

Peak Multi Academy Trust

Trustees' Report and Financial Statements

For the Year Ended 31 August 2019



Peak Multi Academy Trust
(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 12
Governance statement	13 - 16
Statement on regularity, propriety and compliance	17
Statement of Trustees' responsibilities	18
Independent auditors' report on the financial statements	19 - 21
Independent reporting accountant's report on regularity	22 - 23
Statement of financial activities incorporating income and expenditure account	24
Balance sheet	25
Statement of cash flows	26
Notes to the financial statements	27 - 61

Peak Multi Academy Trust
(A company limited by guarantee)

Reference and Administrative Details

Members K Gaiderman (resigned 1 March 2019)
N Hollis (resigned 1 March 2019)
A Roe
D Robinson (appointed 1 March 2019)
P Garvey (appointed 1 March 2019)
W Wesson (appointed 1 March 2019)
R M Radcliffe (appointed 1 March 2019, resigned 20 November 2019)

Trustees B Ames (appointed 1 March 2019)
N Hollis, Chair¹
J King (appointed 1 March 2019)
B Quinn (appointed 1 March 2019)
J Rouse (appointed 1 March 2019)¹
D Williams (appointed 1 March 2019)¹
P Withey (appointed 1 March 2019)
S Durrant (appointed 1 March 2019, resigned 25 March 2019)¹
K Gaiderman (resigned 1 March 2019)¹

¹ Members of the Finance and Audit Committee

Company registered number 07430289

Company name Peak Multi Academy Trust

Principal and registered office Chellaston Academy
Swarkestone Road
Derby
Derbyshire
DE73 5UB

Chief executive officer Mr K Gaiderman

Senior management team Between 1 September 2018 and 31 March 2019
P Clarke, Assistant Vice Principal
A Holdgate, Assistant Vice Principal
D Jordison, Assistant Vice Principal
E Moore, Assistant Vice Principal
T Stavri, Vice Principal
L Horvath, Assistant Vice Principal
C Sutton, Assistant Vice Principal
K Gaiderman, Executive Principal and CEO
S Nelson, Assistant Vice Principal
J Rumsey, Vice Principal
C Walker, Vice Principal
M Walker, Assistant Vice Principal
J Wainwright - Jones, Business Manager
From 1 April 2019
C Walker, Head of School
J Emery, Headteacher
L Galley, Headteacher
S Coleman, Headteacher
K Gaiderman, CEO

Peak Multi Academy Trust
(A company limited by guarantee)

Reference and Administrative Details (continued)
For the Year Ended 31 August 2019

Independent auditors Dains LLP
Charlotte House
Stanier Way
The Wyvern Business Park
Derby
DE21 6BF

Bankers HSBC Plc
St Peters Street
Derby
Derbyshire
DE1 2AE

Solicitors Flint Bishop LLP
St Michael's Court
St Michael's Lane
Derby
DE1 3HQ

Peak Multi Academy Trust
(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 August 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 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 Charitable Company formerly operating as Chellaston Academy changed its name on 9 November 2018 from Chellaston Academy to Peak Multi Academy Trust and converted from a Single Academy Trust to a Multi Academy Trust on 1 March 2019. Chellaston Junior School and Chellaston Infants School converted to academy status and joined Peak Multi Academy Trust on 1 April 2019 and Homefields Primary School converted and joined on 1 July 2019.

Peak Multi Academy Trust operates the one secondary academy and three primary schools for pupils aged 3 to 18 serving a catchment area in south Derby. Peak Multi Academy Trust has a pupil capacity of 2837 and had a roll of 2943 in the Autumn 2019 census.

Structure, governance and management

a. Constitution

The Multi-Academy Trust is a Charitable Company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association is the primary governing document of the Multi-Academy Trust.

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

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

Due to the transition from a Single Academy to a Multi Academy Trust, there are two different constitution arrangements that have been in place during the period from 1 September 2018 to 31 August 2019.

Chellaston Academy

There shall be at least 3 members of the Academy Trust and they shall comprise:

1. until they cease to be Members, the signatories to the Memorandum;
2. the Executive Principal;
3. the Chairman of the Governors;
4. the Vice Chairman of the Governors;
5. any Governor who wishes to become a Member, by right from the time of their appointment as a Governor;
6. 1 person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose;
7. any person appointed unanimously in writing by the existing Members

Details of the Governors who served on the Chellaston Academy Governing Body throughout the period except as noted are included in the Reference and Administrative. Chellaston Academy came into being on 1 December 2010 having converted to Academy status from Chellaston Foundation School on 1 December 2010. A Funding Agreement was signed with the Secretary of State on 24 November 2010 and the Charitable Company was registered at Companies House on 4 November 2010. Chellaston Academy changed its name to Peak Multi Academy Trust on 9 November 2018 and converted to a Multi Academy Trust on 1 March 2019.

Peak Multi Academy Trust
(A company limited by guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2019

Structure, governance and management (continued)

Peak Multi Academy Trust

The Members of the Academy Trust shall comprise the signatories to the Memorandum. There must be at least three and ideally five.

The Members may appoint by ordinary resolution up to 9 Trustees.

b. Members' liability

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

b. Members' liability

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

c. Trustees' indemnities

Subject to the provisions of the Companies Act 2006 every Governor or other officer or auditor of the Academy Trust shall be indemnified out of the assets of Peak Multi Academy Trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of Peak Multi Academy Trust.

d. Method of recruitment and appointment or election of Trustees

The Chellaston Academy Trust had the following Governors:

1. up to 7 Community Governors, appointed by the Members of the Academy Trust;
2. up to 2 Staff Governors, 1 of whom shall be teaching staff and 1 of whom shall be non teaching staff, employed by the Academy at the time of election and elected by the teaching and non teaching staff at the Academy;
3. 1 Appointed Teaching Staff Governor, appointed by the Members of the Academy Trust;
4. 2 Parent Governors, elected by secret ballot by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when they are elected. The Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so;
5. up to 4 Appointed Parent Governors, appointed by the Members of the Academy Trust;
6. the Executive Principal; ex officio
7. any Additional Governors, if appointed by the Secretary of State following a warning notice to the Governors;
8. any Further Governors if appointed by the Secretary of State if a Special Measures Termination Event occurs;
9. up to 2 Co opted Governor appointed by non- Co opted Governors.

Peak Multi Academy Trust
(A company limited by guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2019

Structure, governance and management (continued)

The term of office for any Governor is a maximum of 4 years; other than the Executive Principal who is ex officio. Any Governor may be re appointed or re elected subject to continuing eligibility. Governors of the Chellaston Academy were reclassified from the Foundation School Governing Body (2010).

