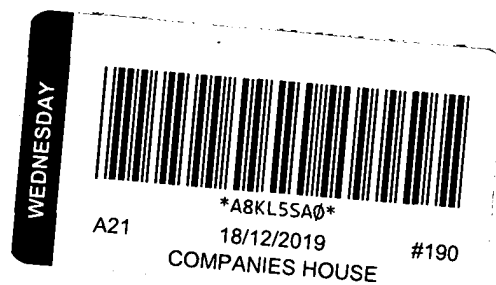


**PATHFINDER  
MULTI ACADEMY TRUST  
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**Year ended 31 August 2019**



**Company Registration Number:  
07559610 (England and Wales)**

## **Pathfinder Multi Academy Trust**

| <b>Contents</b>  | <b>Page</b> |
|--|-------------|
| Reference and Administrative Details   | 2           |
| Trustees report  | 3           |
| Trustees Statement   | 12          |
| Statement on Regularity, Propriety and Compliance                              | 15          |
| Statement of Trustees' Responsibilities  | 16          |
| Independent Auditor's Report to the Governing Body                             | 17          |
| Independent Reporting Accountant's Report on Regularity                        | 20          |
| Statement of Financial Activities incorporating Income and Expenditure Account | 22          |
| Balance Sheet  | 23          |
| Statement of Cash Flows  | 24          |
| Notes to the Financial Statements  | 25          |

# Pathfinder Multi Academy Trust

## Reference and Administrative Details

### Members

Dean of York Minster  
York Diocesan Board of Education  
Archbishop of York

The Very Reverend Vivienne Faull  
Right Reverend Bishop Paul Ferguson  
The Most Reverend & Right Honourable Dr John Sentamu

### Trustees

Mr John Hattam (Chair)  
Mr Jake Drummond (Vice Chair)  
Ms Allison Campbell  
Dr Andrew Clarke  
Ms Sandra Holmes  
Mr Terry McDermott  
Mr Stuart Outram  
Ms Samantha Pugh  
Mr Derek Scott  
Mr John Sharpe  
Ms Alison Smith  
Ms Claire Theyers

### Start Date

1 September 2019

10 December 2018

1 September 2019

### Leave Date

31 August 2019

### Company Secretary

Mr G Duxbury

### Senior Management

Mr A Daly  
Mr S Outram  
Mrs V Whittingham  
Mrs Z Lightfoot  
Mr M Carr  
Mrs H Coles  
Mrs C Precious  
Mr A Herbert  
Mrs A Oswald  
Mr L Haynes  
Ms J Slack  
Mrs M Bowling  
Mr G Duxbury

Accounting Officer and Headteacher, Archbishop Holgate's School  
Head of Primary Education  
Headteacher, Badger Hill School  
Headteacher, Hempland School  
Headteacher, Heworth CE School  
Headteacher, St Lawrence CE School  
Headteacher, Tang Hall School  
Headteacher, Clifton with Rawcliffe School  
Headteacher, New Earswick School  
Headteacher, Acomb School  
Headteacher, Rufforth School  
Chief Operating Officer  
Chief Finance Officer

### Principal and registered Office

Pathfinder Multi Academy Trust  
Archbishop Holgate's School  
Hull Road  
York  
North Yorkshire  
YO10 5ZA

### Company registration number

07559610

### Independent Auditor

Wylie & Bisset LLP  
168 Bath Street  
GLASGOW, G2 4TP

### Bankers

Lloyds Bank  
York City Centre Branch, 2 Pavement  
YORK, YO1 9UP

### Solicitors

Wrigley's Solicitors LLP  
19 Cookridge Street  
LEEDS, LS2 3AG

## Trustees' Report

The Trustees present their annual report together with the financial statements of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The trust operates nine primary (with one additional school joining during the year) and one secondary academy, all within the City of York. Its academies have a combined roll of 3,885 on the October 2018 (3,715 October 2017) census date.

## Structure, Governance and Management

### Constitution

The academy trust is a company limited by guarantee and an exempt charity incorporated on 10 March 2011. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy.

