

Pontefract Academies Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2019

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Reference and Administrative Details

Members	U A Murray OBE J Gough J Allinson (until 2 November 2019) J A Craig N Bowmer (from 2 December 2019)
Trustees (who are also Directors)	P Jones J Appleyard OBE (Chief Executive & Accounting Officer) *^ J Gough # D Wilkin ^ A Clarke (Chair of the Audit & Risk Committee) # E Shepherd # <i>members of the audit & risk committee</i> ^ <i>members of the finance & general purposes committee,</i> <i>*staff trustee</i>
Company Secretary	D Samwell
Senior Management Team	Chief Executive Officer & Accounting Officer - J Appleyard OBE Director of Secondary Education – J Franklin-Smith Director of Teaching and Learning from 1 September 2018 – T Faye Director of Finance and Estates – D Samwell Director of Operations from 18 January 2019 – Joy Bell Executive Headteacher until 31 December 2018 – G Lindley
Heads of Schools Operated by the Trust	Carleton High School – J Cross Carleton Park J&I School – J Ayre De Lacy Primary School from 1 July 2019 – G Smith De Lacy Primary School from 3 December 2018 until 28 March 2019– S Daley De Lacy Primary School until 31 October 2018 – D Dunn Halfpenny Lane JI&IN School – J Parkinson Larks Hill J&I School – I Shuttleworth Orchard Head JI&N School from 1 January 2019– J Mitchell The King's School from 1 March 2019 – D Pinto The King's School until 24 February 2019– E Briggs The Rookeries, JI&N School – N Ellwand
Principal Registered Office	c/o The Barracks Business Centre, Wakefield Road, Pontefract WF8 4HH
Company Registration Number	08445158 (England & Wales)
Independent Auditor	Allotts Business Services Ltd, Chartered Accountants, Registered Auditors, The Old Grammar School, 13 Moorgate Road, Rotherham. S60 2EN
Bankers	Lloyds, 27/28 Stodman Street, Newark, Notts NG24 1AW
Solicitors	Wrigleys Solicitors, 19 Cookridge Street, Leeds. LS2 3AG

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 2018 to 31 August 2019. 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 (2018: 3,885) and a roll of 3,593 (2018: 3,570) (reception to year 11 pupils) in the school census on January 2019. The Trust also operates nursery provision at four of its primary academies. These academies have a combined nursery capacity of 234 (2018: 234) places and a roll of 133 (2018:140) part-time nursery age children in the school census on January 2019.

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.

Trustees' Indemnities

There have been no qualifying third-party indemnity provisions in place for the period 1 September 2018 to 31 August 2019.

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 (until 2 November 2019)
- J Gough
- J A Craig
- N Bowmer (from 2 December 2019)

The number of trustees shall not be less than three but (unless otherwise determined by ordinary resolutions) shall not be subject to any maximum.

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 31st August 2019:

<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. The CEO is responsible for the internal organisation, management and control of schools. The CEO is responsible for implementing the strategic framework established by the board.

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 Performance Review Boards (SPRBs) who report to the Pontefract Academies Trust Board of Trustees. The governance structure of each Academy and SPRB is determined by the Trust 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 SPRB 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

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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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.

Trustees' Report (continued)

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 Trust's objectives are set out in the Articles of Association. The mission of the Trust is running top-quality, high-achieving schools that give our children and young people the chance in life they deserve, with the vision being where every child and young person makes outstanding progress.

The Trust has a set of core values and guiding principles. These are a broad philosophy that encompass and guide the Trust in its daily work, irrespective of changes in Trust goals, strategies or initiatives. They create an organisational culture where everyone understands what's important.

The guiding principles of the Trust are:

Achievement Without Excuses

We have an unwavering focus on achievement. This is paramount so that all our children and young people enjoy greater life chances.

We take responsibility for ensuring that they succeed. We own our own performance and do not rest on our laurels or seek to blame others.

Our People Matter

We know that our people make a difference to the lives of our 3 - 16 year old young people. We want to make our academies places where great teachers want to teach, lead and build a career. Investment in the recruitment, development and retention of the best people is a top priority.

We aim to provide professional work environments where our people have the support and the tools to do a great job and push our children and young people to scale new heights in a safe and secure environment.

Excellence as Standard

We set high standards. "Good enough" is simply not. We do not accept second best from our pupils or ourselves. The Trust aims to be a highly reliable school improvement organisation that is disciplined in its approach to improving performance. A Trust with clear plans and, simple and precisely executed systems that not only develop and sustain excellent performance, but never stifles individual flair.

Students Come First

Our academies are run for the benefit of children and young people, not the ease of adults. Their achievement comes first and staff in academies and the central trust office work to this end.

Trustees' Report (continued)

Objectives, Strategies and Activities (continued)

The Trust aims to keep low priority tasks away from front line teachers and leaders so that they can focus explicitly on our core business of teaching and learning.

Stronger as One

We take collective responsibility for each other and the results of all our children and young people. We enjoy sharing our success as a Trust while recognising the strengths of individuals and each academy. To this end collective accountability is rooted in a "if one fails, we all fail" mentality.

