy Trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations. The information to be published consists of four tables covering:

#### Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
0	0

#### Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0

#### Percentage of pay bill spent on facility time

Provide the total cost of facility time	0
Provide the total pay bill	0
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0

#### Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:  (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0
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### Related Parties and other Connected Charities and Organisations

During part of the year Pontefract Academies Trust has actively worked with the following organisation in furtherance of its charitable purpose:

- Pontefract Education Trust 07533785 (England and Wales)

Pontefract Education Trust was formed in February 2011 and comprised a collective working partnership of Pontefract Schools, including those which have now transferred into the Pontefract Academies Trust. The Pontefract Education Trust ceased operations at 31 December 2017.

The accounts of Pontefract Education Trust have not been consolidated into those of the Pontefract Academies Trust due to the insignificant levels of financial activity during the year of account.

During the year of account, Pontefract Academies Trust has provided administration and co-ordination support including office space to Pontefract Education Trust at full cost recovery totalling £7,286 (2017: £22,184).

## Trustees' Report (continued)

### Mission and Vision

The Pontefract Academies Trust renewed its mission and vision during the year to:

- **Mission** - Running top-quality, high-achieving schools that give our children and young people the chance in life they deserve.
- **Vision** - Where every child and young person makes outstanding progress.

### Employees and disabled persons

Pontefract Academies Trust is committed to ensuring equality of opportunity for all who learn and work in the organisation. The Trust respects and values positively differences in race, gender, sexual orientation, ability, class and age. It strives vigorously to remove conditions, which may place people at disadvantage and we actively combat bigotry.

The Trust considers all application forms from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the Trust continues. The Trust's policy is to provide training, career development and opportunities for promotion, which are as far as possible, identical to those for other employees.

### Objectives and Activities

#### Objects and Aims

In accordance with the articles of association, the principal objects and activities of the charitable company are 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 ("the Academies") offering a broad and balanced curriculum;
- develop the capacity and skills of the areas where the Company runs the Academies and the surrounding areas those inhabitants of who are socially and economically disadvantaged in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society;
- relieving unemployment in areas where the Company runs the Academies and the surrounding areas for the benefit of the public in such ways as may be thought fit, including assistance to find employment;
- advancing the health of the inhabitants of the areas where the Company runs the Academies; and providing recreational and leisure time facilities in the interests of social welfare for the inhabitants of the areas where the Company runs the Academies and the surrounding areas especially those who have need of such facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances.

### Objectives, Strategies and Activities

The specific objectives of the Pontefract Academies Trust during the year ending 31 August 2018 were as follows:

- Raise aspirations, unlock potential and work to achieve excellence through encouraging a 'can do' culture which nurtures confident and competent people
- Provide an entitlement to innovative, rich, relevant, stimulating and balanced curriculum opportunities, which develop the whole person and are effectively delivered through excellent teaching, which motivates, inspires, engages and empowers our learners for life
- Develop effective leadership and employ highly skilled staff, who will share their experience across the Trust and provide effective professional development;

## Trustees' Report (continued)

### Objectives and Activities (continued)

#### Objectives, Strategies and Activities (continued)

- Bring together expertise within and beyond the Pontefract Academies Trust to address individual and collective challenges and aspirations and to identify common approaches for implementing initiatives
- Continue to acknowledge the importance of the family unit as key stakeholders in championing their child's achievements and engage them along with other partners and groups to support a seamless and successful progression, particularly at key transition points for our learners
- Continue to give high regard to statutory and regulatory requirements, developing best practice systems and governance.

The progress against the above strategic objectives are measured in the Pontefract Academies Trust Strategic Report, Achievements and Performance.

#### Public Benefit

In setting the Pontefract Academies Trust objectives and planning its activities, the trustees have given careful consideration to and have complied with the Charities Act 2011 and the Charity Commission's general guidance on public benefit and to its supplementary public benefit guidance on advancing education.

#### Financial Objectives

Pontefract Academies Trust financial objectives were:

- to achieve an annual operating surplus;
- to ensure that resources were appropriately targeted;
- to generate sufficient levels of income to support the asset base of the Academies Trust

## Strategic report

### Achievements and Performance

The last year has seen the Trust continue to hold a portfolio of schools with mixed educational performance. Carleton High School continues to undergo Ofsted monitoring visits as a result of its status as a special measures school. Effective action is being taken to move the school from special measures. The King's School was judged good by Ofsted during this period. The overall performance of the primary academies positioned the Trust below national average overall in terms of primary academic performance.

During the year the Trust Board's focus was on strengthening the capacity of the Trust, primarily through a review of the leadership structure of the Trust and its strategic plan. Accordingly, the Trust made a number of appointments at leadership level aimed at strengthening the capacity of the Trust to generate greater levels of consistency across the organisation, to strengthen the school improvement offer to its schools and strengthen governance and oversight routines. These included the appointment of a new CEO with experience of leading an outstanding institution and two other Trust-level appointments. These appointments were made to accelerate the performance outcomes of the schools, raise professional standards across the Trust and position the Trust for growth in the medium term. The latter half of the year has seen several appointments in school senior leadership teams, including four appointments at Head of School level.



## Trustees' Report (continued)

### Strategic Report (continued)

#### Key Performance Indicators

#### Ofsted Outcomes

All six primary schools within the Trust received their first Section 5 inspection during the 2014-15 period and the two secondary schools received their second inspections during the 2016-17 period.

	Overall Effectiveness			Latest Inspection Outcomes (2014-15)					
	2008 - 11	2011 -13	2014 -15	Overall Effectiveness	Leadership & Management	Achievement Of Pupils	Quality Of Teaching	Behaviour & Safety	Early Years
<b>Primary Academies</b>									
Carleton Park*	4	3	2	2	2	2	2	2	2
De Lacy*	3	4	2	2	2	2	2	2	2
Halfpenny Lane	2	3	2	2	1	2	2	1	2
Larks Hill	2	2	2	2	2	2	2	2	2
Orchard Head	4	3	2	2	2	2	2	2	1
The Rookeries	4	3	2	2	2	2	2	2	2
<b>Secondary Academies</b>									
<b>Latest Inspection Outcomes (2016/17)</b>									
Carleton High	2	3	3	4	4	3	3	3	n/a
The King's	2	-	3	2	2	2	2	2	n/a

1-Outstanding; 2-Good, 3-Requires Improvement, 4-Inadequate \*Sponsored Academies

#### Academic Performance

Pontefract Academies Trust achievement and performance for 2017/18 presented a variable profile of academy performance.

In the secondary division of the Trust, The King's School had a successful year with 68% gaining 4+ Basics (standard pass) and 45% gaining 5+ Basics (strong pass). The school achieved a Progress 8 figure of +0.23 placing it above average nationally. The last Ofsted inspection in 2017 judged that the school for overall effectiveness was good.

Carleton High School was placed in special measures at its last inspection in January 2017. The school achieved a Progress 8 score of -0.29; 63% of pupils gained 4+ Basics (standard pass) and 42% 5+ Basics (strong pass). The school is currently being monitored by Ofsted and has received four monitoring visits at the time of signing with a full section 5 inspection by autumn 2019.

## Trustees' Report (continued)

### Strategic Report (continued)

#### Key Performance Indicators (continued)

The six primary academies achieved a mixed range of outcomes during the last year as indicated in the table below.