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Pathfinder Multi Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Pathfinder MAT.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 2.

### Members' Liability

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

### Trustees' Indemnities

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides unlimited cover on any one claim.

### Method of Recruitment and Appointment or Election of Trustees

The term of office for any trustee shall be 4 years. Subject to remaining eligible to be a particular type of trustee, any trustee may be re-appointed or re-elected.

The Trustees comprise 11 individuals.

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

New governors on appointment are invited to attend a "Welcome to Governance" course run by the Local Authority. Further training is made available specific to the relevant area of responsibility.

## Trustees' Report (continued)

### Organisational Structure

Overall responsibilities lie with the trustees, who by means of a scheme of delegation, delegate the majority of the responsibility to the relevant local governing committee who in turn delegate the day to day running of the school to their Head Teacher and the senior leadership team of each school.

The trust in addition to both the trust board and local governing committees ["LGC"] also has a 'Heads Group' and 'Operations Group', both which meet on a weekly basis.

The trust board and some of the local governing committees have sub committees to review policies and performance within their school in all areas. Reports from each of the sub-committees are received and discussed at every meeting of the full local governing committee.

The organisational structure, at a school level, consists of two levels: the governors and the senior leadership team (SLT). The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The local governors are responsible for three core functions:-

- Ensuring clarity of vision, ethos and strategic direction
- Financial probity
- Holding senior leaders to account.

The work of the senior leadership team encompasses both day-to-day leadership and management of the school, and strategic leadership through development planning and action planning – including monitoring and evaluating progress on the school development plan, forward planning, and associated strategic issues. All members of the Senior Leadership Team will lead by example in all they do. This includes working in a spirit of openness and collegiality

In terms of teaching and learning, there is an expectation that all lessons will be 'good or better'. The descriptions below are not intended to be exclusive or complete, but are given as a guide to key areas of responsibility;

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

Key management are deemed to be the Headteachers of each school within the trust; with the schools local governing body determining the pay range for all members of the senior leadership team.

The staffing sub-committee will review pay annually and award an increment of up to two points (on the Leadership scale) where there has been sustained high quality of performance of their results and their most recent appraisal.

### Trade union facility time

As a public sector organisation, the trust is required by law (Trade Union Facility Time Publication Requirements Regulations 2017) to publish, annually, information on facility time. The information we are required to provide is set out in the table below:

|   |             |
|---|-------------|
| <b>Relevant union officials</b>                                       |             |
| Number of employees who were relevant union officials during the year | Nil         |
| <b>Percentage of time spent on facility time</b>                      |             |
| Percentage of working hours spend on trade union facility time        | 0%          |
| <b>Percentage of pay bill spent on facility time</b>                  |             |
| Total cost of facility time   | £8,687      |
| Total pay bill  | £16,175,000 |
| Percentage of pay bill spent on facility time                         | 0.05%       |
| <b>Paid trade union activities</b>                                    |             |
| Percentage of total paid facility time hours spent on TU activities   | 0%          |

### Trustees' Report (continued)

The trust does not pay any of the trust's employee's as trade union representatives, which is why the figure is zero above. Instead the trust entered into a service level agreement with the Local Authority which means that it is able to use the various trade union representatives that are employed by the Local Authority, when required. This should enable staff to have easy access to trained and experienced local trade union representatives should they be needed. As an employer we use these local trade union representatives for consultation and negotiation purposes as required.

#### Related Parties and other Connected Charities and Organisations

Owing to the nature of the Academy's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, it is possible that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

### Objectives and Activities

#### Objectives and Aims

The Academy Trust's object is to advance for the public benefit education in the United Kingdom but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing secondary and primary schools offering a broad and balanced curriculum.

The Academy is an inclusive partnership of like-minded church and community schools underpinned by a shared vision, common values and a commitment to providing an outstanding and holistic education to all the young people it serves.