As a family of academies we collaborate with each other, challenge each other and share best practice. We do not let competition get in the way of our desire to get the best outcomes for all.

The specific objectives during the year ending 31 August 2019 were:

- 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 Key Stage 2, with most schools achieving above.
- 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 can drive 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.
- Position all our schools to be rated as at least good by 2020, as characterised by the Ofsted Common Inspection Framework and the Trust.
- 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.
- 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.
 - 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.

Trustees' Report (continued)

Objectives and Activities (continued)

Objectives, Strategies and Activities (continued)

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

At the start of the period in review Carleton High School was inadequate as judged by Ofsted. The work on structures, systems and leadership has had significant impact. Improvements in behaviour and attendance and numerous other changes were recognised by Ofsted in the July 2019 inspection. The School was graded good and GCSE performance saw Progress 8 score move from -0.37 to +0.16 and GCSE 9-4 pass rates up from 61% to 66%.

Carleton Park J&I School became the first school in the Trust to receive two outstanding judgments from Ofsted. The School and Trust were praised for its leadership and management. The behaviour and personal development and welfare of pupils was also praised receiving an outstanding grading.

Orchard Head School maintained its good rating in a short section 8 inspection. The School and Trust were recognised for being united in their ambition to ensure the school, further progresses. It also was recognised that parents were buoyed by the recent changes in leadership.

Halfpenny Lane received a good rating by Ofsted and the School was recognised as one that has a culture where all pupils can thrive. The Trust was praised for knowing the School well and appointed leaders and governors who have brought about much needed improvements.

The Rookeries saw their rating decline during the period. The School was rated as requires improvement by Ofsted. It was highlighted that over time leaders had not ensured that key stage 2 pupils have made sufficient progress in reading and writing and that leaders had not ensured that the quality of teaching was consistently good. It was recognised that new leaders have been instrumental in securing early improvements to the quality of teaching.

Larks Hill maintained its good rating in a short section 8 inspection. The curriculum was highlighted as being one that enthuses and excites pupils and that teachers plan learning that builds sequentially over time.

Trustees' Report (continued)

Key Performance Indicators

Ofsted Outcomes

Five of the six primary schools within the Trust had received their second inspection by date of signing, Larks Hill J&I School and Orchard Head J&I received a short inspection whilst the other four received full inspections. Orchard Head received a full inspection in November 2019 with the outcome not yet published and De Lacy Primary School anticipates its second inspection prior to the end of academic year 2019-20. Carleton High School received its third full inspection and The King's School received its second inspection in June 2017.

	Overall Effectiveness			Latest Published Inspection Outcomes at August 2019					
	Latest Published Judgement at August 2013 2017 2018			Overall Effectiveness At August 2019	Effectiveness of Leadership & Management	Quality of Teaching, Learning & Assessment	Personal Development, behaviour & welfare	Outcomes for Pupils	Early Years provision
Primary Academies									
Carleton Park	3	2	2	Good	Outstanding	Good	Outstanding	Good	Good
De Lacy	4	2	2	Good	Good	Good	Good	Good	Good
Halfpenny Lane	3	2	2	Good	Good	Good	Good	Good	Good
Larks Hill	2	2	2	Good	Good	Good	Good	Good	Good
Orchard Head	3	2	2	Good	Good	Good	Good	Good	Outstanding
The Rookeries	3	2	2	Requires Improvement	Requires Improvement	Requires Improvement	Good	Requires Improvement	Good
Secondary Academies									
Carleton High	3	4	4	Good	Good	Good	Good	Requires Improvement	n/a
The King's	-	3	2	Good	Good	Good	Good	Good	n/a

1- Outstanding; 2 – Good, 3 – Requires Improvement, 4 - Inadequate

Trustees' Report (continued)

Strategic Report (continued)

Academic Performance

In national examinations the Trust saw significant improvements in the primary key stage 2 SATs outcomes. At Carleton Park key stage 2 combined outcomes for reading, writing and maths improved from 53% in 2018 to 91% - a 38% percentage point improvement. The School had the second highest attainment out of all the Wakefield Local Authority primary schools. The School performed at 26% above the 2019 national average.

Halfpenny Lane recorded 84% on the same measure, up by 25% on 2018 and 19% above the national average.

Larks Hill recorded an improvement in reading, writing and maths combined outcomes at key stage 2 of 87%, up from 62% in 2018 and 22% above the national average.

Orchard Head moved from an outcome of 60% on the same measure in 2018 to 77% in the period under review, a 17% increase that placed the School 12% above national average. The Rookeries improved its outcomes from 71% to 74% and confirmed that all primary schools apart from De Lacy now are well above the national average of 65% on this key measure.

De Lacy recorded an improvement from 15% in 2018 to 52% in 2019, an improvement of 39%. In 2018 8 pupils met the expected standard in reading, writing and maths and in 2019 this was 23.

Across the Trust Carleton Park, Larks Hill and Halfpenny Lane are placed in the top 10 schools in the Wakefield Local Authority for combined attainment in reading, writing and maths. These schools in 2018 were 79th, 47th and 57th respectively in 2018 out of 101 schools.