<b>Key Stage 2 2018 outcomes</b> <b>%age at age expected and above (greater depth)</b>				
<b>School</b>	<b>Reading</b>	<b>Writing</b>	<b>Maths</b>	<b>Combined outcomes</b>
Carleton Park	63%	77%	67%	57%
Carleton Park (Greater depth)	13%	36%	71%	0%
De Lacy	39%	57%	39%	15%
De Lacy (Greater depth)	7%	7%	0%	0%
Halfpenny Lane	67%	72%	78%	59%
Halfpenny Lane (Greater depth)	26%	11%	24%	5%
Larks Hill	69%	83%	69%	62%
Larks Hill (Greater depth)	28%	21%	14%	10%
Orchard Head	69%	69%	62%	60%
Orchard Head (Greater depth)	18%	22%	20%	9%
The Rookeries	71%	77%	77%	71%
The Rookeries (Greater depth)	6%	6%	3%	0%

<b>Key Stage 1 2018</b> <b>%age at age expected and above (greater depth)</b>				
<b>School</b>	<b>Reading</b>	<b>Writing</b>	<b>Maths</b>	<b>Combined outcome</b>
Carleton Park	67%	67%	70%	63%
Carleton Park (Greater depth)	23%	17%	23%	7%
De Lacy	63%	56%	66%	42%
De Lacy (Greater depth)	17%	10%	17%	10%
Halfpenny Lane	71%	67%	75%	65%
Halfpenny Lane (Greater depth)	22%	10%	22%	7%
Larks Hill	87%	80%	87%	80%
Larks Hill (Greater depth)	30%	20%	33%	20%
Orchard Head	73%	67%	71%	62%
Orchard Head (Greater depth)	18%	16%	20%	8%
The Rookeries	82%	64%	76%	61%
The Rookeries (Greater depth)	21%	9%	27%	9%

## Trustees' Report (continued)

### Strategic Report (continued)

#### Key Performance Indicators (continued)

Early Years 2018 outcomes	
School	%age of pupils at expected or exceeding 'Good Levels of Development'
Carleton Park	69%
De Lacy	63%
Halfpenny Lane	73%
Larks Hill	83%
Orchard Head	80%
The Rookeries	78%

Phonics 2018 outcomes	
School	% age of pupils at the expected standard
Carleton Park	75%
De Lacy	67%
Halfpenny Lane	85%
Larks Hill	77%
Orchard Head	67%
The Rookeries	74%

#### Going Concern

After making appropriate enquires, the board of trustees has a reasonable expectation that the academies trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

#### Financial Review

Pontefract Academies Trust income is derived in the main from the Department for Education (DFE) via the Education and Skills Funding Agency (ESFA) in the form of revenue and capital grants, the use of which is restricted to particular purposes. The grants received from the ESFA and other sources during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academies Trust also receives an element of funding for the acquisition and replacement of fixed assets from the ESFA. In accordance with the charities statement of recommended practice, "Accounting and Reporting by Charities" (SORP 2015), such grants are shown in the statement of financial activities as restricted incoming resources within the fixed asset fund. The restricted fixed assets fund is reduced by annual depreciation charges over the expected useful life of the assets concerned.

## Trustees' Report (continued)

### Financial Review (continued)

Incoming resources during the year ended 31 August 2018 totalled £20.3 million (2017: £20.6 million) and were not sufficient to cover resources expended and provided a deficit of £1.0 million (2017: deficit £0.8 million) before transfers and other recognised gains and losses.

The net book value of tangible fixed assets was £28.1 million (2017: £27.9 million); movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were exclusively for providing educational and associated support services to pupils and the community.

During the year ended 31 August 2018 the academies trust continued to allow all new staff the opportunity to join one of two pension schemes, Teachers Pension Scheme (TPS) or West Yorkshire Local Government Pension Scheme. Both of the pension funds are defined benefit schemes. A more detailed explanation of each pension scheme can be found in note 27.

In comparison, it is possible to account for the assets and liabilities of the Local Government Pension Scheme (LGPS) as shown in the statement of financial activities and note 27. The West Yorkshire Local Government Pension Scheme currently provides for a deficit balance of £4.1 million (2017: £4.9 million).

### Financial Position

The Academies Trust held fund balances at 31 August 2018 of £25.9 million (2017: £25.4 million) comprising £28.2 million (2017: £28.2 million) of restricted fixed assets, restricted income funds of £0.6 million (2017: £0.9 million), unrestricted income fund balances of £1.1 million (2017: £1.1 million) and a pension reserve deficit of £4.1 million (2017: £4.9 million).

### Reserves Policy

Pontefract Academies Trust has established a reserves policy to protect the organisation and its charitable activities by providing a financial cushion against an unpredictable future. This restricts the impact of any risk (internal or external) upon continuing operations. The principal risk regarding continuing operations and the need for surpluses relate to the maintenance and replacement of the charity's substantial asset base and any possible delay in the receipt of grant funds. The reserves policy also provides the framework for future strategic planning and will assist decision-making.

The reserves policy establishes what is believed to be an appropriate target range for reserves held and will be reviewed on an annual basis.

#### Reserves (Non-Capital)

The trust targets to hold a minimum of £1m in unrestricted and restricted reserves to provide sufficient working capital to cover delays between spending and receipt of funds and to provide a cushion to deal with unforeseen events. The Trust intends to use amounts above this to support significant capital investment priorities required to maintain safe, secure, and positive learning environments.

#### Reserves (Capital)

The fixed asset fund represents

- the net book value of fixed assets (£28.1m) which can only be realised through sale following any necessary approvals from the ESFA.
- unspent capital grants (£0.1m) which will be spent in accordance with grant conditions.

Details of the restricted funds held by the Academies Trust are set out in note 18 of the attached financial statements.

## Trustees' Report (continued)

### Financial Review (continued)

#### Reserves Policy

##### Pension Reserve

The presence of a pension surplus or deficit does not constitute an immediate liability or realisable asset and does not mean the equivalent amount is already committed or no longer available.

The presence of a pension surplus or deficit will generally result in a cash flow effect for the trust in the form of an increase or decrease in employers' pension contributions over a period of years. The trust is confident that it can meet the required pension contributions from projected future income without significantly impacting its planned level of activities. The risks surrounding Pontefract Academies Trust pension liability have been taken into consideration when preparing the annual budgets therefore we continue to calculate our reserves without setting aside a designated reserve to cover the pension liability.

#### Investment Policy

The Trust policy is to ensure that security takes precedence over revenue maximisation and that all investment decisions are in the best interests of the Trust. As such capital volatility will not be tolerated and assets will be invested to minimise risk. The Trust's assets will only be held in cash investments denominated in sterling for a maximum of 364 days. The Trust's cash balances will only be deposited with eligible UK banks or building societies assessed by their credit ratings.

### Principal Risks and Uncertainties

Pontefract Academies Trust faces a broad spectrum of risks and uncertainties within its complex operating environment. The principal risks are summarised below:

- outcomes for children – children not making progress in line with or above national expectations. This is mitigated through effective, regular monitoring of pupil progress data and instigating interventions when progress is not rapid enough.
- funding uncertainties – reductions in future funding allocations from the government. This is mitigated through the ongoing review and update of medium-term financial plans embedded within organisational decision making.
- physical and infrastructure - relating to the risk of flooding, fire or explosion or loss of utilities, heat, lighting catering etc. This is mitigated through the completion of fire assessments, health and safety procedures and reinstatement costs covered through insurance policies.
- governance risks - academies fail to attract potential new Governors. This is mitigated through effective governor recruitment from a range of sectors and the provision of effective information and training.
- staffing - the risk of losing key staff, gradually or suddenly due to illness. This is mitigated through cover policies, and business continuity plans.
- Safeguarding – that a child comes to harm in one of our schools. This is mitigated through robust safeguarding practices to ensure that adults who work in our schools, including volunteers, do not pose a risk to children.
- Technological Risk – the risk of a cyber security breach to our systems results in loss of information or fraud. This is mitigated through the ongoing review of information security practices and systems updates.

Pontefract Academies Trust has been proactive in identifying and managing these risks and uncertainties to mitigate their impact.