#### Objectives, Strategies and Activities

- As a family of schools, we are working collaboratively to celebrate and nurture both the similarities and distinctiveness of each school's individual ethos and values.
- To celebrate the uniqueness of all pupils, and through outstanding pastoral care, academic challenge and inspirational teaching supporting each child to flourish, succeed and make a positive contribution to the communities they serve.
- To develop outstanding leadership at all levels that delivers maximum achievement whilst supporting and developing the vision and values that underpin all we do.
- To ensure that all young people and their families are known, valued and cared for as individuals.
- To generate a positive and challenging learning environment which allow staff to grow flourish through excellent professional development.
- To provide a nurturing ethos in which children learn by example and grow spiritually, morally and socially to understand the uniqueness and diversity of communities, faiths and cultures – locally, nationally and internationally.

#### Public Benefit

The Trustees have complied with their duty to have due regard to public benefit guidance published by the Charities Commission in exercising their powers and duties.

## Trustees' Report (continued)

### Strategic Report

#### Achievements and Performance

#### Pathfinder Key Stage 2 Results 2019: Reading, Writing and Maths

| School                                | % of pupils meeting expected standard in RWM | Reading Progress | Writing Progress | Maths Progress | % of pupils achieving at a higher standard in RWM | Average score in Reading | Average score in Maths |
|---------------------------------------|--|------------------|------------------|----------------|---|--------------------------|------------------------|
| Acomb Primary School                  | 82   | 0.38             | 3.13             | -1.02          | 23  | 107                      | 106                    |
| Badger Hill Primary School            | 46   | -0.34            | 1.45             | 0.06           | 7   | 101                      | 103                    |
| Clifton with Rawcliffe Primary School | 79   | 0.56             | 3.44             | 1.94           | 18  | 105                      | 107                    |
| Hempland Primary Academy              | 86   | 0.51             | 0.09             | 0.31           | 24  | 107                      | 107                    |
| Heworth CE Primary School             | 60   | 0.35             | 0.92             | 0.26           | 10  | 105                      | 105                    |
| New Earswick Primary School           | 85   | 3.82             | 3.13             | 0.47           | 3   | 107                      | 104                    |
| Rufforth Primary School               | 80   | 0.50             | 1.22             | 2.25           | 27  | 107                      | 109                    |
| St Lawrence's CE Primary School       | 45   | 0.98             | 6.72             | 1.10           | 5   | 100                      | 102                    |
| Tang Hall Primary School              | 72   | 2.67             | 3.91             | 1.03           | 12  | 104                      | 104                    |

| School                                | % of pupils meeting expected standard in Reading | % of pupils achieving at a higher standard in Reading |
|---------------------------------------|--|---|
| Acomb Primary School                  | 84   | 41  |
| Badger Hill Primary School            | 57   | 14  |
| Clifton with Rawcliffe Primary School | 83   | 24  |
| Hempland Primary Academy              | 86   | 50  |
| Heworth CE Primary School             | 65   | 40  |
| New Earswick Primary School           | 97   | 33  |
| Rufforth Primary School               | 87   | 33  |
| St Lawrence's CE Primary School       | 58   | 11  |
| Tang Hall Primary School              | 84   | 24  |

| % of pupils meeting expected standard in Maths | % of pupils achieving at a higher standard in Maths |
|--|---|
| 86   | 32  |
| 64   | 14  |
| 88   | 32  |
| 90   | 50  |
| 85   | 20  |
| 97   | 12  |
| 100  | 53  |
| 60   | 20  |
| 80   | 12  |

| % of pupils meeting expected standard in Writing | % of pupils achieving at a higher standard in Writing |
|--|---|
| 96   | 52  |
| 75   | 14  |
| 92   | 38  |
| 92   | 32  |
| 95   | 10  |
| 88   | 30  |
| 87   | 40  |
| 85   | 20  |
| 84   | 28  |

## Trustees' Report (continued)

### Strategic Report

#### Achievements and Performance

#### Pathfinder: Key Stage 4 Results 2019

We are proud of our outstanding summer 2019 results at Archbishop Holgate's, which build on the excellent results achieved in 2017 which placed the school in the top 5% nationally for student progress. The outcomes for both student progress and achievement evidence our distinctiveness and effectiveness as a Church of England School.