GCSE results were improved at Carleton High School. The Progress 8 score improved from -0.36 in 2018 to +0.16 in 2019. The School on that measure ranks 4th out of the 18 schools in Wakefield Local Authority. The standard pass basics measure (5 passes at grades 9-4) improved from 61% to 66%. The King's School recorded its highest standard basics measure of 70%, up from 64%. However, the Progress 8 score fell to 0.06. The School and the Trust has identified the key areas that require additional support. On the Progress 8 measure the School ranks 5th out of the 18 schools in the Wakefield Local Authority.

Key Stage 2

	% age reaching the expected standard in reading, writing and maths		
	2016/17	2017/18	2018/19
Carleton Park	46%	53%	91%
De Lacy	26%	15%	52%
Halfpenny Lane	43%	59%	84%
Larks Hill	65%	62%	87%
Orchard head	60%	60%	77%
The Rookeries	38%	71%	74%
National Average	61%	64%	65%
Trust Overall	46%	53%	78%

Trustees' Report (continued)

Strategic Report (continued)

Academic Performance

Key Stage 4

	%age achieving 4+ in English and Maths		
	2016/17	2017/18	2018/19
Carleton High School	55%	61%	66%
The King's School	63%	64%	70%
National Average	63%	64%	64%

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 2019 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.

Incoming resources during the year ended 31 August 2019 totalled £22.0 million (2018: £20.3 million) and were not sufficient to cover resources expended and provided a deficit of £0.5 million (2018: deficit £1.0 million) before transfers and other recognised gains and losses.

The net book value of tangible fixed assets was £28.9 million (2018: £28.1 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 2019 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 28.

Trustees' Report (continued)

Financial Review (continued)

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 28. The West Yorkshire Local Government Pension Scheme currently provides for a deficit balance of £9.8 million (2018: £4.1 million).

Financial Position

The Academies Trust held fund balances at 31 August 2019 of £20.8 million (2018: £25.9 million) comprising £29.3 million (2018: £28.2 million) of restricted fixed assets, restricted income funds of £0.1 million (2018: £0.6 million), unrestricted income fund balances of £1.2 million (2018: £1.1 million) and a pension reserve deficit of £9.8 million (2017: £4.1 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 (£28.9m) which can only be realised through sale following any necessary approvals from the ESFA.
- unspent capital grants (£0.4m) which are already contractually committed to 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.

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.

Trustees' Report (continued)

Financial Review (continued)

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.

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.

Trustees' Report (continued)

Principal Risks and Uncertainties (continued)

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. The Trust does not use any professional fundraisers.

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.

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 academic results that put all secondary schools on a trajectory to be in the top 10% of schools nationally for progress with all significant groups (including disadvantaged pupils and SEND) in the top 25%.
- Deliver improved academic results so that all primary schools achieve the expected national standards in reading, writing and maths at Key Stage 2, with most schools achieving above.

Trustees' Report (continued)

Plans for future periods (continued)

Our people matter

- Ensure that our schools are highly inclusive and support the well-being of all pupils characterised by high levels of pastoral support, behaviour, welfare, safety, security, and attendance.
- Embed a high calibre leadership at all levels in the Trust through development programmes that are aligned with our vision, values and guiding principles, and that continue to drive improvement in standards and growth in the Trust.
- Embed and further develop teacher improvement programme(s) that are stage appropriate to further up skill our teaching and learning model that shares and develops teaching excellence and addresses variability.
- Position the Trust as an employer of choice through a recruitment and retention strategy that attracts and retains the best people.

Excellence as standard

- Position all our schools to be rated as at least good by 2020, as characterised by the new Ofsted Education Inspection Framework.
- Operate an effective financial strategy ensuring long term viability, the ability to invest in current resources (staffing and physical) and the ability to provide support to a future school joining the Trust.
- Further embed a Trust-wide management framework that includes a Board approved Strategic Plan that cascades efficiently and effectively into each individual school 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 and school estates for our children and young people.

Stronger as one

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

In addition to the Trust's twelve strategic priorities that cover a longer period from 2019-22, the specific priorities for the year ahead include:

- Embedding new 5-16 curriculum plans across all schools
- Embedding the new primary reading strategy
- Improving KS2 progress scores and outcomes for disadvantaged pupils and pupils with SEND
- progress
- Improving KS2 greater depth outcomes
- Improving outcomes in English, geography and for disadvantaged pupils across secondary schools

Trustees' Report (continued)

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.

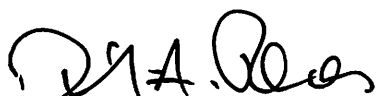
Auditor

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 10 December 2019 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 7 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)	7	7
J Appleyard OBE (CEO and accounting officer)	7	7
A Clarke	7	7
J Gough	7	7
E Shepherd	6	7
D Wilkin (Vice Chair)	6	7

No Changes to the Board of Trustees have been made during the period.