## Trustees' Report (continued)

### Principal Risks and Uncertainties (continued)

#### Risk Management

The trustees have a fundamental role to play in the management of risk; trustees set the tone and influence the culture of risk management within the organisation. The board of trustees is responsible for determining whether Pontefract Academies Trust is risk taking or risk averse, as a whole or on any relevant individual issue. It is also responsible for determining which types of risk are acceptable and which are not and to set the standards and expectations for staff with respect to conduct and probity. The trustees will also determine the risk appetite and exposure for the Pontefract Academies Trust. Any issues which affect the Academies Trust's risk profile or exposure are to be approved by the board of trustees. The trustees annually review the Trust's approach to risk management and approve changes or improvements to key elements of its processes and procedures. The trustees also seek to minimise the risk exposure by ensuring that appropriate policies and procedures exist to manage any such risk. Where risk cannot be eliminated or reduced to sufficiently acceptable levels the trustees have ensured that adequate insurance cover has been provided.

The system of internal control incorporates risk management. The system encompasses a number of elements that together facilitate an effective and efficient operating environment, enabling the Academies Trust to respond to a variety of operational, financial and commercial risks. These elements include:

- **Policies and procedures**  
Attached to significant risk are a series of policies that underpin the internal control process. The policies are set by the trustees and implemented by the senior management team across Pontefract Academies Trust.
- **Strategic planning and budgeting**  
The strategic planning and budgeting process is used to set objectives, agree action plans, and allocate resources. Progress towards meeting strategic objectives is monitored regularly by the board of trustees.
- **Risk management policy and procedures**  
The Risk Management Policy and procedures set out the framework for risk identification, measurement of impact, probability of occurrence and mitigating control measures. This framework provides a consistent approach to risk management and monitoring across the Trust.

#### Fundraising

The Trust recognises its responsibilities under the Charities (Protection and Social Investment) Act 2016.

Fundraising from the public represents a minimal part of the income to the Trust and is restricted to:

- Events held on school premises such as school fairs or non-uniform days, in most cases these events will raise funds to support school spending, however, in some cases they will be organised to raise funds for other national charities which benefit children such as Children in Need and Comic Relief.
- Requests for voluntary donations to support school activities such as trips.

All income from fundraising is received and controlled in accordance with the Trust Financial Regulations and Scheme of Delegation. Where funds are raised on behalf of other national charities, they are paid to the charities following the fundraising event.

Any complaints relating to the Trust fundraising activities are dealt with the Trust complaints procedures. The Trust follows government guidance in relation to its policies on charging and remissions, this provides a framework of operation to ensure our disadvantaged pupils/students are not prevented from undertaking particular activities on the basis of ability to make a voluntary donation.

## Trustees' Report (continued)

### Plans for future periods

The Trust has agreed a High-Level Strategic Plan which sets out its values and guiding principles delivered through key strategic objectives:

#### Achievement without Excuses

- Deliver improved academic results placing all secondary schools on a trajectory to be in the top 25% of schools nationally for progress.
- Deliver improved academic results so that all primary schools achieve the expected national standards in reading, writing and maths at KS2, with the majority of schools achieving above.

#### Our people matter

- Ensure that our schools are increasingly positive learning environments that support the well-being of everyone in them, characterised by high and increasing standards of behaviour, safety, security, inclusion and attendance.
- Establish a high calibre Executive Leadership Team across the Trust that is aligned with our vision, values and guiding principles and that is capable of driving radical improvement in standards and growth in the Trust.
- Establish a focused teacher improvement programme to enhance the skill base of teachers at all levels across the Trust along with a leadership development programme for current and aspiring middle and senior leaders.

#### Excellence as standard

- Position all our schools to be rated as at least good by 2020, as characterised by the Ofsted Common Inspection Framework and the Trust's self-evaluation framework.
- Operate effective financial controls, outperforming the bottom-line budget and ensuring a clean bill of health in respect of audit and compliance filings.
- Establish a Trust-wide management framework that includes a Board approved Strategic Plan that cascades efficiently and effectively into each individual academy improvement plan, the performance and appraisal of our people and the management reporting arrangements.

#### Pupils come first

- Reinforce the priority of our frontline teachers creating high quality learning environments for our children and young people by establishing:
  - a significantly upgraded behaviour for learning system; and
  - a Trust-wide teaching and learning model that shares and develops teaching excellence and addresses variability

#### Stronger as one

- Establish improved arrangements by which school leadership teams are held to account by local stakeholders
- Position the Trust for growth in the medium term through building capacity in advance and future proofing our centralised function/services

### Funds held as Custodian Trustee on Behalf of Others

The Trust does not hold any funds as custodian trustee on behalf of others at the date of signing.

## Trustees' Report (continued)

### Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make them themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Allotts Business Services Ltd has expressed their willingness to continue in office as auditors to the Trust.

Trustees' report, incorporating a strategic report, approved by order of the members of the board of trustees, as the company directors, on 14 December 2018 and signed on its behalf by:



**Phil Jones**

**Chair of Trustees**



## Governance Statement

### Scope of Responsibility

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

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

### Governance

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

Trustee	Meetings attended	Out of a possible
P Jones (Chair)	6	6
J Appleyard OBE (CEO and accounting officer) (appointed 5 March 2018)	3	3
J A Craig (CEO and accounting officer) (until 4 March 2018)	3	3
J Gough	6	6
J Allinson (until 4 March 2018)	3	3
M K Brooke (until 9 April 2018)	4	4
D Wilkin (Vice Chair)	5	6
A Clarke	4	5
E Shepherd (appointed 2 May 2018)	2	2

The following changes to the board of trustees have been made during the period:

#### Appointments:

Trustee	Date of Appointment
J Appleyard OBE (CEO and accounting officer)	5 March 2018
E Shepherd	2 May 2018

#### Resignations:

Trustee	Date of Resignation
J A Craig (CEO and accounting officer)	4 March 2018
J Allinson	4 March 2018
M K Brooke	9 April 2018

The Board of Trustees key responsibilities are to:

- Ensure the quality of educational provision.
- Challenge and monitor the performance of the Trust.
- Manage the Academy Trust's finances and property.
- Exercise reasonable skill and care in carrying out their duties.

## Governance Statement (continued)

### Governance (continued)

- Ensure that the Trust complies with charity and company law.
- Operate the Trust and its academies in accordance with the Funding Agreement that has been signed with the Secretary of State

The Trust Board commenced an evaluation of its work and its governance structures during summer 2018, the outcome of this work will inform any changes proposed during academic year 2018/19.

The **audit and risk committee** is a sub-committee of the main board of trustees. Its purpose is to:

- ensure that the internal control systems and the arrangements for risk management, control and governance processes of Pontefract Academies Trust are independently, objectively and actively monitored
- reinforce the independence and effectiveness of the internal audit function, providing an independent medium of communication with the Pontefract Academies Trust auditors.

The audit and risk committee have reviewed and recommended to the board of trustees updates to the following policies during the period of account:

- Risk Management Policy and Procedures
- Asbestos Policy and Plan
- Information Governance Policy
- Information Security Policy
- Internal Audit Plan of work

The Audit and Risk Committee considered the recommendations and monitored actions arising from independent reviews of:

- Safeguarding
- Strategic Financial Planning
- Financial Controls
- Internal Audit Recommendations Follow up review
- Fire Risk Assessment

The audit and risk committee continue to self-evaluate their performance against the Charity Commission Deloitte's Publication – audit and risk committee self-assessment.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Clarke	3	3
J Gough	6	6
M K Brooke(independent from 10 April 2018)	6	6
P G Morris(independent)	4	6

The **finance and general purposes committee** is a sub-committee of the main board of trustees. Its purpose is to:

- Consider policies and procedures to ensure that the Trust maintains proper accounts and related records.
- Consider and monitor the Trust's financial plans to ensure they reflect the corporate and strategic plans of the Trust.

## Governance Statement (continued)

### Governance (continued)

The finance and general purposes committee have reviewed the annual budget proposals and management accounts during the period of account.

The finance and general purposes committee have monitored key financial information during the year and considered the medium-term financial plans as part of the budget approval process.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
M K Brooke (independent from 10 April 2018)	5	5
D Wilkin	5	5
J Appleyard OBE	2	2
J A Craig	3	3

The **school governance committees** operating in each school are also sub-committees of the trust board. They support the work of the trust board by mainly monitoring, supporting and challenging their school to promote educational improvement and positive relationships with families and pupils/students.