Peak Multi Academy Trust

The Members may appoint up to 9 Trustees.

If the Chief Executive Officer agrees so to act, the Members may appoint the Chief Executive Officer as a Trustee.

The total number of Trustees may include the Chief Executive Officer if they so choose to act as a Trustee (this is not currently exercised).

In circumstances where the Trustees have not appointed Local Governing Bodies in respect of the Academies or if no provision is made for at least 2 Parent Local Governors on each established Local Governing, there shall be a minimum of two Parent Trustees and otherwise such number as the Members shall decide.

The Trustees may appoint Co-opted Trustees. A 'Co-opted Trustee' means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed. The Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the Academy Trust would exceed one third of the total number of Trustees including the Chief Executive Officer to the extent he or she is a Trustee.

The Trust has developed Terms of Reference for the Local Governing Bodies that further detail how the Local Governing Boards constitute within the Articles of Association.

e. Policies adopted for the induction and training of Trustees

New Trustees/Governors meet with the Headteacher/CEO and the Chair of Governors/Chair of Trust Board and have access to all key documents and relevant reporting information including past minutes through Governorhub. Additionally, we have budgeted specifically for access to the Local Authority's governor training package which enables governors/Trustees to access training and development activities that align to their identified skills needs. Trustees/Governors have opportunities to see the Academies in our 'open door' policy and through their governor link roles.

GovernorHub also provides Governors and Trustees with an appropriate forum to share best practice and information from the Governor Support Team. Access to The Key for Governors also ensures that Governors/Trustees have access to up to date information, advice, guidance and best practice information.

f. Organisational structure of Chellaston Academy converting to Peak Multi Academy Trust

Prior to 1st March 2019 the Governing Body held 3 meetings during the year and had delegated authority to the Finance and General Purposes Committee for part of the year.

For the year ending 31 August 2019 the Finance and General Purposes Committee held 2 meetings in the academic year.

From 1 March 2019 the full Trust Board formally met 2 times between 1st March and 31st August. In addition, responsibilities were delegated to the following Committees, which met between 1 and 2 times in this period:

1. Finance and Audit Committee
2. Development, HR, Remuneration and Pay Committee
3. Education, Performance and Standards Committee

Structure, governance and management (continued)

The Terms of Reference and Schemes of Delegation provide the detail of devolved responsibilities from the Trust Board to the relevant committees, Local Governing Boards and the CEO. The Chair of the Committee reports back to the Trust Board following each meeting.

Individual Governors are linked to improvement objectives and also SEN, Safeguarding, Governor Training for the current accounting period.

The day to day management of each Academy is delegated by the CEO who directs the leadership to the Executive team comprising of 3 Headteachers and 1 Head of School.

Individual school budgets are devolved to school level for management by the Headteacher/Head of School. The Trustees have developed and approved Financial Limits of Authority; these are reviewed on an annual basis.

CEO and Trustees approve targets for the Academies and for the Trust. These targets are reviewed by the appropriate committee.

The CEO has an Executive Team which manages the performance and effectiveness of the Middle Leaders in the Academies, who in turn manage the effectiveness and performance of the teaching staff.

Decisions are made in a coherent and transparent process through staff consultation and discussion. Executive decisions will be made by the CEO or a Headteacher/ Head of School. Local arrangements are made to consult on matters that may impact directly on employees such as TUPE consultation meetings.

The Trust Board and CEO have established a communication framework to ensure regular dialogue with the Local Governing Boards. The CEO attends the Local Governing Board meetings of the other schools wherever possible, to ensure the cascade of relevant communication and to ensure consistency in standards.

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

The pay ranges for the Leadership Team teachers are determined in accordance with the criteria specified in the School Teachers Pay and Conditions Document and in accordance with each Academy Pay Policy; Leadership Support staff are paid at a level commensurate with their role and responsibility.

Governors review the performance of the Executive Principal and set and approve the Executive Principal's pay range, pay and remuneration. The Executive Principal sets the pay range and approves the pay and remuneration of the senior leadership team. With the exception of the Executive Principal, the Academy Trustees do not receive pay or remuneration.

Post 1st March 2019, the CEO is responsible to the Trust Board, who sets his pay and remuneration.

Structure, governance and management (continued)

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	1
1%-50%	-
51%-99%	-
100%	-
Percentage of pay bill spent on facility time	£
Total cost of facility time	-
Total pay bill	8,884,776
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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i. Related parties and other connected charities and organisations

Peak Multi Academy Trust enjoys a wide range of partnerships and collaborations, both formal and informal which have been established to promote the core aims of the Academy.

At a local level, Chellaston Academy is involved in all collaborations within the Derby Secondary Strategic Group formerly chaired by the Executive Principal, which involves all of the Secondary Schools in the City. This is a formal organisation which works together in order to promote the best possible educational outcomes for City students. We also play our part in sharing arrangements for difficult students and for students who are new arrivals to the City. Two Headteachers from the primary academies are participants of the primary HSLM (Headteachers Strategic Leadership and Management Group).

Chellaston Academy is involved with organisation and provision of school improvement services via a team of SLE's to local secondary schools under the DfE Strategic School Improvement Fund programme and through the Opportunity Area continuation project.

Chellaston Academy and Homefields Primary School continue to be members of the Derby Teaching School Alliance and the CEO along with the Homefields Headteacher continues to be executive members.

On an individual basis, staff work in partnership with a range of other schools in programmes and strategies which promote Teaching and Learning in the City.

Chellaston Academy and Homefields Primary School are Teaching Schools and have developed links with other education providers for the training of new teachers.

Structure, governance and management (continued)

Up to September 2019, the Academy Executive Principal was also a member of the Opportunity Area Strategic Board allocating bids within the £6 million Opportunity Area fund.

A register of Business Interests is maintained for the governing bodies and Trust Board and available on the academy website.

Objectives and activities

a. Objects and aims

The Academy Trust's objects are as follows:

1. advancing 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 a school offering a broad and balanced curriculum;
2. promoting for the benefit of the inhabitants of Chellaston and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances, or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Peak Multi Academy Trust's Objectives remain consistent with Object 1 above.