The Board of Trustees key responsibilities are to:

- Set the strategic direction, mission, vision, core values and guiding principles
- Hold executive leaders to account for educational performance of the Trust
- Challenge and monitor the performance of the Trust.
- Ensure its decisions about levels of executive pay follow a robust evidence-based process and are reflective of the individual's role and responsibilities
- Oversee and ensure financial performance.
- Exercise reasonable skill and care in carrying out their duties.
- Ensure that the Trust complies with charity and company law.
- Operate the Trust and its academies in accordance with the Funding Agreement signed with the Secretary of State

The Board of Trustees completed an evaluation of its effectiveness during summer 2019, the outcome of this work will inform any changes proposed during academic year 2019/20.

The Board of Trustees receives data in an agreed accessible format that enables comparison of the performance across the Trust and with external comparators.

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)

- Consider policies and procedures to ensure that the Trust manages its employees in a fair and consistent manner and adheres to employment law and practice.

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)	5	5
D Wilkin	5	5
J Appleyard OBE	5	5

The **Audit and Risk Committee** is also 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:

- Asbestos Policy and Plan
- Complaints Policy
- Conflicts and Register of Business Interests Policy
- Information Governance Policy
- Anti-Fraud Bribery and Corruption Policy
- Risk Management Policy and Procedures
- Records Management Policy
- Surveillance Policy
- Whistleblowing Policy

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

- General Data Protection Regulation
- Information Governance Audit by the Data Protection Officer
- Health and Safety Framework
- Performance Management
- Internal Audit Recommendations Follow up review
- Fire Risk Assessment

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Clarke	4	4
J Gough	3	4
M K Brooke(independent)	2	4

Governance Statement (continued)

Governance (continued)

A review of the governance structure was undertaken during autumn 2019. Revised arrangements were introduced at local academy level with the removal School Governance Committees and the introduction of School Performance Review Boards focusing on:

- Academy Performance
- Pupil behavior
- Community engagement

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 rapid improvement of educational outcomes as a result of school improvement leadership by the Trust.
- The packaging of a roofing scheme across a secondary school and a primary school as part of the school condition allocation resulted in efficiency savings by virtue of undertaking only one procurement process, and cost savings due to the economies of scale achieving 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.
- Procurement and implementation of a new management information system across the Trust providing the ability to consolidate and compare school data more efficiently and effectively.

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 2018 to 31 August 2019 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

Governance Statement (continued)

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:

- General Data Protection Regulation
- Health and Safety Framework
- Performance Management
- 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.

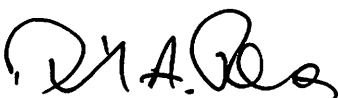
The auditor has not identified any material control issues arising as a result of their work.

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 Executive Leadership Team who also have key responsibilities 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 10 December 2019 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 2018.

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 2018.

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 2018 to 2019;
- 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 10 December 2019 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 2019 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 2018 to 2019 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 2019 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 2018 to 2019 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.

Other information includes the trustees report (incorporating the strategic report and the directors report), the governance statement and the accounting officers statement.

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 Directors' 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 Statement, 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

10 December 2019

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 2018 to 2019, 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 2018 to 31 August 2019 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 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
- Review of governance arrangements in accordance with the Academies Financial Handbook

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 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

10 December 2019

Statement of Financial Activities for the year ended 31 August 2019 (including Income and Expenditure Account)

		Unrestricted	Restricted	Restricted	2018/19	2017/18
	Notes	Funds	General	Fixed	Total	Total
		£000	£000	Asset	£000	£000
			Funds	Funds		
Incoming and endowments from:						
Donations and capital grants	2	5	104	1,884	1,993	644
Charitable activities:						
Funding for the academy trust's educational operations	3	611	19,124	-	19,735	19,383
Other trading activities	4	140	155	-	295	273
Investments	5	2	-	-	2	2
Total		758	19,383	1,884	22,025	20,302
Expenditure on:						
Raising funds	6	74	85	-	159	141
Charitable activities:						
Academy trust educational operations	7	677	20,609	1,044	22,330	21,178
Total		751	20,694	1,044	22,489	21,319
Net income/(expenditure)		7	(1,311)	840	(464)	(1,017)
Transfers between funds	18	-	(236)	236	-	-
Other recognised (losses)/gains						
Actuarial (losses)/gains on defined benefit pension schemes	18,28	-	(4,650)	-	(4,650)	1,483
Net movement in funds		7	(6,197)	1,076	(5,114)	466
Reconciliation of funds						
Total funds brought forward at 1 September 2018	18	1,150	(3,505)	28,232	25,877	25,411
Total Funds carried forward at 31 August 2019		1,157	(9,702)	29,308	20,763	25,877

The notes attached form part of these financial statements.