The key headline figures published in the performance tables are:

|  |  |
|--|--|
| Progress 8 Score   | 0.81 - Well above average (0.79)           |
| Attainment 8 Score   | 55.0 points (54.8)                         |
| Percentage of pupils achieving Grade 5 or above in English and Maths | 51%  |
| Percentage of pupils entering the English Baccalaureate (Ebacc)      | 62%  |
| Average point score of pupils achieving the English Baccalaureate    | 4.87 points                                |
| Percentage of pupils staying in education or employment after KS4    | 95% (Based on 2016-17 academic year group) |

#### Attainment 8

This gives an indication of the raw grades that students have achieved in the qualifications that they studied. However, this value is very much dependent on the academic ability of the cohort of students which is indicated by the APS on entry. An academic cohort of students could achieve high grades yielding a large attainment 8 score but have a poor progress score. Whilst a less academic cohort of students could achieve lower grades, yielding a smaller attainment 8 score but have a much higher progress score.

Archbishop Holgate's Attainment 8 score for 2019 is 55.0 points

The local authority average score is 51.3 points

The England average point score is 46.6 points

#### Progress 8

This is a value-added score comparing our school against other schools nationally. This factors in the students' prior attainment on entry and is therefore the more fair and robust measure to judge the success of a school.

We have an upward trend of outstanding Progress 8 scores which for a third successive year has placed Archbishop Holgate's as the strongest school locally and among the best nationally.

Archbishop Holgate's Progress 8 Score for 2019 is 0.81 (0.79).

The average Progress 8 score for York schools in 2019 is 0.22.

The average Progress 8 score nationally in 2019 is -0.03.

| WELL ABOVE AVERAGE |  | Archbishop Holgate's Progress 8 Score |  |
|--------------------|--|---------------------------------------|--|
| 2019               |  | +0.81                                 |  |
| 2018               |  | +0.60                                 |  |
| 2017               |  | +0.53                                 |  |



## Trustees' Report (continued)

### Strategic Report

#### Achievements and Performance

#### Pathfinder: Key Stage 5 Results 2019

The Sixth Form has consistently performed within the top 10% nationally of post 16 providers over the last five years. Previously the Sixth Form has topped the national league tables for the delivery of vocational qualifications and last year the A Level performance place the Sixth Form in the top 2% of post 16 providers nationally. We are delighted that the sixth form has maintained our strong reputation as an outstanding provider, as the 2019 results yet again place the Sixth Form in the top 10% for student performance. We are pleased that this pattern of excellent results and high-quality care for the individual has been maintained as student numbers have grown within the Sixth Form community.

| Qualification type | 1 Year T Score<br>(Overall<br>Sixth Form<br>performance) | 3 Year T Score<br>(Overall<br>Sixth Form<br>performance<br>over time) | Red teaching<br>and learning (%<br>of outstanding or<br>excellent<br>subjects) | Blue teaching<br>and learning (%<br>of less than<br>satisfactory<br>subjects) | QI<br>indicator/provide<br>r VA (shows<br>performance<br>across all<br>subjects) |
|--------------------|--|---|--|---|--|
| A Level and BTEC   | 2 (top 10%<br>nationally)                                | 2 (top 10%<br>nationally)   | 2 (top 10%<br>nationally)  | 3 (top 25%<br>nationally)   | 2 (top 10%<br>nationally)  |

The Year 13 A Level and vocational qualifications yet again compare well against national performance placing the Sixth Form in the top 10% nationally. Most pleasing of all is the A Level ALPS 3 Year T Score of Grade 2. In essence, this shows the overall performance of the Sixth Form as it takes into consideration – students value added (progress), the number of subjects that are classed as outstanding (ALPS 1-3) and the number of subjects that classed as poor (ALPS 7-9) over time.