The individual schools' aims are reflective of the context of each individual school aligned with Chellaston Academy aims on which each development plan and associated spending decisions are based. These are:

1. To continue to raise standards of achievement within the Academy, reducing the in-Academy gaps and variation in subject, ensuring that pupils make substantial and sustained progress.
2. To sustain and enhance the Academy's culture and ethos for learning, which results in typically good or better teaching, much of which is outstanding.
3. To ensure that pupils become well-rounded citizens, value their education and have excellent attitudes to learning, which has a positive impact on their progress.
4. To ensure that leadership at all levels is highly effective and upholds the whole school values of learning, excellence and integrity.
5. To promote stakeholder partnerships through work with linked schools; our Teaching Schools; and the Derby City Opportunity Area.

b. Objectives, strategies and activities

Having converted to Multi Academy Status on 1 March 2019 the principal objective and activity of the Charitable Company has been the operation of the 4 Trust Schools to provide education to children of different abilities between the ages of 3 and 19.

During this current reporting period, the main aims of the Trust continue to be the maximising of attainment for all students, regardless of background or ability.

The Academies will not change their fundamental aim of providing the best possible opportunities for students to maximise their achievement, regardless of ability or background. Last year, Pupil Premium students continued

Objectives and activities (continued)

to be targeted as a priority throughout the Trust; Chellaston Academy still continues to have a tiny gap between the disadvantaged pupils within the school and all other students nationally.

c. Public benefit

The Academy Trust Governors have complied with their duty to have due regard to the Charity Commission guidance on public benefit in exercising their powers and duties, as noted above in the review of activities during the period in regard to the objects of the Charitable Company.

Chellaston Academy continues to be a vibrant contributor to local life in the community and its buildings and staff are used to promote a sense of well being in the local area. The Academy is used for community meetings, sporting events and festivals. Academy facilities are used for Drama and Sport. On many evenings during the week, we have a range of activities in the Academy and we continued to provide adult education for a range of leisure and qualification classes.

Strategic report

Achievements and performance

a. Key performance indicators

Financial standards, performance are monitored by the CEO, Local Governing Boards and Trustees. The CEO, along with the Local Governing Boards, holds the Headteachers to account. The CEO is then held to account by the Trust Board. Initial budgets at conversion indicated that the Trust had a healthy financial position overall. Monitoring at school level has corroborated this indicative position.

Academic performance across all schools is still to be validated however Chellaston Academy once again performed well at Key Stage 4. 63% of students achieved a level 5 or above in both English and Mathematics compared to the national average of 43%. Progress 8 is once again above the national average and the gap between disadvantaged and non-disadvantaged nationally is now in line.

Homefields Primary School has performed well in all statutory assessments and continues to self-evaluate as an outstanding school. Chellaston Infants has performed well in most areas and needs to concentrate on improving reading outcomes at key stage 1. Chellaston Junior School has a declining performance in the three key areas of assessment. A key focus will be to improve key stage 2 outcomes across all groups.

b. Going concern

After making appropriate enquiries, the Trust Board has a reasonable expectation that the Multi Academy 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 Accounting Policies.

Financial review

a. Reserves policy

The Trustees review the reserve levels of the Academies on a regular basis as part of their regular monitoring of the Academy finances.

During the year the Multi Academy Trust had an in-year surplus of £254,121 relating to restricted general funds

Peak Multi Academy Trust
(A company limited by guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2019

Strategic report (continued)

Financial review (continued)

(excluding pension reserve) plus unrestricted funds.

The Multi Academy Trust held fund balances at 31 August 2019 of £29,326,514 consisting of £28,560,639 restricted funds and £765,875 unrestricted funds. Included in the restricted fund is an amount of £34,272,446 invested in fixed assets and a pension reserve deficit of £5,884,000. The balance on the restricted general funds (excluding pension reserve) plus unrestricted funds is £938,068.

The Multi Academy Trust has built up a level of reserves in order to ensure that provision is available for unforeseen urgent expenditure and that future plans and commitments can be developed providing a stronger basis for capital bids for funding streams to improve and expand the available accommodation. During the current accounting period with the expansion of the Trust the reserve has been consolidated for investment in the future development of the Multi Academy Trust infrastructure.

b. Investment policy

In furtherance of the Objects, Peak Multi Academy Trust may deposit or invest any funds of the Academy Trust not immediately required for the furtherance of its Objects only after obtaining such advice from a financial expert, authorised to give investment advice under the Financial Services and Markets Act 2000, as the Governors consider necessary and having regard to the suitability of investments and the need for diversification.

Cash balances, not immediately required, will be transferred HSBC Money Market on short-term risk-free deposits, to obtain a higher interest rate.

c. Principal risks and uncertainties

Given that cash funding is received directly from the DfE under the terms of the Funding Agreement the risk and uncertainty of reduced funding is controlled by the DfE; however, as funding levels are primarily based on pupil numbers and applications to all year groups in Chellaston Academy remain high and there is an agreed increase to the PAN, funding is considered to be secure. The principal risk is considered to be that funding does not reflect the level of numerous increased costs. In addition, the construction and opening of a new primary school within the community places a risk for pupil numbers against Chellaston Infant School in the initial stages. Once full housing capacity is reached in the new residential area, full capacity in all schools should exist.

d. Financial risk management objectives and policies

Most of the Academies' income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes in pursuance of the Academy's objects. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as restricted general funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice (SORP 2015) such grants are shown in the Statement of Financial Activities as restricted income in the restricted fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

At 31 August 2019 the net book value of fixed assets was £184,997 (excluding Freehold and Leasehold Property) and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academies in the Trust and in line with the objects of the Multi Academy Trust.

The Governors have been advised by the actuary for the Local Government Pension Scheme that the pension

Strategic report (continued)

Financial review (continued)

liability has increased to £5,884,000 for the current shortfall in payments required to fund non academic staff's final salary pension schemes (In accordance with FRS 102).

e. Risk management

Subsequent to the formation of the Trust Board for the Multi Academy Trust, a Risk Register was established to ensure that operational and strategic risks are identified and regularly reviewed, and that relevant activity is undertaken to mitigate any such risks. Prior to this each school had risk assessment practices monitored by Local Governing Boards.

Fundraising

The Academy accepts donations as both specific schemes and general resources for use within the Academy. Income from donations is recognised in note 4 to the Financial Statements. There is no agreement in place with a professional fundraising body.

Plans for future periods

An in-year deficit revenue budget has been set for the year beginning 1 September 2019 due to reductions in SEN funding; for which the existing staffing structure has been retained in the short term. This revenue deficit is fully funded by the Trust's established reserves.

Chellaston Academy is in receipt of section 106 funding for the completion of a new build facility which, subject to planning approvals will increase the capacity of the school to support the increase in PAN.

Employee involvement and employment of the disabled

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

The Multi-Academy Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

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

In accordance with the Multi-Academy Trust's equal opportunities policy, the Multi-Academy Trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Multi-Academy Trust's offices.