The attendance at each school local governing body during the year was as follows:

Carleton High School –School Governors	Meetings attended	Out of a possible
E Shepherd (Chair) (from 6 October 2017	5	6
D Wilkin (from 8 May 2017)*	7	7
J Gough (until 31 August 2018)	6	7
J Franklin-Smith (ex-officio) (from 1 May 2018)	1	1
J Cross (ex-officio) (from 1 September 2018)	0	0
H Bolton (ex-officio) (until 31 August 2018)	6	7
L Dale (from 19 March 2018)	1	2
M Engstrom (from 19 March 2018)	1	2
R Gibbins (from 1 September 2018)		
M Colley (until 31 December 2017)	2	3
A Eastell (from 4 December 2017 until 31 August 2018	1	3
J Craig (CEO)* (until 4 March 2018)	5	5
D Samwell (CFO) (until 6 October 2017)	1	1

Carleton Park J&I School – School	Meetings attended	Out of a possible
C Burgess-Tupling (Interim Chair) until 16 November 2018)	4	6
D Wilkin (until 24 August 2018)	6	6
R Rowett (ex-officio) (until 30 June 2018)	3	5
J Ayre (ex-officio) (from 1 July 2018)	1	1
R Amery (until 31 August 2018)	4	6
R Gibbins (until 31 August 2018)	3	6
J Gough (until 31 August 2018)	5	6
D J Leigh	2	6
N Loynes	3	6
R Simmons	5	6

## Governance Statement (continued)

### Governance (continued)

#### De Lacy Primary School – School Governors

	Meetings attended	Out of a possible
J Beevers (Chair)	7	7
T Hollies	5	7
D Dunn (ex-officio) (from 1 September 2017) until 31 October 2018)	7	7
J Parkin (ex-officio) (until 31 August 2018)	5	7
A Birch (until 31 August 2018)	5	7
J Allinson (until 3 March 2018)	4	4
J Craig (CEO) (until 3 March 2018)	4	4
J Gough (until 31 August 2018)	7	7
S Asquith	2	7

#### Halfpenny Lane JI&N School – School Governors

	Meetings attended	Out of a possible
T Craven (Chair)	5	5
J Allinson (until 19 March 2018)	3	4
J Parkinson (ex-officio) (from 1 September 2017)	5	5
G Lindley (ex-officio) (until 31 August 2018)	5	5
I Brown (from 6 October 2017 until 31 August 2018)	2	4
L Hodgett	5	5
A Small (nee Dransfield) (from 19 March 2018)	2	2
C Twist (from 19 March 2018)	2	2
D Harrison (from 19 March 2018)	1	2
I Singh (until 29 January 2018)	1	2
C Westerman (until 18 September 2017)	0	0

#### Larks Hill J&I School – School Governors

	Meetings attended	Out of a possible
G Miller (Chair)	6	6
D Malkin (from 6 October 2017)	3	5
A Smith (ex-officio) (until 31 October 2017)	1	1
R Rowett (ex-officio) (from 1 November 2017 until 10 June 2018)	2	3
I Shuttleworth (ex-officio) (from 11 June 2018)	2	2
J Parkin (ex-officio) (until 31 August 2018)	6	6
T Thacker	2	2
S Conroy	5	6
A Dee	5	6
A Hutchinson (until 28 September 2018)	6	6
J Page	5	6
K Tyson (until 22 September 2017)	0	0

## Governance Statement (continued)

### Governance (continued)

#### Orchard Head JI&N School – School Governors

	Meetings attended	Out of a possible
K Byram (until 31 August 2018)	4	5
C Percival (until 31 August 2018)	5	5
J Vickers (ex-officio) (until 31 August 2018)	5	5
Sir W O'Brien (until 31 July 2018)	0	4
C Moore	4	5
F Richardson	4	5

#### The Rookeries J&IN School – School Governors

	Meetings attended	Out of a possible
M Neden (Chair)	5	6
M Farrell	6	6
N Ellwand (ex-officio)	6	6
G Lindley (ex-officio until 31 August 2018)	6	6
A Knee	4	6
A Johnson	6	6
A Sharp	4	6
M White (until 22 September 2017)	0	0

#### The King's School – School Governors

	Meetings attended	Out of a possible
S Kaye (Chair)	4	5
A Newport (until 31 August 2018)	4	5
E Briggs ex-officio	5	5
J F Smith (from 1 May 2018)	0	1
E Shepherd (from 6 October 2017 to 31 August 2018)	1	4
D Wilkins	4	5
K Anderson (until 31 August 2018)	2	5
J Gough (until 31 August 2018)	4	5

## Review of Value for Money

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

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

- The phased implementation across schools of an Executive Headteacher and Head of School model providing strategic support to schools in delivering operation plans to support increased pace of school improvement activities and coaching and development of current and future school leaders.
- The packaging of window and door scheme across the two secondary schools and improvements to fire barrier and detection systems across the primary schools as part of the School Capital Allocation

## Governance Statement (continued)

### Review of Value for Money

resulted in efficiency savings by virtue of undertaking only one procurement process, and cost savings due to the economies of scale which achieved an improved contract price.

- The packaging of IT investment resulted in efficiency savings by virtue of undertaking only one procurement process, and cost savings due to the economies of scale which achieved an improved contract price

### The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academies Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Pontefract Academies Trust 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 Academies Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academies Trust'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 Academies Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint RSM UK to undertake a programme of internal audit from summer 2017. The Internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included testing of:

- Safeguarding
- Strategic Financial Planning

## Governance Statement (continued) The Risk and Control Framework (continued)

- Financial Controls
- Internal Audit Recommendations Follow up review

The auditor reports to the board of trustees, through the audit and risk committee on the operation of systems of control and on the discharge of the board of trustees' financial responsibilities.

### Review of Effectiveness

As accounting officer the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by the work of RSM UK and also the work of the Director of Finance, Business and Operations who has responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of areas for improvement and the audit and risk committee are making plans to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 14 December 2018 and signed on its behalf by:



**Phil Jones**  
Chair of Trustees



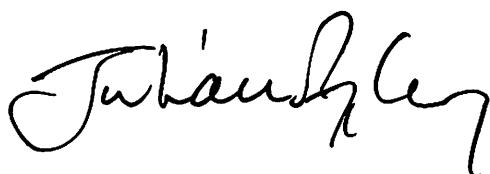
**Julian Appleyard OBE**  
Accounting Officer

## Statement on Regularity, Propriety and Compliance

As accounting officer of Pontefract Academies Trust I have considered my responsibility to notify the Academies Trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of all funding received by the Academies Trust, under the funding agreement in place between the Academies 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 Academies Trust board of trustees are able to identify any material irregular or improper use of funds by the Academies Trust, or material non-compliance with the terms and conditions of funding under the Academies 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.



**Julian Appleyard OBE**  
Accounting Officer



## Statement of Trustees' Responsibilities

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

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

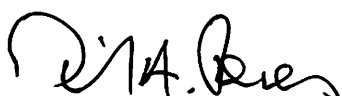
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 14 December 2018 and signed on its behalf by:



**Phil Jones**

Chair of Trustees

## Independent Auditor's Report on the Financial Statements to the Members of Pontefract Academies Trust

### Opinion

We have audited the financial statements of Pontefract Academies Trust (the 'charitable company') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including 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 and Skills Funding Agency (ESFA).

In our opinion the financial statements:

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

### Basis for opinion

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

### Conclusions relating to going concern

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

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

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors 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.

## Independent Auditor's Report on the Financial Statements to the Members of Pontefract Academies Trust (continued)

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 Report of the Trustees (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Trustees' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Trustees' report.

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

- adequate accounting records have not been kept 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 charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Our 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 a Report of the Independent Auditors 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 <https://www.frc.org.uk/auditorsresponsibilities>.

This description forms part of our Report of the Independent Auditors.