Student attainment headline figures:

|  |     |
|--|-----|
| Percentage of students achieving at least 1 A*-E A Level or equivalent | 99% |
| Percentage of students achieving at least 1 A*-B A Level or equivalent | 95% |
| Percentage of entries at A*-B A Level or equivalent                    | 75% |
| Percentage of entries at A*-A A Level or equivalent                    | 37% |

## Trustees' Report (continued)

### Strategic Report

#### Achievements and Performance

### Ofsted/SIAMS Grades

Heworth CE Primary School and Badger Hill Primary School had one-day Ofsted inspections during the 2018-19 academic year. Both schools were found to be Good, retaining the judgements from their previous inspections.

The current Ofsted and SIAMS grades for the ten schools in the Trust.

| School                                | Ofsted Grade | SIAMS Grade |
|---------------------------------------|--------------|-------------|
| Acomb Primary School                  | Good         | NA          |
| Archbishop Holgate's School           | Outstanding  | Outstanding |
| Badger Hill Primary School            | Good         | NA          |
| Clifton with Rawcliffe Primary School | Good         | NA          |
| Hempland Primary Academy              | Outstanding  | NA          |
| Heworth CE Primary School             | Good         | Outstanding |
| New Earswick Primary School           | Inadequate   | NA          |
| Rufforth Primary School               | Good         | NA          |
| St Lawrence's CE Primary School       | Inadequate   | Good        |
| Tang Hall Primary School              | Good         | NA          |

#### Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the 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 Statement of Accounting Policies.

### Financial Review

Most of the Trust's income is funded by the ESFA, in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure, are shown as restricted funds in the statement of financial activities.

The Trust also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'FRS102', such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the financial year ended 31 August 2019, total income (excluding restricted fixed asset funds) of £19,973,000 (2018 £17,762,000) spending £20,691,000 (2018 £19,256,000). This deficit of £718,000, is largely due to the Local Government Pension Scheme in year deficit.

At 31 August 2019 the net book value of fixed assets was £41,268,000 (2018: £38,399,000) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy, there were no major asset additions during the year.

## Trustees' Report (continued)

### Financial position

The Trust held a surplus fund balances at 31 August 2019, before the pension deficit, of £259,000 (2018: £338,000). The pension deficit of £5,868,000 (2018: £3,239,000) is included within restricted funds. There were restricted fixed asset funds of £42,318,000 (2018: £38,399,000) largely represented by the inherited value of the leasehold land, buildings and equipment and other asset additions. It also had restricted fund balances of £159,000 (2018: £120,000), with these mainly relating to School Trips and Visits.

The total net funds at 31 August 2019 were £36,868,000 (2018: £35,621,000).

### School Funds

The majority of School Funds relate to the income and expenditure in relation to the numerous School trips that are offered to the students each year. During the year ending 31 August 2019, the total revenue was £299,000 (2018: £336,000) with expenditure of £260,000 (2018: £337,000); this leaving the funds with a balance of £159,000 as at 31 August 2019 (2018: £120,000).

### Reserves Policy

The policy of the Trust is to carry forward a prudent level of resources designed to meet the long term plan and any unforeseen contingencies subject to the levels permitted by the DFE.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2019, is a net surplus of £418,000. At this date four of the ten schools as well as the central services department, were in an overall deficit position.

The trustees intend to review the reserve levels of the Trust annually. This review will consider the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. A cautious and low risk approach has been taken in forecasts of both income and expenditure.

### Investment Policy

The Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long term value of any surplus cash balances against inflation. The Trust does not consider the investment of funds as a primary activity, rather as a result of good stewardship as and when circumstances allow.

### Principal Risks and Uncertainties

The principal risks to the Trust are identified as reductions to funding through the GAG. A risk register is an integral part of the trusts development plan, with significant governor involvement, to quantify the likelihood and impact of the risks the Academy may face. The register is then reviewed by both Governors and senior leaders on an on-going basis.