Pontefract Academies Trust

Balance Sheet as at 31 August 2019

	Notes	2019 £000	2019 £000	2018 £000	2018 £000
Fixed Assets					
Tangible assets	13		28,925		28,109
Current assets					
Stock		-		-	
Debtors	14	930		762	
Cash at bank and in hand		<u>2,550</u>		<u>3,064</u>	
		3,480		3,826	
Liabilities					
Creditors: Amounts falling due within one year	15	<u>(1,841)</u>		<u>(1,927)</u>	
Net current assets			1,639		1,899
Total assets less current liabilities			30,564		30,008
Creditors: Amounts falling due after more than one year	17		<u>(7)</u>		<u>(9)</u>
Net assets excluding pension liability			30,557		29,999
Defined benefit pension scheme liability	28		<u>(9,794)</u>		<u>(4,122)</u>
Total net assets			20,763		25,877
Funds of the academy trust					
Restricted funds					
Fixed Asset Fund	18	29,308		28,232	
Restricted income fund	18	92		617	
Pension Reserve	18	<u>(9,794)</u>		<u>(4,122)</u>	
Total restricted funds			19,606		24,727
Unrestricted income funds	18		1,157		1,150
Total Funds			20,763		25,877

The financial statements on pages 27 to 51 were approved by the trustees, and authorised for issue on 10 December 2019 and are signed on their behalf by:



Phil Jones
Chair of Trustees

Statement of Cash Flows for the year Ended 31 August 2019

	Notes	2019 £000	2018 £000
Cash flows from operating activities			
Net cash provided by operating activities	22	(540)	410
Cash flows from investing activities	23	26	(561)
Change in cash and cash equivalents in the year		<u>(514)</u>	<u>(151)</u>
Cash and cash equivalents at 1 September 2018	24	3,064	3,215
Cash and cash equivalents at 31 August 2019		<u>2,550</u>	<u>3,064</u>

Notes to the Financial Statements for the Period Ended 31 August 2019

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 2018 to 2019 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 2019 (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&N School site for nil consideration over a term of 125 years. In addition, in the year to 31 August 2019, Wakefield M D Council provided building works to expand the provision at the Rookeries JI&N School from one form of entry to one and a half form of entry.

(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 2019 (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 Equipment	10 Years
▪ Computer 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 2019 (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 2019 (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 Department for Education Group.

(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 28, 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 2019. 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	2018/19 Total £000	2017/18 Total £000
Capital grants	-	720	720	594
Donated Fixed Assets	-	1,164	1,164	-
Other donations	5	104	109	50
	5	1,988	1,993	644

Notes to the Financial Statements for the Period Ended 31 August 2019 (continued)

3. Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	2018/19 Total £000	2017/18 Total £000
DfE / ESFA Grants				
General Annual Grant (GAG)	-	16,525	16,525	16,343
Pupil Premium	-	1,086	1,086	1,074
PE Sport Grant	-	110	110	110
Other DfE / ESFA Grants	-	480	480	285
	-	18,201	18,201	17,812
Other Government Grants				
Local Authority Grants - Early Years	-	318	318	323
Local Authority Grants - High Cost Pupils	-	256	256	269
Local Authority Grants - Other	-	41	41	92
	-	615	615	684
Other Income				
Catering Income	611	-	611	522
Trip Income	-	308	308	365
	611	19,124	19,735	19,383

4. Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	2018/19 Total £000	2017/18 Total £000
Music Services	30	-	30	31
Educational Sales	-	103	103	95
Services of Staff	-	35	35	17
Uniform Income	-	-	-	(1)
Insurance Receipts	65	1	66	43
Hire of Facilities	45	-	45	45
Other Income	-	16	16	43
	140	155	295	273

5. Investment income

	Unrestricted Funds £000	Restricted Funds £000	2018/19 Total £000	2017/18 Total £000
Bank interest	2	-	2	2
	2	-	2	2

Notes to the Financial Statements for the Period Ended 31 August 2019 (continued)

6. Expenditure

	Staff Costs £000	Non - Pay Premises £000	Expenditure Other Costs £000	2018/19 Total £000	2017/18 Total £000
Expenditure on raising funds	-	-	159	159	141
Academy's educational operations					
Direct Costs	13,075	548	2,371	15,994	15,838
Allocated Support Costs	3,255	1,174	1,907	6,336	5,340
	16,330	1,722	4,437	22,489	21,319

	2018/19 £000	2017/18 £000
Net expenditure for the year includes:		
Operating lease rentals	45	43
Depreciation	1,044	958
Fees payable to the auditor for:		
- audit	14	13
- other services	-	-

7. Charitable Activities

	Unrestricted Funds £000	Restricted Funds £000	2018/19 Total £000	2017/18 Total £000
Direct costs - educational operations	65	15,929	15,994	15,838
Support costs - educational operations	612	5,724	6,336	5,340
	677	21,653	22,330	21,178

	Educational Operations		2018/19	2017/18
	Unrestricted Funds £000	Restricted Funds £000	Total £000	Total £000
Analysis of support costs				
Support Staff Costs	-	3,255	3,255	2,850
Technology costs	-	280	280	236
Premises costs	612	1,540	2,152	1,760
Other support costs	-	615	615	454
Governance Costs	-	34	34	40
	612	5,724	6,336	5,340

Notes to the Financial Statements for the Period Ended 31 August 2019 (continued)

8. Staff Costs

Staff costs during the period were:

	2018/19 Total £000	2017/18 Total £000
Wages and Salaries	11,714	12,108
Social Security Costs	1,022	1,037
Operating costs of defined benefit pension schemes	2,862	2,591
	15,598	15,736
Supply staff costs	652	209
Staff restructuring costs	80	127
	16,330	16,072
Staff restructuring costs comprise:		
Redundancy payments	41	9
Early retirement costs	-	-
Severance payments	39	118
	80	127

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totaling £38,719 (2018: £45,888). Individually the payments were: £15,500, £2,819, £1,900, and £18,500.