## Independent Auditor's Report on the Financial Statements to the Members of Pontefract Academies Trust (continued)

### Use of our report

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



Mark Garrison BCom FCA DChA (Senior Statutory Auditor)  
for and on behalf of Allotts Business Services Ltd, Statutory Auditor  
Chartered Accountants  
The Old Grammar School  
13 Moorgate Road  
Rotherham  
South Yorkshire  
S60 2EN

14 December 2018

## **Independent Reporting Accountant's Assurance Report on Regularity to Pontefract Academies Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 4 September 2017 and further to the requirements of the Education and 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 Pontefract Academies Trust 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 Pontefract Academies Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Pontefract Academies Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Pontefract Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Pontefract Academies Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Pontefract Academies Trust's funding agreement with the Secretary of State for Education dated 27 March 2013 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 period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

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

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

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

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

The work undertaken to draw our conclusions includes:

- Enquiry of officers of the Academies Trust
- Review and testing of income and expenditure for compliance with the funding agreements, the Academies Financial Handbook and the academy's system of controls.
- Examination of relevant documents
- Review of the activities carried out by the Academies Trust
- Review of the delegated authorities set out in the Academies Financial Handbook

### **Conclusion**

## **Independent Reporting Accountant's Assurance Report on Regularity to Pontefract Academies Trust and the Education and Skills Funding Agency**

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 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant  
Allotts Business Services Limited  
Chartered Accountants  
The Old Grammar School  
13 Moorgate Road  
Rotherham  
South Yorkshire  
S60 2EN

14 December 2018

## Statement of Financial Activities for the year ended 31 August 2018 (including Income and Expenditure Account)

		Unrestricted	Restricted	Restricted		
		Funds	General	Fixed	2017/18	2016/17
	Notes	£000	Funds	Asset	Total	Total
		£000	£000	Funds	£000	£000
<b>Incoming and endowments from:</b>						
Donations and capital grants	2	6	44	594	644	926
Charitable activities:						
Funding for the academy trust's educational operations	3	522	18,861	-	19,383	19,264
Other trading activities	4	118	155	-	273	379
Investments	5	2	-	-	2	2
<b>Total</b>		<b>648</b>	<b>19,060</b>	<b>594</b>	<b>20,302</b>	<b>20,571</b>
<b>Expenditure on:</b>						
Raising funds	6	76	65	-	141	150
Charitable activities:						
Academy trust educational operations	7	564	19,656	958	21,178	21,202
<b>Total</b>		<b>640</b>	<b>19,721</b>	<b>958</b>	<b>21,319</b>	<b>21,352</b>
Net income/(expenditure)		8	(661)	(364)	(1,017)	(781)
Transfers between funds	18	-	(352)	352	-	-
<b>Other recognised (losses)/gains</b>						
Actuarial (losses)/gains on defined benefit pension schemes	18,27	-	1,483	-	1,483	4,729
<b>Net movement in funds</b>		<b>8</b>	<b>470</b>	<b>(12)</b>	<b>466</b>	<b>3,948</b>
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2017	18	1,142	(3,975)	28,244	25,411	21,463
Total Funds carried forward at 31 August 2018		<b>1,150</b>	<b>(3,505)</b>	<b>28,232</b>	<b>25,877</b>	<b>25,411</b>

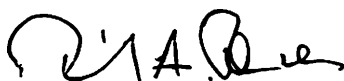
The notes attached form part of these financial statements.

# Pontefract Academies Trust

## Balance Sheet as at 31 August 2018

	Notes	2018 £000	2018 £000	2017 £000	2017 £000
<b>Fixed Assets</b>					
Tangible assets	13		28,109		27,910
<b>Current assets</b>					
Stock		-	-		
Debtors	14	762		732	
Cash at bank and in hand		<u>3,064</u>		<u>3,215</u>	
		3,826		3,947	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	15	<u>(1,927)</u>		<u>(1,539)</u>	
<b>Net current assets</b>			<u>1,899</u>		<u>2,408</u>
<b>Total assets less current liabilities</b>			<b>30,008</b>		<b>30,318</b>
Creditors: Amounts falling due after more than one year	17		<u>(9)</u>		<u>(11)</u>
<b>Net assets excluding pension liability</b>			<u>29,999</u>		<u>30,307</u>
Defined benefit pension scheme liability	27		(4,122)		(4,896)
<b>Total net assets</b>			<u>25,877</u>		<u>25,411</u>
<b>Funds of the academy trust</b>					
<b>Restricted funds</b>					
Fixed Asset Fund	18	28,232		28,244	
Restricted income fund	18	617		921	
Pension Reserve	18	<u>(4,122)</u>		<u>(4,896)</u>	
<b>Total restricted funds</b>			<b>24,727</b>		<b>24,269</b>
<b>Unrestricted income funds</b>	18		<b>1,150</b>		<b>1,142</b>
<b>Total Funds</b>			<u>25,877</u>		<u>25,411</u>

The financial statements on pages 29 to 52 were approved by the trustees, and authorised for issue on 14 December 2018 and are signed on their behalf by:



**Phil Jones**  
Chair of Trustees



**Statement of Cash Flows for the year Ended 31 August 2018**

	Notes	2018 £000	2017 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	22	410	(25)
<b>Cash flows from investing activities</b>	23	(561)	286
<b>Change in cash and cash equivalents in the year</b>		<u>(151)</u>	<u>261</u>
<b>Cash and cash equivalents at 1 September 2017</b>	24	3,215	2,954
<b>Cash and cash equivalents at 31 August 2018</b>		<u>3,064</u>	<u>3,215</u>

## Notes to the Financial Statements for the Period Ended 31 August 2018

### 1. Statement of Accounting Policies

A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### (a) Basis of Preparation

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

Results for each academy and the Trust have been aggregated on a line by line basis and internal transactions excluded.

#### (b) Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of 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 academies 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.

#### (c) Incoming Resources

All incoming resources are recognised when the academies trust has entitlement to the funds, the receipt is probable, and the amount can be measured reliably. Income is not netted off with related expenditure.

##### ■ Grants

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

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

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

##### ■ Donations

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

## Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

### 1. Statement of Accounting Policies (continued)

#### ▪ Other Income

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

#### ▪ Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'income from other trading activities'. Upon sale, the value of stock is charged against 'income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items, they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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

The Trust's land and buildings for De Lacy Primary School are on 125-year lease from Wakefield M D Council and the land and buildings for its other academies are freehold transfer from Wakefield M D Council. No premium was paid and the rent for De-Lacy Primary School is one peppercorn. The buildings were valued on conversion at depreciated replacement cost and are depreciated over the remainder of their expected lives. Leased land was valued at market value and is depreciated over the length of the lease.

Other fixed assets transferred on conversion were valued at an estimate of the fair value to each Academy.

Other additions of land and buildings in the year to 31 August 2015 included the taking up of leasehold on the former Wakefield M D Council Children's Centre located within the Orchard Head J&IN School site for nil consideration over a term of 125 years

### (d) Expenditure

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

#### ▪ Expenditure on Raising Funds

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

#### ▪ Charitable Activities

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

All resources expended are exclusive of recoverable VAT but include any irrecoverable VAT.

## Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

### 1. Statement of Accounting Policies (continued)

#### (e) Tangible Fixed Assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

▪ Long leasehold land	125 Years
▪ Freehold and Long-term leasehold buildings	50 Years
▪ Furniture and Fixtures	10 Years
▪ Plant and Equipment	4 Years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

#### (f) Liabilities

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

#### (g) Provisions

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

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

#### (h) Leased Assets

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

## Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

### 1. Statement of Accounting Policies (continued)

#### (i) Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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 cost as detailed in notes 15 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### (j) Taxation

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

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

#### (k) Pensions Benefits

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

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

The LGPS is a funded scheme and the assets are held separately from those of the academies trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the year 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 gains and losses.

#### (l) Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the

## Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

### 1. Statement of Accounting Policies (continued)

funder where the asset acquired or created is held for a specific purpose.

Restricted income funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency/Department for Education.

#### (m) Critical accounting estimates and areas of judgement

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

#### *Critical accounting estimates and assumptions*

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

The 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 27, 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.