### Fundraising

The trust does not have a policy in respect of fundraising. Notwithstanding this the trust (where applicable) will seek out relevant opportunities that could lead to additional funds for schools within the trust.

The trust would not normally engage with professional fundraisers.

## **Trustees' Report (continued)**

### Plans for Future Years

The Multi Academy Trust is looking to continue to grow in a planned and managed manner, with its continued focus on schools in York. However, at present there are no Schools are currently showing an interest in joining the Trust.

Schools will continuously strive for further improvement to help retain their own excellent reputation not only within the local community but also further afield. We know teaching colleagues will continue to work hard to maintain existing positive relationships with students, the calm and ordered learning environment that facilitates learning, and the excellent lessons that students deserve, all built around the distinctive values that the Multi Academy Trust is renowned for.

### **Auditor**

In so far as the trustees are aware:

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

### **Approval**

Trustees report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 12 December 2019 and signed on the board's behalf by:



**John Hattam**  
**Chair of Trustees**

**Date: 12<sup>th</sup> December 2019**

## Governance Statement

### Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to A Daly, 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 Pathfinder MAT and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Report of the Governors and in the Statement of Governors' responsibilities. The governing body has formally met six times during the year. Attendance during the year at meetings of the governing body was 81% (2018 = 80%), as follows

| Governor                |                            | Meetings attended | Out of a possible |
|-------------------------|----------------------------|-------------------|-------------------|
| J Hattam (Chair)        |                            | 5                 | 6                 |
| J Drummond (Vice Chair) |                            | 5                 | 6                 |
| R Battersby             | Resigned 13 September 2018 | -                 | -                 |
| A Clarke                |                            | 5                 | 6                 |
| S Holmes                |                            | 5                 | 6                 |
| T McDermott             | Appointed 10 December 2018 | 3                 | 4                 |
| S Pugh                  |                            | 3                 | 6                 |
| D Scott                 |                            | 5                 | 6                 |
| J Sharpe                |                            | 5                 | 6                 |
| A Smith                 |                            | 5                 | 6                 |
| C Theyers               |                            | 6                 | 6                 |

The Finance and Resources 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 and probity.

There was a total of 4 meetings in the year, with overall attendance at these meetings being 90% (2018 = 72%), detailed as follows:

| Governor                  |                            | Meetings attended | Out of a possible |
|---------------------------|----------------------------|-------------------|-------------------|
| R Battersby (Chair)       | Resigned 13 September 2018 | -                 | -                 |
| J Drummond (Chair)        |                            | 4                 | 4                 |
| D Scott                   |                            | 4                 | 4                 |
| J Sharpe                  |                            | 3                 | 4                 |
| C Theyers                 |                            | 3                 | 4                 |
| <b>Co-opted Governors</b> |                            |                   |                   |
| A Ward                    |                            | 4                 | 4                 |

Additionally, there was also the "Standards" Committee (met 4 times in the year) and the "Church Schools Performance" Committee (met twice in the year).

From 2019/20 there will also be a "Remuneration" Committee.

## **Governance Statement (continued)**

### **Review of Value for Money**

As accounting officer for Pathfinder Multi Academy Trust I am responsible and accountable for ensuring that the academy trust delivery good value for money in the use of public resources. I am aware that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- The trust has a weekly meeting of all the Headteachers within the trust; during this meeting best practice is shared and this is a very efficient process to ensure the best education/social outcomes are achieved for all schools within the trust given the funding received.
- Curriculum Demand Planning: The school(s) plans the following year's curriculum and expected class sizes and then carefully matches this to the teaching staff available to deliver the mix of subjects. This is to ensure that there is an effective deployment of teaching staff and also that any additional staffing (due to the growth of the school) is known in good time so that, if applicable, new teachers can be recruited at the most appropriate/early point in time. The School carefully monitors its staffing ratio.
- Building Works: The trust has achieved a careful balance of utilising the existing skills of its own staff and employing external contractors to maximise the physical resources on site at the lowest additional cost maximising the impact upon teaching and learning in capital income it receives.
- The trusts has a number of centralised functions, of its core business services, in doing so it gains some economies of scale and avoids duplication at an individual schools level.
- The trust has reviews both ESFA benchmarking and metric information, with the latest information showing the largest school within the trust (Archbishop Holgate's School) with the top 'Efficiency score' of statistically similar schools (based upon the levels of funding and 'Progress 8' score).