(b) Staff numbers

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

	2018/19 No.	2017/18 No.
Teachers and Educational Support	355	396
Administration and Other Support	149	166
Management	28	21
	532	583

(c) Higher paid staff

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

	2018/19 No.	2017/18 No.
£ 60,001 - £ 70,000	3	5
£ 70,001 - £ 80,000	1	3
£ 80,001 - £ 90,000	1	2
£110,001 - £120,000	-	-
£120,001 - £130,000	1	-
£150,001 - £160,000	1	-
	7	10

Notes to the Financial Statements for the Period Ended 31 August 2019 (continued)

(d) Key management personnel

The key management personnel of the academy trust comprise a trustee, the senior management team and Heads of Schools 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 £1,242,764 (2018: £1,124,921).

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 he provides undertaking the role of CEO under his contract of employment.

Julian Appleyard OBE (staff and trustee)

Remuneration	£155,000 - £160,000	(2018: £75,000 - £80,000)
Employer's pension contributions	£25,000 - £30,000	(2018: £10,000 - £15,000)

During the year ended 31 August 2019, travel and subsistence expenses totaling £0 (2018: £178) were reimbursed to 1 trustee (2017: 1 trustee).

Other related party transactions involving the trustees are set out in note 29.

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% of General Annual Grant Income:

The actual amounts charged during the year were as follows:

	2018/19 £000	2017/18 £000
Carleton High School	222	175
Carleton Park Junior & Infant School	41	38
De Lacy Primary School	69	60
Halfpenny Lane Junior Infant & Nursery	78	71
Kings School	259	216
Larks Hill Junior Infant School	40	39
Orchard Head Junior Infant & Nursery	61	56
The Rookeries Carleton Junior & Infant	52	42
	822	697

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.

Notes to the Financial Statements for the Period Ended 31 August 2019 (continued)

12. Comparatives for the Statement of Financial Activities

		Unrestricted	Restricted	Restricted	
	Notes	Funds	General	Fixed	2017/18
		£000	Funds	Asset	Total
			£000	Funds	£000
Incoming and endowments from:					
Donations and capital grants	2	6	44	594	644
Charitable activities:					
Funding for the academy trust's educational operations	3	522	18,861	-	19,383
Other trading activities	4	118	155	-	273
Investments	5	2	-	-	2
Total		648	19,060	594	20,302
Expenditure on:					
Raising funds	6	76	65	-	141
Charitable activities:					
Academy trust educational operations	7	564	19,656	958	21,178
Total		640	19,721	958	21,319
Net income/(expenditure)		8	(661)	(364)	(1,017)
Transfers between funds	18	-	(352)	352	-
Other recognised (losses)/gains					
Actuarial (losses)/gains on defined benefit pension schemes	18,29	-	1,483	-	1,483
Net movement in funds		8	470	(12)	466
Reconciliation of funds					
Total funds brought forward at 1 September 2017	18	1,142	(3,975)	28,244	25,411
Total Funds carried forward at 31 August 2018		1,150	(3,505)	28,232	25,877

Notes to the Financial Statements for the Period Ended 31 August 2019 (continued)

13. Tangible Fixed Assets

	Freehold Land and Buildings	Long-term Leasehold Land & Buildings	Assets under construction	Furniture and Equipment	Computer Equipment	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 September 2018	25,920	2,270	-	3,271	1,458	32,919
Additions	1,179	-	164	158	361	1,862
Disposals	-	-	-	(2)	-	(2)
Transfer in year	-	-	-	-	-	-
At 31 August 2019	27,099	2,270	164	3,427	1,819	34,779
Depreciation						
At 1 September 2018	2,482	197	-	1,106	1,025	4,810
Additions	490	43	-	342	169	1,044
Disposals	-	-	-	-	-	-
At 31 August 2019	2,972	240	-	1,448	1,194	5,854
Net Book Values						
At 1 September 2018	23,438	2,073	-	2,165	433	28,109
At 31 August 2019	24,127	2,030	164	1,979	625	28,925

The Academy Trust's transactions relating to land and buildings included the donation of building works to expand The Rookeries JI&N School to one and a half form entry school at a value of £1.164 million.

14. Debtors

	2019 £000	2018 £000
Trade debtors	13	8
VAT recoverable	186	121
Other debtors	4	3
Prepayments and accrued income	727	630
	930	762

15. Creditors: Amounts Falling due within one Year

	2019 £000	2018 £000
Trade creditors	860	434
Other taxation and social security	269	278
Other creditors	18	20
Accruals and deferred income	694	1,195
	1,841	1,927

Notes to the Financial Statements for the Period Ended 31 August 2019 (continued)

16. Deferred income

	2019 £000	2018 £000
Deferred Income at 1 September 2018	253	300
Resources deferred in year	251	253
Amounts released from previous years	(253)	(300)
Deferred income at 31 August 2019	251	253

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 2019.