### 2. Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	2017/18 Total £000	2016/17 Total £000
Capital grants	-	594	594	814
Donated Fixed Assets	-	-	-	7
Other donations	6	44	50	105
	<b>6</b>	<b>638</b>	<b>644</b>	<b>926</b>

## Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

### 3. Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	2017/18 Total £000	2016/17 Total £000
<b>DfE / ESFA Grants</b>				
General Annual Grant (GAG)	-	16,343	16,343	16,337
Pupil Premium	-	1,074	1,074	1,076
PE Sport Grant	-	110	110	55
Other DfE / ESFA Grants	-	285	285	278
	-	17,812	17,812	17,746
<b>Other Government Grants</b>				
Local Authority Grants - Early Years	-	323	323	322
Local Authority Grants - High Cost Pupils	-	269	269	318
Local Authority Grants - Other	-	92	92	47
	-	684	684	687
<b>Other Income</b>				
Catering Income	522	-	522	588
Trip Income	-	365	365	243
	522	18,861	19,383	19,264

### 4. Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	2017/18 Total £000	2016/17 Total £000
Music Services	31	-	31	35
Educational Sales	-	95	95	97
Services of Staff	-	17	17	22
Uniform Income	-	(1)	(1)	7
Insurance Receipts	42	1	43	93
Hire of Facilities	45	-	45	44
Other Income	-	43	43	81
	118	155	273	379

### 5. Investment income

	Unrestricted Funds £000	Restricted Funds £000	2017/18 Total £000	2016/17 Total £000
Bank interest	2	-	2	2
	2	-	2	2

## Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

### 6. Expenditure

	Staff Costs £000	Non-Pay Premises £000	Expenditure Other Costs £000	2017/18 Total £000	2016/17 Total £000
Expenditure on raising funds	-	-	141	141	150
Academy's educational operations					
Direct Costs	13,222	544	2,072	15,838	15,309
Allocated Support Costs	2,850	919	1,571	5,340	5,893
	16,072	1,463	3,784	21,319	21,352
<b>Net expenditure for the year includes:</b>				<b>2017/18 £000</b>	<b>2016/17 £000</b>
Operating lease rentals				43	47
Depreciation				958	924
Fees payable to the auditor for:					
- audit				13	13
- other services				-	5

### 7. Charitable Activities

	Unrestricted Funds £000	Restricted Funds £000	2017/18 Total £000	2016/17 Total £000
Direct costs - educational operations	42	15,796	15,838	15,309
Support costs - educational operations	522	4,818	5,340	5,893
	564	20,614	21,178	21,202

	Unrestricted Funds £000	Educational Operations Restricted Funds £000	2017/18 Total £000	2016/17 Total £000
<b>Analysis of support costs</b>				
Support Staff Costs	-	2,850	2,850	3,359
Technology costs	-	236	236	229
Premises costs	522	1,238	1,760	1,803
Other support costs	-	454	454	480
Governance Costs	-	40	40	22
	522	4,818	5,340	5,893



## Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

### 8. Staff Costs

Staff costs during the period were:

	2017/18	2016/17
	Total	Total
	£000	£000
Wages and Salaries	12,108	12,039
Social Security Costs	1,037	986
Operating costs of defined benefit pension schemes	2,591	2,823
	<b>15,736</b>	<b>15,848</b>
Supply staff costs	209	234
Staff restructuring costs	127	27
	<b>16,072</b>	<b>16,109</b>
Staff restructuring costs comprise:		
Redundancy payments	9	1
Severance payments	118	26
	<b>127</b>	<b>27</b>

#### (a) Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totaling £45,888 (2017: £12,782). Individually the payments were: £25,000, £17,000, £63, and £2,587 made on 14 September 2018, and £1,238 made on 29 September 2018.

#### (b) Staff numbers

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

	2017/18	2016/17
	No.	No.
Teachers and Educational Support	396	413
Administration and Other Support	166	182
Management	21	21
	<b>583</b>	<b>616</b>

#### (c) Higher paid staff

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

	2017/18	2016/17
	No.	No.
£ 60,001 - £ 70,000	5	6
£ 70,001 - £ 80,000	3	2
£ 80,001 - £ 90,000	2	2
£100,001 - £110,000	-	-
£110,001 - £120,000	-	1
	<b>10</b>	<b>11</b>

## Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

### (d) Key management personnel

The key management personnel of the academy trust comprise a trustee and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust were £1,124,921 (2017: £1,043,659).

### 9. Related party Transactions – Trustees' remuneration & expenses

One trustee, who is also the Chief Executive Officer (CEO) for the academy trust has been paid remuneration or has received other benefits from employment with the academy trust. The CEO only receives remuneration in respect of services (s)he provides undertaking the role of CEO under his/her contract of employment.

#### Julian Appleyard OBE (staff and trustee) from 5 March 2018:

Remuneration	£75,000 - £80,000	(2017: £nil)
Employer's pension contributions	£ 10,000 - £15,000	(2017: £nil)

#### Julie A Craig (staff and trustee) until 4 March 2018:

Remuneration	£65,000 - £70,000	(2017: £110,000 - £115,000)
Employer's pension contributions	£ 10,000 - £15,000	(2017: £ 15,000 - £ 20,000)

During the year ended 31 August 2018, travel and subsistence expenses totaling £178 (2017: £0) were reimbursed to 1 trustee (2017: 0 trustees)

Other related party transactions involving the trustees are set out in note 28.

### 10. Central Services

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

- Financial services, assurances and information systems
- Education Welfare and Education Psychology Services
- Teacher/Pupil Performance Tracking Software
- Health & Safety advice and support
- Legal advice and support

The trust charges for these services at a flat 5% (primary academies) 4.5% (secondary academies) of General Annual Grant Income excluding, notional SEN, hearing impaired unit high cost place funding (support element only) \*

The actual amounts charged during the year were as follows:

	2017/18	2016/17
	£000	£000
Carleton High School	175	172
Carleton Park J&I School	38	38
De Lacy Primary School	60	61
Halfpenny Lane JI&N School	71	73
Kings School	216	219
Larks Hill J&I School	39	39
Orchard Head JI&N School	56	55
The Rookeries JI&N School	42	42
	<b>697</b>	<b>699</b>

## Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

### 11. Trustees' and Officers' Insurance

The academies trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

### 12. Comparatives for the Statement of Financial Activities

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2017 £000
<b>Income and endowments from:</b>				
Donations and capital grants	8	97	821	926
Charitable activities:				
Funding for the academy trust's educational operations	588	18,676	-	19,264
Other trading activities	79	300	-	379
Investments	2	-	-	2
<b>Total</b>	<b>677</b>	<b>19,073</b>	<b>821</b>	<b>20,571</b>
<b>Expenditure on:</b>				
Raising funds	79	71	-	150
Charitable activities:				
Academy trust educational operations	588	19,690	924	21,202
<b>Total</b>	<b>667</b>	<b>19,761</b>	<b>924</b>	<b>21,352</b>
Net income/(expenditure)	10	(688)	(103)	(781)
Transfers between funds	-	(45)	45	-
<b>Net income/(expenditure) for the year</b>	<b>10</b>	<b>(733)</b>	<b>(58)</b>	<b>(781)</b>
<b>Other recognised gains and (losses)</b>				
Actuarial (losses)/gains on defined benefit pension schemes	-	4,729	-	4,729
<b>Net movement in funds</b>	<b>10</b>	<b>3,996</b>	<b>(58)</b>	<b>3,948</b>
<b>Reconciliation of funds</b>				
Total funds brought forward at 1 September 2016	1,132	(7,971)	28,302	21,463
<b>Total Funds carried forward at 31 August 2017</b>	<b>1,142</b>	<b>(3,975)</b>	<b>28,244</b>	<b>25,411</b>

## Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

### 13. Tangible Fixed Assets

	Freehold Land & Buildings £000	Long-term Leasehold Land & Buildings £000	Furniture and Fixtures £000	Plant and Equipment £000	Total £000
<b>Cost</b>					
At 1 September 2017	25,557	2,270	2,746	1,189	31,762
Additions	367	-	525	269	1,161
Disposals	(4)	-	-	-	(4)
Transfer in year	-	-	-	-	-
At 31 August 2018	25,920	2,270	3,271	1,458	32,919
<b>Depreciation</b>					
At 1 September 2017	2,001	143	802	906	3,852
Additions	481	54	304	119	958
Disposals	-	-	-	-	-
At 31 August 2018	2,482	197	1,106	1,025	4,810
<b>Net Book Values</b>					
At 1 September 2017	23,556	2,127	1,944	283	27,910
At 31 August 2018	23,438	2,073	2,165	433	28,109

### 14. Debtors

	2018 £000	2017 £000
Trade debtors	8	15
VAT recoverable	121	136
Other debtors	3	3
Prepayments and accrued income	630	578
	<b>762</b>	<b>732</b>

### 15. Creditors: Amounts Falling due within one Year

	2018 £000	2017 £000
Trade creditors	434	717
Other taxation and social security	278	267
Other creditors	20	19
Accruals and deferred income	1,195	536
	<b>1,927</b>	<b>1,539</b>

# Pontefract Academies Trust

## Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

### 16. Deferred income

	2018 £000	2017 £000
Deferred Income at 1 September 2017	300	276
Resources deferred in year	253	300
Amounts released from previous years	(300)	(276)
Deferred income at 31 August 2018	253	300

At the balance sheet date, the academies trust was holding funds received in advance for funds received from the ESFA relating to Universal Infant Free School Meals and rates relief; and other funds received in advance for music lessons or trips booked during academic commencing September 2018.

### 17. Creditors: amounts falling due in greater than one year

	2018 £000	2017 £000
Other Creditors	9	11
	9	11

Included within other creditors is an outstanding loan of £9,000 from Salix which is provided on the following terms: 9 repayments remaining of £1,000 every six months to 1 September 2022.

### 18. Funds

	Balance at 31 August 2017 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2018 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	921	16,343	(16,295)	(352)	617
Pupil Premium	-	1,074	(1,074)	-	-
PE Sport Grant	-	110	(110)	-	-
Other DfE / ESFA Grants	-	285	(285)	-	-
Local Authority Grants	-	684	(684)	-	-
Pension Deficit	(4,896)	-	(709)	1,483	(4,122)
Other restricted donations	-	44	(44)	-	-
Other income	-	365	(365)	-	-
Other trading activities	-	155	(155)	-	-
	(3,975)	19,060	(19,721)	1,131	(3,505)
<b>Restricted fixed asset funds</b>					
Transfer on conversion	23,960	-	(553)	-	23,407
DfE/ESFA capital grants	3,075	594	(235)	-	3,434
Insurance Receipts	119	-	(14)	-	105
Capital expenditure from GAG	1,090	-	(157)	352	1,285
	28,244	594	(958)	352	28,232
<b>Total restricted funds</b>	<b>24,269</b>	<b>19,654</b>	<b>(20,679)</b>	<b>1,483</b>	<b>24,727</b>
<b>Unrestricted funds</b>					
Unrestricted funds	1,142	648	(640)	-	1,150
<b>Total unrestricted funds</b>	<b>1,142</b>	<b>648</b>	<b>(640)</b>	<b>-</b>	<b>1,150</b>
<b>Total funds</b>	<b>25,411</b>	<b>20,302</b>	<b>(21,319)</b>	<b>1,483</b>	<b>25,877</b>

## Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

### 18. Funds (continued)

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

The General Annual Grant (GAG) is restricted to spending in accordance with the conditions of the Trust's Master Funding Agreement with the Secretary of State for Education. This is not subject to a limit on the amount of GAG which can be carried forward at 31 August 2018 to future periods.

The Pupil Premium is restricted to activities which reduce the attainment gap between pupils who are disadvantaged and those who are not.

DfE/ESFA capital grants include devolved formula grant funds received towards capital investment in Academies above £2,000, and school capital allocation.

The transfer into the restricted fixed asset funds represents fixed assets purchased out of GAG funding.

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

### 18. Funds

	Balance at 31 August 2016 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2017 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	629	16,337	(16,000)	(45)	921
Pupil Premium	-	1,076	(1,076)	-	-
PE Sport Grant	-	55	(55)	-	-
Other DfE / ESFA Grants	-	278	(278)	-	-
Local Authority Grants	-	687	(687)	-	-
Pension Deficit	(8,600)	-	(1,025)	4,729	(4,896)
Other restricted donations	-	97	(97)	-	-
Other trading activities	-	543	(543)	-	-
	(7,971)	19,073	(19,761)	4,684	(3,975)
<b>Restricted fixed asset funds</b>					
Transfer on conversion	24,497	-	(537)	-	23,960
Donated Fixed assets	-	7	(7)	-	-
DfE/ESFA capital grants	2,460	814	(199)	-	3,075
Insurance Receipts	133	-	(14)	-	119
Capital expenditure from GAG	1,212	-	(167)	45	1,090
	28,302	821	(924)	45	28,244
<b>Total restricted funds</b>	<b>20,331</b>	<b>19,651</b>	<b>(20,442)</b>	<b>4,729</b>	<b>24,269</b>
<b>Unrestricted funds</b>					
Unrestricted funds	1,132	677	(667)	-	1,142
<b>Total unrestricted funds</b>	<b>1,132</b>	<b>677</b>	<b>(667)</b>	<b>-</b>	<b>1,142</b>
<b>Total funds</b>	<b>21,463</b>	<b>20,571</b>	<b>(21,352)</b>	<b>4,729</b>	<b>25,411</b>

## Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

### 18. Funds (continued)

#### Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	2018 £000	2017 £000
Carleton High School	17	92
Carleton Park J&I School	73	22
De Lacy Primary School	116	195
Halfpenny Lane JI&N School	471	406
Larks Hill J&I School	87	134
Orchard Head JI&N School	115	101
Kings School	664	596
The Rookeries JI&N School	91	118
Central Services	133	399
<b>Total before fixed asset fund and pension reserve</b>	<b>1,767</b>	<b>2,063</b>
Restricted fixed asset fund	28,232	28,244
Pension Reserve	(4,122)	(4,896)
<b>Total</b>	<b>25,877</b>	<b>25,411</b>

#### 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 Depreciation) £000	Total 2017/18 £000	Total 2016/17 £000
Carleton High School	3,473	476	207	724	4,880	4,711
Carleton Park J&I School	655	102	22	159	938	916
De Lacy Primary School	1,199	137	58	337	1,731	1,750
Halfpenny Lane JI&N School	1,226	175	53	296	1,750	1,818
Kings School	3,852	604	333	860	5,649	5,747
Larks Hill J&I School	588	149	29	170	936	934
Orchard Head JI&N School	1,074	180	62	245	1,561	1,504
The Rookeries J&I School	830	145	135	194	1,304	1,218
Central Services	326	882	8	396	1,612	1,830
<b>Academy Trust</b>	<b>13,223</b>	<b>2,850</b>	<b>907</b>	<b>3,381</b>	<b>20,361</b>	<b>20,428</b>

## Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

### 18 Analysis of Net Assets between Funds

Fund balances at 31 August 2018 were represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2018 £000	Total Funds 2017 £000
Tangible fixed assets	-	-	28,109	28,109	27,910
Current assets	1,289	1,699	838	3,826	3,947
Current liabilities	(139)	(1,073)	(715)	(1,927)	(1,539)
Non-current liabilities	-	(9)	-	(9)	(11)
Pension scheme liability	-	(4,122)	-	(4,122)	(4,896)
<b>Total net assets</b>	<b>1,150</b>	<b>(3,505)</b>	<b>28,232</b>	<b>25,877</b>	<b>25,411</b>