Trustees' Report (continued)
For the Year Ended 31 August 2019

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

Auditors

The auditors, Dains LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 16 December 2019 and signed on its behalf by:



N Hollis
Chair of Trustees

Peak Multi Academy Trust
(A company limited by guarantee)

Governance Statement

Scope of responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Peak Multi Academy Trust (formally Chellaston Academy) 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 of Chellaston Academy and subsequent conversion to Peak Multi Academy Trust

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 2 times during the year as the Peak Multi Academy Trust.

Attendance during the year at meetings of the board of Trustees of Peak Multi Academy Trust from 1 March 2019 was as follows:

Trustee	Meetings attended	Out of a possible
N Hollis, Chair	2	2
B Quinn	2	2
D Williams	2	2
J Rouse	2	2
J King	2	2
B Ames	2	2
P Withey	2	2
S Durrant (resigned 25 March 2019)	0	0

The Terms of Reference for the Trustees and the Local Governing Bodies and the various Committees are reviewed and amended in order to comply with the latest changes in educational policy and the changing/developing context of the Trust structure.

The Trust Board will meet 6 times per year. In addition to this the Trust Finance and Audit Committee will meet at least 3 times per year.

Prior to conversion, Chellaston Academy governing board and its sub group, the Finance and General Purposes Committee, met twice within the academic year.

Governance Statement (continued)

**Governance of Chellaston Academy and subsequent conversion to Peak Multi Academy Trust
(continued)**

The Finance and Audit Committee is a sub committee of the main Governing Body. Its purpose is to assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring to make appropriate comments and recommendations on such matters to the Governing Body.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
J Rouse	2	2
N Hollis	2	2
D Williams	2	2
K Gaiderman	1	2
S Durrant (resigned 25 March 2019)	1	1

Review of value for money

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Multi-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 Multi-Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Multi-Academy Trust has delivered improved value for money during the year by:

- Ensuring that competitive tenders have been obtained for procurement in line with the governors annually reviewed Best Value Statement.
- Ensuring that a rigorous system of internal controls exists to ensure prudence and accountability for financial resources.
- Undertaking a major restructuring of the curriculum in order to better utilise teachers directed time and reduce staffing costs.
- Undertaking a review of the cover process to fully utilise teachers' under allocation to reduce external cover costs.
- Continuing the development of the Academies' Teaching School.
- Utilising the Strategic School Improvement Fund programme to develop the SLE's within the Academy
- Improving the Performance Management and Continuing Professional Learning process in order to improve teaching and promote improvement in academic results.

During the coming year Academy is seeking to address the following areas:

- To maintain a strong focus on the progress of pupils eligible for Pupil Premium funding in a Trust wide setting.
- To address the gap between boys and girls' attainment.
- to continue to improve the Continuing Professional Learning process for middle leaders.
- To implement and develop Integrated Curriculum and Financial planning to better utilise teachers directed time and reduce staffing costs.

Governance Statement (continued)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Multi-Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Peak Multi Academy Trust (formally Chellaston Academy) 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 Multi-Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Multi-Academy 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 Trust Board.

The risk and control framework

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

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

The Trust Board has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Dains LLP, the external auditors, to perform additional checks.

The external auditors' role includes giving advice on financial matters and performing a range of checks on the Multi-Academy Trust's financial systems. In particular the checks carried out in the current period included:

- Payroll systems
- Purchase systems
- Expense claims
- Income
- Bank and petty cash reconciliations
- Fixed assets

On a termly basis, the external auditors report to the board of Trustees through the Trust Finance and Audit Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

There were no control issues arising as a result of the auditors review work.

Governance Statement (continued)

The risk and control framework (continued)

The structure of the Trusts Committees enables a cycle of planning and action to be validated and reported on to the full Trust Board on a regular basis. The full Trust Board is given minutes of decisions and actions taken by the Trust Finance and Audit Committee. The Chair of the Trust Finance and Audit Committee is answerable to the full Trust Board.

Review of effectiveness

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

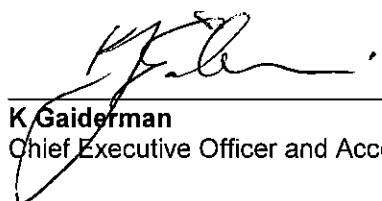
- the work of the external auditors;
- the work of the Executive Team within the Multi-Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of Trustees on 16 December 2019 and signed on their behalf by:



N Hollis
Chair of Trustees



K Gaiderman
Chief Executive Officer and Accounting Officer


Peak Multi Academy Trust
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of Peak Multi Academy Trust I have considered my responsibility to notify the Multi-Academy Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Multi-Academy Trust, under the funding agreement in place between the Multi-Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Multi-Academy Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Multi-Academy Trust, or material non-compliance with the terms and conditions of funding under the Multi-Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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.



K Gaiderman
Chief Executive Officer and Accounting Officer
Date: 16 December 2019

Statement of Trustees' responsibilities
For the Year Ended 31 August 2019

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees on 16 December 2019 and signed on its behalf by:



N Hollis
Chair of Trustees

Independent Auditors' Report on the financial statements to the Members of Peak Multi Academy Trust

Opinion

We have audited the financial statements of Peak Multi Academy Trust (the 'multi-academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Multi-Academy Trust'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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 Multi-Academy Trust'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.

Independent Auditors' Report on the financial statements to the Members of Peak Multi Academy Trust
(continued)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance, and the Statement of Trustees' Responsibilities. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Independent Auditors' Report on the financial statements to the Members of Peak Multi Academy Trust
(continued)

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Multi-Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

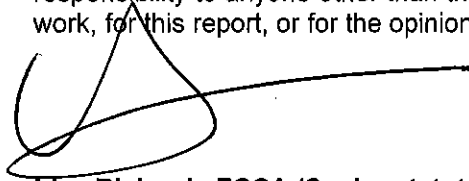
Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Lisa Richards FCCA (Senior statutory auditor)

for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

Charlotte House, Derby

16 December 2019

Independent Reporting Accountant's Assurance Report on Regularity to Peak Multi Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 27 June 2018 and further to the requirements of the Education & 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 Peak Multi Academy 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 Peak Multi Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Peak Multi Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Peak Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Peak Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Peak Multi Academy Trust's funding agreement with the Secretary of State for Education dated 24 November 2010 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 year 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.

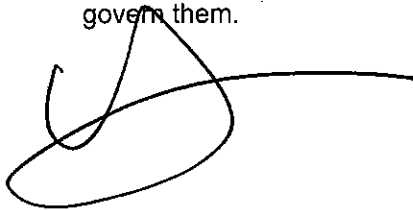
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Multi-Academy Trust's income and expenditure.