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

	2019 £000	2018 £000
Other Creditors	7	9
	7	9

Included within other creditors is an outstanding loan of £7,000 from Salix which is provided on the following terms: 7 repayments remaining of £1,000 every six months to 1 September 2022.

18. Funds

	Balance at 31 August 2018 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2019 £000
Restricted general funds					
General Annual Grant (GAG)	617	16,525	(16,814)	(236)	92
Pupil Premium	-	1,086	(1,086)	-	-
Other DfE Group Grants	-	590	(590)	-	-
Local Authority Grants	-	615	(615)	-	-
Pension Deficit	(4,122)	-	(1,022)	(4,650)	(9,794)
Other restricted donations	-	104	(104)	-	-
Other Income	-	308	(308)	-	-
Other trading activities	-	155	(155)	-	-
	(3,505)	19,383	(20,694)	(4,886)	(9,702)
Restricted fixed asset funds					
Transfer on conversion	23,407	-	(533)	-	22,874
Donated fixed assets	-	1,164	-	-	1,164
DfE Group capital grants	3,434	720	(303)	-	3,851
Insurance Receipts	105	-	(14)	-	90
Capital expenditure from GAG	1,285	-	(194)	236	1,327
	28,232	1,884	(1,044)	236	29,308
Total restricted funds	24,727	21,267	(21,738)	(4,650)	19,606
Unrestricted funds					
Unrestricted funds	1,150	758	(751)	-	1,157
Total unrestricted funds	1,150	758	(751)	-	1,157
Total funds	25,877	22,025	(22,489)	(4,650)	20,763

Notes to the Financial Statements for the Period Ended 31 August 2019 (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 2019 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 Group 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 2017 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
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)
Restricted fixed asset funds					
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
Total restricted funds	24,269	19,654	(20,679)	1,483	24,727
Unrestricted funds					
Unrestricted funds	1,142	648	(640)	-	1,150
Total unrestricted funds	1,142	648	(640)	-	1,150
Total funds	25,411	20,302	(21,319)	1,483	25,877

Notes to the Financial Statements for the Period Ended 31 August 2019 (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2019 were allocated as follows:

	2019 £000	2018 £000
Carleton High School	(108)	17
Carleton Park J&I School	72	73
De Lacy Primary School	9	116
Halfpenny Lane JI&N School	556	471
Larks Hill J&I School	53	87
Orchard Head JI&N School	34	115
The King's School	561	664
The Rookeries JI&N School	3	91
Central Services	69	133
Total before fixed asset fund and pension reserve	1,249	1,767
Restricted fixed asset fund	29,308	28,232
Pension Reserve	(9,794)	(4,122)
Total	20,763	25,877

Carleton High School plans to reduce its cumulative deficit to £0.05m by 31 August 2020 and will move into a surplus position by 31 August 2021. The School will achieve this through the saving which are now been made as a result of the remodeling of the curriculum and restructuring of staffing during the current period.

Notes to the Financial Statements for the Period Ended 31 August 2019 (continued)

18. Funds (continued)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	Total 2018/19 £000	Total 2017/18 £000
Carleton High School	3,252	491	235	957	4,935	4,880
Carleton Park J&I School	575	106	38	177	896	938
De Lacy Primary School	1,215	135	67	344	1,761	1,731
Halfpenny Lane JI&N School	1,220	183	57	268	1,728	1,750
The King's School	3,786	493	364	1,000	5,642	5,649
Larks Hill J&I School	565	129	46	175	915	936
Orchard Head JI&N School	1,025	163	68	286	1,542	1,561
The Rookeries JI&N School	771	174	133	213	1,291	1,304
Central Services	666	1,381	36	652	2,735	1,612
Academy Trust	13,075	3,255	1,043	4,072	21,445	20,361

19 Analysis of Net Assets between Funds

Fund balances at 31 August 2019 were represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2019 £000	Total Funds 2018 £000
Tangible fixed assets	-	-	28,925	28,925	28,109
Current assets	1,611	1,157	712	3,480	3,826
Current liabilities	(454)	(1,058)	(329)	(1,841)	(1,927)
Non-current liabilities	-	(7)	-	(7)	(9)
Pension scheme liability	-	(9,794)	-	(9,794)	(4,122)
Total net assets	1,157	(9,702)	29,308	20,763	25,877

Notes to the Financial Statements for the Period Ended 31 August 2019 (continued)

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

19 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)
Total net assets	1,150	(3,505)	28,232	25,877	25,411

20 Capital Commitments

	2019 £000	2018 £000
Contracted for, but not provided in the financial statements	659	-

21 Commitments under operating leases

Operating Leases

At 31 August 2019 the total of the academies trust's future minimum lease payments under non-cancellable operating leases were:

	2019 £000	2018 £000
Expiring within one year	33	31
Expiring within two and five years inclusive	26	16
Expiring in over five years	-	-
	59	47

Notes to the Financial Statements for the Period Ended 31 August 2019 (continued)