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2017 £000	Total 2016 £000
Tangible fixed assets	-	-	27,910	27,910	28,297
Current assets	1,191	2,142	614	3,947	3,667
Current liabilities	(49)	(1,210)	(280)	(1,539)	(1,888)
Non-current liabilities	-	(11)	-	(11)	(13)
Pension scheme liability	-	(4,896)	-	(4,896)	(8,600)
<b>Total net assets</b>	<b>1,142</b>	<b>(3,975)</b>	<b>28,244</b>	<b>25,411</b>	<b>21,463</b>

### 20 Capital Commitments

	2018 £000	2017 £000
Contracted for, but not provided in the financial statements	-	-

### 21 Commitments under operating leases

#### Operating Leases

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

	2018 £000	2017 £000
Expiring within one year	31	33
Expiring within two and five years inclusive	16	28
Expiring in over five years	-	-
<b>Total</b>	<b>47</b>	<b>61</b>



## Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

### 21 Reconciliation of net Income to net cash flow from operating activities

	2017/18 £000	2016/17 £000
Net income/(expenditure)	(1,017)	(781)
Depreciation [note 13]	958	924
Donated Fixed Assets	-	(7)
Capital grants from DfE and other capital income	(594)	(814)
Interest receivable [note 5]	(2)	(2)
FRS 17 pension cost less contributions payable	595	860
FRS 17 pension finance income	114	165
(Increase)/decrease in debtors	(30)	(19)
Increase/(decrease) in creditors	386	(351)
<b>Net cash provided by/(used in) Operating Activities</b>	<b>410</b>	<b>(25)</b>

### 22 Cash flows from investing activities

	2017/18 £000	2016/17 £000
Interest received	2	2
Proceeds from sale of tangible fixed assets	4	-
Purchase of tangible fixed assets	(1,161)	(537)
Capital grants from DfE/EFA	594	814
Donated Fixed Asset	-	7
<b>Net cash provided by/(used in) investing activities</b>	<b>(561)</b>	<b>286</b>

### 23 Analysis of cash and cash equivalents

	2018 £000	2017 £000
Cash at bank and in hand	3,064	3,215
<b>Total cash and cash equivalents</b>	<b>3,064</b>	<b>3,215</b>

### 24 Guarantees, letters of comfort and indemnities

There were no items to report (2017: £nil)

### 25 Contingent Liabilities

There are no contingent liabilities (2017: £nil).

### 26 Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event

## Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

### 26 Members' Liability (continued)

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.

### 27 Pension and Similar Obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. 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 £20,222 (2017: £17,479) were payable to the schemes at 31 August 2018 and are included within creditors.

### Teachers' Pension Scheme

#### Introduction

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

## Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

### 27 Pension and Similar Obligations (continued)

#### Teachers' Pension Scheme (continued)

The assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of 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% 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 pension costs paid to TPS in the period amounted to £1.888 million (2017: £1.790 million) of which employer's contributions totalled £1.199 million (2017: £1.130 million) and employees' contributions totalled £0.689 million (2017: £0.660 million).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in Financial Reporting Standard (FRS 102) Retirement Benefits, the TPS is a 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 the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2018 was £0.922 million (2017: £0.903 million), of which employer's contributions totalled £0.682 million (2017: £0.662 million) and employees' contributions totalled £0.240 million (2017: £0.241 million). The agreed contribution rates for future years are 15.4 per cent for employers and a varied scale rate depending on salary bands of 5.5% to 7.5% for employees.

All the academies within the academy trust are members of the West Yorkshire Pension Fund. 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
Rate of general increase in salaries	3.25%	3.25%
Pension Increases	2.00%	2.00%
Pension accounts revaluation rate	2.00%	2.00%
Discount Rate for scheme liabilities	2.80%	2.50%
CPI Inflation	2.00%	2.00%
RPI Inflation	3.10%	3.10%

#### Sensitivity analysis for the principal assumptions

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 August 2017 and the projected service cost for the period ending 31 August 2018 is set out below.

In each case, only the assumption mentioned is altered; all other assumptions remain the same as summarised in the principal actuarial assumptions.

## Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

### 27 Pension and Similar Obligations (continued)

#### Local Government Pension Scheme (continued)

#### Sensitivity analysis for the principal assumptions (continued)

Sensitivity of unfunded benefits (where applicable) are not included on materiality grounds.

#### Discount Rate assumption

Adjustment to discount rate	+0.1% p.a	Base figure	-0.1% p.a.
Present value of total obligation (£000)	18,489	18,911	19,343
% change in present value of total obligation	-2.2%		2.3%
Projected service cost (£000)	1,180	1,215	1,250
Approximate % change in projected service cost	-2.8%		2.9%

#### Rate of general increase in salaries

Adjustment to salary increase rate	+0.1% p.a	Base figure	-0.1% p.a.
Present value of total obligation (£000)	19,055	18,911	18,768
% change in present value of total obligation	0.8%		-0.8%
Projected service cost (£000)	1,215	1,215	1,215
Approximate % change in projected service cost	0.0%		0.0%

#### Rate of increase to pensions in payment and deferred pensions assumption, and rate of revaluation of pensions accounts assumption

Adjustment to pension increase rate	+0.1% p.a	Base figure	-0.1% p.a.
Present value of total obligation (£000)	19,197	18,911	18,630
% change in present value of total obligation	1.5%		-1.5%
Projected service cost (£000)	1,250	1,215	1,180
Approximate % change in projected service cost	2.9%		-2.8%

#### Post retirement mortality assumption

Adjustment to mortality age rating assumption	-1 year	Base figure	+1 year
Present value of total obligation (£000)	19,460	18,911	18,364
% change in present value of total obligation	2.9%		-2.9%
Projected service cost (£000)	1,258	1,215	1,172
Approximate % change in projected service cost	3.5%		-3.5%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement age 65 are:

	2018	2017
<i>Retiring Today</i>		
Males	22.1	22.1
Females	25.3	25.2
<i>Retiring in 20 years</i>		
Males	23.1	23.0
Females	27.1	27.0

## Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

### 27 Pension and Similar Obligations (continued)

#### Local Government Pension Scheme (continued)

#### Sensitivity analysis for the principal assumptions (continued)

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

	2018 £000	2017 £000
Equity Instruments	11,033	10,895
Government Bonds	1,597	1,356
Corporate Bonds	518	551
Cash	325	212
Other	695	480
Property	621	636
<b>Total market value of assets</b>	<b>14,789</b>	<b>14,130</b>

The actual loss on scheme assets was £40,000 (2017: £1,722,000 return)

#### Amount recognised in the statement of financial activities

	2018 £000	2017 £000
Current Service Cost	(1,277)	(1,522)
Net interest from net defined benefit asset/liability	(114)	(165)
<b>Total Operating Charge</b>	<b>(1,391)</b>	<b>(1,687)</b>

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

	2018 £000	2017 £000
<b>At 1 September 2017</b>	<b>19,026</b>	<b>19,937</b>
Current service cost	1,277	1,522
Interest cost	476	403
Employee contributions	240	241
Actuarial (gain)/loss	(1,885)	(3,245)
Benefits paid	(223)	168
Past service costs	-	-
<b>At 31 August 2018</b>	<b>18,911</b>	<b>19,026</b>

# Pontefract Academies Trust

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## Notes to the Financial Statements for the Period Ended 31 August 2018 (continued)

### 27 Pension and Similar Obligations (continued)

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

	2018 £000	2017 £000
At 1 September 2017	14,130	11,337
Interest income	362	238
Actuarial gain/(loss)	(402)	1,484
Employer contributions	682	662
Employee contributions	240	241
Benefits paid	(223)	168
At 31 August 2018	14,789	14,130

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

### 28 Related Party Transactions

Owing to the nature of the academies trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account:

- M Colley was an Executive School Governor at Carleton High School from 8 May 2017 to 31 December 2017 and is also the sole owner of Aurora Education Consultants. The Trust incurred a total cost of £1,375 from charges made by Aurora Education Consultants for school improvement professional support services.

### 29 Events after the balance sheet date

The Trust has no post balance sheet events to report.