Peak Multi Academy Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Peak Multi Academy Trust and the Education & Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggest 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.

A large, stylized handwritten signature in black ink, consisting of a large loop and a long horizontal stroke extending to the right.

Dains LLP

Statutory Auditor
Chartered Accountants

Charlotte House, Derby

Date: 16 December 2019

Peak Multi Academy Trust
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants:	4					
Transfer from local authority on conversion		235,758	(1,701,540)	16,350,000	14,884,218	-
Other donations and capital grants		7,155	-	254,605	261,760	41,774
Charitable activities:						
Funding for the multi academy trust's educational operations		324,159	10,096,412	-	10,420,571	8,054,468
Other trading activities		701,048	-	-	701,048	491,609
Investments	7	6,796	-	-	6,796	4,041
Total income		1,274,916	8,394,872	16,604,605	26,274,393	8,591,892
Expenditure on:						
Raising funds		698,980	-	-	698,980	461,620
Charitable activities:						
Multi academy trust's educational operations		382,678	10,420,666	663,869	11,467,213	8,932,906
Total expenditure		1,081,658	10,420,666	663,869	12,166,193	9,394,526
Transfers between funds	19	-	(33,343)	33,343	-	-
Net movement in funds before other recognised gains/(losses)		193,258	(2,059,137)	15,974,079	14,108,200	(802,634)
Other recognised gains/(losses):						
Actuarial (losses) / gains on defined benefit pension schemes	25	-	(2,143,000)	-	(2,143,000)	541,000
Net movement in funds		193,258	(4,202,137)	15,974,079	11,965,200	(261,634)
Reconciliation of funds:						
Total funds brought forward		572,617	(1,509,670)	18,298,367	17,361,314	17,622,948
Net movement in funds		193,258	(4,202,137)	15,974,079	11,965,200	(261,634)
Total funds carried forward		765,875	(5,711,807)	34,272,446	29,326,514	17,361,314

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

The notes on pages 27 to 61 form part of these financial statements.

Peak Multi Academy Trust
(A company limited by guarantee)
Registered number: 07430289

Balance Sheet
For the Year Ended 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	15	34,119,286	18,298,367
Current assets			
Stocks	16	5,836	4,797
Debtors	17	601,214	406,136
Cash at bank and in hand		1,613,412	1,200,305
		<u>2,220,462</u>	<u>1,611,238</u>
Creditors: amounts falling due within one year	18	(1,129,234)	(927,291)
Net current assets		<u>1,091,228</u>	<u>683,947</u>
Net assets excluding pension liability		<u>35,210,514</u>	<u>18,982,314</u>
Defined benefit pension scheme liability	25	(5,884,000)	(1,621,000)
Total net assets		<u><u>29,326,514</u></u>	<u><u>17,361,314</u></u>
Funds of the Multi-Academy Trust			
Restricted funds:			
Restricted fixed asset funds	19	34,272,446	18,298,367
Restricted income funds	19	172,193	111,330
		<u>34,444,639</u>	<u>18,409,697</u>
Restricted funds excluding pension liability	19	34,444,639	18,409,697
Pension reserve	19	(5,884,000)	(1,621,000)
Total restricted funds	19	<u>28,560,639</u>	<u>16,788,697</u>
Unrestricted income funds	19	<u>765,875</u>	<u>572,617</u>
Total funds		<u><u>29,326,514</u></u>	<u><u>17,361,314</u></u>

The financial statements on pages 24 to 61 were approved by the Trustees, and authorised for issue on 16 December 2019 and are signed on their behalf, by:



N Hollis
Chair of Trustees

The notes on pages 27 to 61 form part of these financial statements.

Peak Multi Academy Trust
(A company limited by guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	21	50,735	205,205
Cash flows from investing activities	22	362,372	(92,572)
Change in cash and cash equivalents in the year		413,107	112,633
Cash and cash equivalents at the beginning of the year		1,200,305	1,087,672
Cash and cash equivalents at the end of the year	23	1,613,412	1,200,305

The notes on pages 27 to 61 form part of these financial statements

1. General information

Peak Multi-Academy Trust is a company limited by guarantee and incorporated in England and Wales. the registered number of the company is 07430289 and its registered office is Chellaston Academy, Swarkestone Road, Chellaston, Derby, DE73 5UB. The principal activity of the trust is given in the Trustees report.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

The financial statements of the Multi-Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

2.2 Going concern

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

2. Accounting policies (continued)

2.3 Income

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

• **Grants**

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

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

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

• **Sponsorship income**

Sponsorship income provided to the Multi-Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

• **Donations**

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

• **Other income**

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

• **Transfer on conversion**

Where assets and liabilities are received by the Multi-Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Multi-Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

2. Accounting policies (continued)

2.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

These are costs incurred on the Multi-Academy Trust's educational operations, including support costs and costs relating to the governance of the Multi-Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2.6 Taxation

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

Accordingly, the Multi-Academy 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.

2. Accounting policies (continued)

2.7 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:

Depreciation is provided on the following basis:

Freehold property	-	2% straight line basis
Long-term leasehold property	-	2% straight line basis
Building refurbishments	-	10% straight line basis
Furniture, fittings and equipment	-	20% straight line basis
Computer equipment	-	33% straight line basis
Motor vehicles	-	25% straight line basis
	-	

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.

2.8 Stocks

Unsold uniforms and catering stocks are valued at the lower of cost and net realisable value.

2.9 Debtors

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

2.10 Cash at bank and in hand

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

2. Accounting policies (continued)

2.11 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 Multi-Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. 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 note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2.13 Operating leases

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

2. Accounting policies (continued)

2.14 Pensions

Retirement benefits to employees of the Multi-Academy 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 Multi-Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a 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 multi-employer scheme and the assets are held separately from those of the Multi-Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

2.15 Conversion to an academy trust

The conversion from a state maintained school to a Multi-Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Homefields Primary School, Chellaston Infant School and Chellaston Junior School to the Multi-Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 24.

2. Accounting policies (continued)

2.16 Fund accounting

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

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

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

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

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

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

Critical areas of judgement:

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Trustees to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from these estimates. In this regard, the Trustees believe that the critical accounting policies where judgement or estimating are necessarily applied are summarised below.