22 Reconciliation of net Income to net cash flow from operating activities

	2018/19 £000	2017/18 £000
Net income/(expenditure)	(464)	(1,017)
Depreciation [note 13]	1,044	958
Donated Fixed Assets	(1,164)	-
Capital grants from DfE and other capital income	(720)	(594)
Interest receivable [note 5]	(2)	(2)
FRS 17 pension cost less contributions payable	915	595
FRS 17 pension finance income	107	114
(Increase)/decrease in debtors	(168)	(30)
Increase/(decrease) in creditors	(88)	386
Net cash provided by/(used in) Operating Activities	(540)	410

23 Cash flows from investing activities

	2018/19 £000	2017/18 £000
Interest received	2	2
Proceeds from sale of tangible fixed assets	2	4
Purchase of tangible fixed assets	(1,862)	(1,161)
Capital grants from DfE Group	720	594
Donated Fixed Asset	1,164	-
Net cash provided by/(used in) investing activities	26	(561)

24 Analysis of cash and cash equivalents

	2019 £000	2018 £000
Cash at bank and in hand	2,550	3,064
Total cash and cash equivalents	2,550	3,064

25 Guarantees, letters of comfort and indemnities

There were no items to report (2018: £nil)

26 Contingent Liabilities

There are no contingent liabilities (2018: £nil).

27 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 2019 (continued)

27 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.

28 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 £17,668 (2018: £20,222) were payable to the schemes at 31 August 2019 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 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 2019 (continued)

28 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 September 2019.

The pension costs paid to TPS in the period amounted to £1.887 million (2018: £1.888 million) of which employer's contributions totalled £1.186 million (2018: £1.199 million) and employees' contributions totalled £0.701 million (2018: £0.689 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 an unfunded multi-employer pension scheme. The academies trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academies 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 2019 was £0.870 million (2018: £0.922 million), of which employer's contributions totaled £0.644 million (2018: £0.682 million) and employees' contributions totalled £0.226 million (2018: £0.240 million). The agreed contribution rates for future years are 16.5 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 academies 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 must close, 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

	2019	2018
Rate of general increase in salaries	3.35%	3.25%
Pension Increases	2.10%	2.00%
Pension accounts revaluation rate	2.10%	2.00%
Discount Rate for scheme liabilities	1.90%	2.80%
CPI Inflation	2.10%	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 2019 and the projected service cost for the period ending 31 August 2020 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 2019 (continued)

28 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)	25,834	26,424	27,028
% change in present value of total obligation	-2.2%		2.3%
Projected service cost (£000)	1,549	1,592	1,636
Approximate % change in projected service cost	-2.7%		2.8%

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)	26,627	26,424	26,223
% change in present value of total obligation	0.8%		-0.8%
Projected service cost (£000)	1,592	1,592	1,592
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)	26,822	26,424	26,032
% change in present value of total obligation	1.5%		-1.5%
Projected service cost (£000)	1,636	1,592	1,549
Approximate % change in projected service cost	2.8%		-2.7%

Post retirement mortality assumption

Adjustment to mortality age rating assumption	-1 year	Base figure	+1 year
Present value of total obligation (£000)	27,305	26,424	25,553
% change in present value of total obligation	3.3%		-3.3%
Projected service cost (£000)	1,653	1,592	1,532
Approximate % change in projected service cost	3.8%		-3.8%

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

The assumed life expectations on retirement age 65 are:

	2019	2018
Retiring Today		
Males	22.2	22.1
Females	25.4	25.3
Retiring in 20 years		
Males	23.2	23.1
Females	27.2	27.1

Notes to the Financial Statements for the Period Ended 31 August 2019 (continued)

28 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:

	2019	2018
	£000	£000
Equity Instruments	12,905	11,033
Government Bonds	1,746	1,597
Corporate Bonds	748	518
Cash	316	325
Other	183	695
Property	732	621
Total market value of assets	16,630	14,789

The actual return on scheme assets was £1,187,000 (2018: £40,000 loss)

Amount recognised in the statement of financial activities

	2019	2018
	£000	£000
Current Service Cost	(1,117)	(1,277)
Past Service Cost	(442)	-
Net interest from net defined benefit asset/liability	(107)	(114)
Total amount recognised in the SOFA	(1,666)	(1,391)

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

	2019	2018
	£000	£000
At 1 September 2018	18,911	19,026
Current service cost	1,117	1,277
interest cost	530	476
employee contributions	226	240
actuarial (gain)/loss	5,414	(1,885)
benefits paid	(216)	(223)
past service costs	442	-
At 31 August 2019	26,424	18,911

Notes to the Financial Statements for the Period Ended 31 August 2019 (continued)

28 Pension and Similar Obligations (continued)

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

	2019 £000	2018 £000
At 1 September 2018	14,789	14,130
Interest income	423	362
Actuarial gain/(loss)	764	(402)
Employer contributions	644	682
Employee contributions	226	240
benefits paid	(216)	(223)
At 31 August 2019	16,630	14,789

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.

29 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 trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related transactions took place in the financial period.

Income Related Party Transaction

- During the year, the Duchy of Lancaster – King's School Pontefract Endowment Fund donated £6,500 to the academy trust to support opportunities for disadvantaged students. Mr Gough is a Member and Trustee and is also a governor for the Duchy of Lancaster – King's School Pontefract Endowment Fund.

30 Events after the balance sheet date

The Trust has no post balance sheet events to report.