Depreciation and residual values

The trustees have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

Notes to the Financial Statements
For the Year Ended 31 August 2019

4. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	7,155	-	-	7,155
Capital Grants	-	-	254,605	254,605
Transfer from local authority on conversion	235,758	(1,701,540)	16,350,000	14,884,218
	<u>242,913</u>	<u>(1,701,540)</u>	<u>16,604,605</u>	<u>15,145,978</u>

	Unrestricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Donations	7,739	-	7,739
Capital Grants	-	34,035	34,035
	<u>7,739</u>	<u>34,035</u>	<u>41,774</u>

Peak Multi Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

5. Funding for the Multi-Academy Trust's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	9,144,967	9,144,967
Pupil premium	-	119,197	119,197
Other DfE Group grants	-	437,134	437,134
	-	9,701,298	9,701,298
Other government grants			
Local authority and government grants	-	255,298	255,298
	-	255,298	255,298
Other income			
Staff related income	-	35,348	35,348
Departmental income	-	29,211	29,211
School fund	324,159	-	324,159
Educational visits	-	49,413	49,413
Other income	-	25,844	25,844
	324,159	10,096,412	10,420,571

Peak Multi Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	7,172,422	7,172,422
Pupil premium	-	188,167	188,167
Other DfE Group grants	-	53,423	53,423
	-	7,414,012	7,414,012
Other government grants			
Local authority and government grants	-	264,215	264,215
	-	264,215	264,215
Other income			
Staff related income	-	12,725	12,725
Departmental income	-	36,888	36,888
School fund	285,775	-	285,775
Educational visits	-	2,132	2,132
Other income	-	38,721	38,721
	285,775	7,768,693	8,054,468

Notes to the Financial Statements
For the Year Ended 31 August 2019

6. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £
Hire of facilities	58,069	58,069
Catering income including Zone income	642,979	642,979
	<u>701,048</u>	<u>701,048</u>

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Hire of facilities	36,349	3,838	40,187
Catering income	451,422	-	451,422
	<u>487,771</u>	<u>3,838</u>	<u>491,609</u>

7. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Short term deposits	6,796	6,796	4,041
	<u>6,796</u>	<u>6,796</u>	<u>4,041</u>

Notes to the Financial Statements
For the Year Ended 31 August 2019

8. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Expenditure on raising voluntary income:				
Direct costs	394,240	-	304,740	698,980
Educational Operations:				
Direct costs	7,518,277	567,619	1,678,606	9,764,502
Allocated support costs	965,763	-	736,948	1,702,711
Total 2019	8,878,280	567,619	2,720,294	12,166,193

	Staff Costs 2018 £	Premises 2018 £	Other 2018 £	Total 2018 £
Expenditure on raising voluntary income:				
Direct costs	10,642	-	450,978	461,620
Educational Operations:				
Direct costs	6,039,595	581,271	987,201	7,608,067
Allocated support costs	693,206	-	682,633	1,375,839
	6,743,443	581,271	2,120,812	9,445,526

9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Educational Operations	9,764,502	1,702,711	11,467,213

Peak Multi Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

9. Analysis of expenditure by activities (continued)

	Activities undertaken directly 2018 £	Support costs 2018 £	Total funds 2018 £
Educational Operations	7,608,067	1,375,839	8,983,906

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
LGPS Pension cost	65,000	51,000
Staff costs	7,518,277	6,039,595
Depreciation	663,869	581,271
Educational equipment	114,869	92,622
Exam fees	165,764	144,528
Training fees	26,806	31,013
Technology costs	160,276	97,352
Educational workshop and visit expenditure	444,475	313,815
Free school meals	54,775	33,228
Appeals cost	9,498	1,167
Consultant services	418,435	88,952
Recruitment costs	29,666	38,463
Subscriptions	3,035	2,128
Pupil support	21,243	32,842
Vehicle costs	32,586	31,512
Other direct costs	35,927	28,579
	9,764,502	7,608,067

Peak Multi Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations 2019 £	Total funds 2019 £	Total funds 2018 £
Staff costs	965,763	965,763	693,206
Staff development	9,505	9,505	2,324
Technology costs	26,600	26,600	22,600
Printing, postage, stationery and telephone	19,699	19,699	14,955
Cleaning costs	28,721	28,721	10,065
Maintenance of premises	188,500	188,500	209,288
Equipment costs	2,706	2,706	1,578
Catering costs	16,348	16,348	19,992
Security costs	52,321	52,321	57,419
Rates	52,267	52,267	41,544
Water rates	41,373	41,373	82,878
Energy	134,024	134,024	122,837
Insurance	52,678	52,678	35,744
Governance costs	67,764	67,764	22,670
Bank charges	2,327	2,327	1,628
Other support costs	42,115	42,115	37,111
	1,702,711	1,702,711	1,375,839

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	22,616	23,120
Depreciation of tangible fixed assets	663,869	581,271
Fees paid to auditors for:		
- audit	12,200	6,500
- other services	1,825	1,275

Notes to the Financial Statements
For the Year Ended 31 August 2019

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	6,790,845	5,143,243
Social security costs	646,995	509,498
Pension costs	1,440,440	1,090,702
	<u>8,878,280</u>	<u>6,743,443</u>

Staff restructuring costs comprise:

	2019 £	2018 £
Severance payments	2,457	-
	<u>2,457</u>	<u>-</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £2,457 (2018 : £Nil). Individually there was one payment of £2,457.

c. Staff numbers

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

	2019 No.	2018 No.
Teachers	155	113
Support	233	80
Management	24	12
	<u>412</u>	<u>205</u>

11. Staff costs (continued)

c. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2019	2018
	No.	No.
Teachers	110	96
Support	91	54
Management	17	12
	218	162

d. Higher paid staff

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	3	2
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-

e. Key management personnel

The key management personnel of the Multi Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £743,328 (2018 : £877,958).

12. Central services

The Multi-Academy Trust provides the following central services to its academies from 2019/2020. For the 5 month period since April 2019 the schools had generally provided their own services.

- Legal services
- Finance and compliance services
- Admissions
- Software licensing
- Free school meal services
- Governor services
- Central staff recharges

The Multi-Academy Trust charges for these services on the following basis:

The trust charges for these services on a flat percentage levy. The current rate for 2019/2020 is 5%.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Chellaston Junior School	4,213	-
Chellaston Infant School	3,333	-
Homefields Primary School	1,062	-
Total	8,608	-

13. Trustees' remuneration and expenses

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

		2019	2018
		£	£
K Gaiderman	Remuneration	110,000 -	105,000 -
		115,000	110,000
	Pension contributions paid	15,000 -	15,000 -
		20,000	20,000

During the year, retirement benefits were accruing to 1 Trustees (2018 - 1) in respect of defined benefit pension schemes.

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

14. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Multi-Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

Peak Multi Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

15. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Building refurbishment £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Assets under construction £	Total £
Cost or valuation								
At 1 September 2018	20,061,538	-	997,558	243,961	401,717	85,585	7,000	21,797,359
Additions	-	-	-	16,354	29,303	-	89,130	134,787
Transfer from local authority on conversion	6,350,000	10,000,000	-	-	-	-	-	16,350,000
At 31 August 2019	26,411,538	10,000,000	997,558	260,315	431,020	85,585	96,130	38,282,146
Depreciation								
At 1 September 2018	2,435,294	-	466,785	188,882	338,569	69,462	-	3,498,992
Charge for the year	424,640	48,333	99,756	20,756	60,764	9,620	-	663,869
At 31 August 2019	2,859,934	48,333	566,541	209,638	399,333	79,082	-	4,162,861
Net book value								
At 31 August 2019	23,551,604	9,951,667	431,017	50,677	31,687	6,503	96,130	34,119,285
At 31 August 2018	17,626,244	-	530,773	55,079	63,148	16,123	7,000	18,298,367

Peak Multi Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

15. Tangible fixed assets (continued)

Included within land and buildings is land at a valuation of £1,825,400 (2018 : £1,225,400) which is not depreciated.

16. Stocks

	2019 £	2018 £
Goods for resale	5,836	4,797

17. Debtors

	2019 £	2018 £
Trade debtors	45,340	10,218
Other debtors	3,756	33
Prepayments and accrued income	457,643	324,203
VAT recoverable	94,475	71,682
	<u>601,214</u>	<u>406,136</u>

Peak Multi Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

18. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	269,570	237,434
Other taxation and social security	130,757	124,963
Other creditors	140,680	26,652
Accruals and deferred income	588,227	538,242
	1,129,234	927,291
	2019	2018
	£	£
Deferred income at 1 September 2018	430,466	54,412
Resources deferred during the year	433,400	430,466
Amounts released from previous periods	(430,466)	(54,412)
	433,400	430,466

At the balance sheet date the Multi Academy Trust was holding funds received in advance for educational grants and income held for future trips.

Peak Multi Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

19. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	572,617	1,274,916	(1,081,658)	-	-	765,875
Restricted general funds						
General Annual Grant (GAG)	14,473	9,144,967	(9,049,220)	(33,343)	-	76,877
Other DfE/ESFA grants	44,278	601,791	(604,076)	-	-	41,993
Other government grants	35,055	255,298	(256,115)	-	-	34,238
Other income	17,524	139,816	(138,255)	-	-	19,085
Pension reserve	(1,621,000)	(1,747,000)	(373,000)	-	(2,143,000)	(5,884,000)
	<u>(1,509,670)</u>	<u>8,394,872</u>	<u>(10,420,666)</u>	<u>(33,343)</u>	<u>(2,143,000)</u>	<u>(5,711,807)</u>
Restricted fixed asset funds						
DfE/ ESFA capital funds	5,286,026	165,475	(284,115)	33,343	-	5,200,729
LA capital grants	321,006	89,130	(12,122)	-	-	398,014
Gift from local authority	12,691,335	16,350,000	(367,632)	-	-	28,673,703
	<u>18,298,367</u>	<u>16,604,605</u>	<u>(663,869)</u>	<u>33,343</u>	<u>-</u>	<u>34,272,446</u>
Total Restricted funds	<u>16,788,697</u>	<u>24,999,477</u>	<u>(11,084,535)</u>	<u>-</u>	<u>(2,143,000)</u>	<u>28,560,639</u>
Total funds	<u>17,361,314</u>	<u>26,274,393</u>	<u>(12,166,193)</u>	<u>-</u>	<u>(2,143,000)</u>	<u>29,326,514</u>

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

Restricted general funds

This fund represents grants and other income received by the Multi Academy Trust's operational activities and development.

Pension reserve

The pension reserve included within restricted general funds represents the Academy Trust's share of the

19. Statement of funds (continued)

pension liability arising on the LGPS pension fund.

Restricted fixed asset funds

This fund represents grants received from the DfE and ESFA, as well as transfers from GAG, to carry out works of a capital nature.

Under the funding agreement with the Secretary of State, the Multi-Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Chellaston Academy	732,688	683,947
Chellaston Junior	37,705	-
Chellaston Infant School	149,622	-
Homefields Primary School	18,053	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	938,068	683,947
Restricted fixed asset fund	34,272,446	18,298,367
Pension reserve	(5,884,000)	(1,621,000)
	<hr/>	<hr/>
Total	29,326,514	17,361,314
	<hr/>	<hr/>

19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
Chellaston Academy	6,006,479	1,051,672	603,418	1,697,253	9,358,822
Chellaston Junior School	577,670	221,369	25,473	138,154	962,666
Chellaston Infants School	461,343	56,664	16,529	112,589	647,125
Homefields Primary School	164,785	30,298	2,854	27,774	225,711
Central services - LGPS	308,000	-	-	-	308,000
Multi-Academy Trust	7,518,277	1,360,003	648,274	1,975,770	11,502,324

Peak Multi Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

19. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	534,053	785,326	(746,762)	-	-	572,617
Restricted general funds						
General Annual Grant (GAG)	99,287	7,172,422	(7,257,236)	-	-	14,473
Other DfE/ESFA grants	56,632	241,590	(247,077)	(6,867)	-	44,278
Other government grants	46,858	220,664	(149,698)	(82,769)	-	35,055
Other income	163,863	137,855	(180,482)	(103,712)	-	17,524
Pension reserve	(1,930,000)	-	(232,000)	-	541,000	(1,621,000)
	<u>(1,563,360)</u>	<u>7,772,531</u>	<u>(8,066,493)</u>	<u>(193,348)</u>	<u>541,000</u>	<u>(1,509,670)</u>
Restricted fixed asset funds						
DfE/ ESFA capital funds	5,356,410	34,035	(297,767)	193,348	-	5,286,026
LA capital grants	333,128	-	(12,122)	-	-	321,006
Gift from local authority	12,962,717	-	(271,382)	-	-	12,691,335
	<u>18,652,255</u>	<u>34,035</u>	<u>(581,271)</u>	<u>193,348</u>	<u>-</u>	<u>18,298,367</u>
Total Restricted funds	<u>17,088,895</u>	<u>7,806,566</u>	<u>(8,647,764)</u>	<u>-</u>	<u>541,000</u>	<u>16,788,697</u>
Total funds	<u><u>17,622,948</u></u>	<u><u>8,591,892</u></u>	<u><u>(9,394,526)</u></u>	<u><u>-</u></u>	<u><u>541,000</u></u>	<u><u>17,361,314</u></u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	34,119,286	34,119,286
Current assets	897,967	1,169,335	153,160	2,220,462
Creditors due within one year	(132,092)	(997,142)	-	(1,129,234)
Pension scheme liability	-	(5,884,000)	-	(5,884,000)
Total	765,875	(5,711,807)	34,272,446	29,326,514

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	18,298,367	18,298,367
Current assets	722,673	888,565	-	1,611,238
Creditors due within one year	(150,056)	(777,235)	-	(927,291)
Pension scheme liability	-	(1,621,000)	-	(1,621,000)
Total	572,617	(1,509,670)	18,298,367	17,361,314

Peak Multi Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

21. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	14,108,200	(802,634)
Adjustments for:		
Depreciation	663,869	581,271
Capital grants from DfE and other capital income	(254,605)	(130,770)
Dividends, Interest and rents from investments	(6,796)	(4,041)
Defined benefit pension scheme obligation inherited on conversion	1,747,000	-
Defined benefit pension scheme cost less contributions payable	373,000	232,000
Increase in stocks	(1,039)	(3,169)
(Increase)/decrease in debtors	(195,078)	16,339
Increase in creditors	201,942	316,209
Net assets transferred on conversion	(16,350,000)	-
Cash transferred on conversion	(235,758)	-
Net cash provided by operating activities	50,735	205,205

22. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	6,796	4,041
Purchase of tangible fixed assets	(134,787)	(227,383)
Capital grants from DfE/ESFA	165,475	34,035
Capital funding received from sponsors and others	89,130	96,735
Cash transferred on conversion to an academy trust	235,758	-
Net cash provided by/(used in) investing activities	362,372	(92,572)

23. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	1,613,412	1,200,305
Total cash and cash equivalents	1,613,412	1,200,305

24. Conversion to an academy trust

On 01 April 2019 Chellaston Junior School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Peak Multi Academy Trust from Derby City Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Freehold land and buildings	-	-	6,350,000	6,350,000
Current assets				
Cash - representing budget surplus on LA funds	39,922	-	-	39,922
Cash - representing budget surplus on other school funds	12,758	-	-	12,758
Non-current liabilities				
Defined benefit pension obligation inherited on conversion	-	(662,000)	-	(662,000)
Net assets/(liabilities)	<u>52,680</u>	<u>(662,000)</u>	<u>6,350,000</u>	<u>5,740,680</u>

Peak Multi Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

24. Conversion to an academy trust (continued)

On 01 April 2019 Chellaston Infant School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Peak Multi Academy Trust from Derby City Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	3,000,000	3,000,000
Current assets				
Cash - representing budget surplus on LA funds	151,499	-	-	151,499
Cash - representing budget surplus on other school funds	4,409	-	-	4,409
Unspent DfE/ESFA grants	-	25,000	-	25,000
Non-current liabilities				
Defined benefit pension obligation inherited on conversion	-	(257,000)	-	(257,000)
Net assets/(liabilities)	155,908	(232,000)	3,000,000	2,923,908

24. Conversion to an academy trust (continued)

On 01 July 2019 Homefields Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Peak Multi Academy Trust from Derby City Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	7,000,000	7,000,000
Current assets				
Cash - representing budget surplus on LA funds	22,997	-	-	22,997
Cash - representing budget surplus on other school funds	4,173	-	-	4,173
Unspent DfE/ESFA grants	-	20,460	-	20,460
Non-current liabilities				
Defined benefit pension obligation inherited on conversion	-	(828,000)	-	(828,000)
Net assets/(liabilities)	<u>27,170</u>	<u>(807,540)</u>	<u>7,000,000</u>	<u>6,219,630</u>

25. Pension commitments

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

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

Contributions amounting to £71,546 were payable to the schemes at 31 August 2019 (2018 - £17,435) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

25. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the year amounted to £805,662 (2018 - £667,754).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £395,000 (2018 - £231,023), of which employer's contributions totalled £310,000 (2018 - £182,898) and employees' contributions totalled £ 85,000 (2018 - £48,124). The agreed contribution rates for future years are 22.5 - 24.2 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Notes to the Financial Statements
For the Year Ended 31 August 2019

25. Pension commitments (continued)

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	2.8	2.8
Rate of increase for pensions in payment/inflation	2.3	2.3
Discount rate for scheme liabilities	1.9	2.8

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	21.9	21.9
Females	24.4	24.4
<i>Retiring in 20 years</i>		
Males	23.9	23.9
Females	26.5	26.5

Sensitivity analysis

	2019	2018
	£000	£000
Discount rate -0.5%	1,560	594
Salary increase rate +0.5%	270	120
CPI rate +0.5%	1,255	464

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

	At 31	At 31
	August 2019	August 2018
	£	£
Equities	3,357,400	1,882,700
Gilts	-	533,900
Corporate bonds	1,321,000	196,700
Property	440,300	196,700
Cash	385,300	-
Total market value of assets	5,504,000	2,810,000

Notes to the Financial Statements
For the Year Ended 31 August 2019

25. Pension commitments (continued)

The actual return on scheme assets was £182,000 (2018 - £70,000).

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

	2019 £	2018 £
Current service cost	(544,000)	(361,000)
Past service cost	(74,000)	-
Interest income	102,000	64,000
Interest cost	(167,000)	(115,000)
Total amount recognised in the Statement of Financial Activities	(683,000)	(412,000)

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

	2019 £	2018 £
At 1 September	4,431,000	4,398,000
Current service cost	544,000	361,000
Interest cost	167,000	115,000
Employee contributions	85,000	52,000
Actuarial losses/(gains)	2,325,000	(471,000)
Benefits paid	(28,000)	(24,000)
Past service costs	74,000	-
Effects of business combinations and disposals	3,790,000	-
At 31 August	11,388,000	4,431,000

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

	2019 £	2018 £
At 1 September	2,810,000	2,468,000
Interest income	102,000	64,000
Actuarial gains	182,000	70,000
Employer contributions	310,000	180,000
Employee contributions	85,000	52,000
Benefits paid	(28,000)	(24,000)
Effects of business combinations and disposals	2,043,000	-
At 31 August	5,504,000	2,810,000

26. Operating lease commitments

At 31 August 2019 the Multi-Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£	£
Not later than 1 year	7,762	19,638
Later than 1 year and not later than 5 years	6,044	683
	<u>13,806</u>	<u>20,321</u>

27. Members' liability

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

28. Related party transactions

There have not been any related party transactions during the year.

29. Controlling party

The Multi-Academy Trust is controlled by the Board of Members.