### **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 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 Trust for the period ended 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 review's the key risks to which the Academy Trust is exposed together (as part of the trusts development plan). The risks cover a variety of areas, including operating, financial and compliance controls that have been implemented to mitigate those risks.

The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

## **Governance Statement (continued)**

### **The Risk and Control Framework**

The 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 regular financial reports which are reviewed and agreed by the both the local governing committees and the board of trustee;
- regular reviews by the finance and resources 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 board of trustees has considered the need for a specific internal audit function and has decided:

- To appoint 'Wylie & Bisset' as internal auditor

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

- Budget and governor reporting
- Income and cash receipts
- Purchasing and procedures
- Bank reconciliations
- Expenses policy and procedures
- Payroll and HR system
- Visits to schools

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

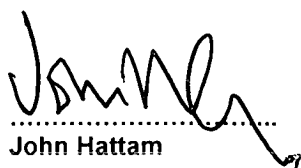
### **Review of Effectiveness**

As Accounting Officer, A Daly (Principal) has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

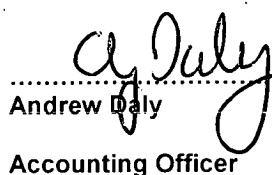
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 12 December 2019 and signed on its behalf by:



John Hattam

**Chairman of trustees**



Andrew Daly

**Accounting Officer**

## Pathfinder Multi Academy Trust

### Statement on Regularity, Propriety and Compliance

As accounting officer of Pathfinder Multi-Academy Trust I have considered my responsibility to notify the Academy trust Governing body and the ESFA of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust governing body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the Academy trust's funding agreement and the Academies Financial Handbook 2018.

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

  
.....  
Andrew Daly  
Accounting Officer

Date: 12<sup>th</sup> December 2019



## Statement of Governors' Responsibilities

The Governors (who act as trustees for the charitable activities of Pathfinder Multi Academy Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with the Annual Accounts Direction issued by the ESFA, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 year. In preparing these financial statements, the governors are required to:

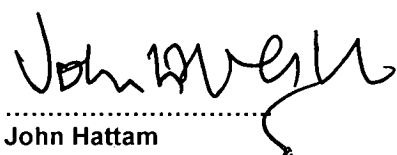
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Direction 2018 to 2019;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Governors are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the Governing Body on 12 December 2019 and signed on its behalf by:



John Hattam

Chairman of Governors

## **Independent Auditor's Report to the Members of Pathfinder Multi Academy Trust for the Year Ended 31 August 2019**

### **Opinion**

We have audited the financial statements of Pathfinder Multi Academy Trust (the 'charitable company') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities Statement of Recommended Practice (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 charitable company's affairs as at 31 August 2019, and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with Charities Statement of Recommended Practice (SORP 2015) and the Academies Accounts Direction 2018 to 2019.

### **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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

### **Other information**

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

## **Independent Auditor's Report to the Members of Pathfinder Multi Academy Trust for the Year Ended 31 August 2019 (continued)**

### **Opinions 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 & Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report & 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report & Strategic Report.

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### **Responsibilities of the Trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 16, the trustees, who are also the directors of Pathfinder Multi Academy Trust for the purposes of company law, are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

Our responsibility is to audit and express an opinion the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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 auditor's 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

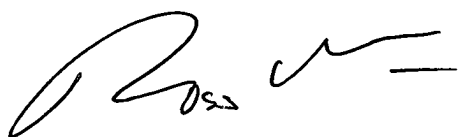
## Pathfinder Multi Academy Trust

### Independent Auditor's Report to the Members of Pathfinder Multi Academy Trust for the Year Ended 31 August 2019 (continued)

#### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and in respect of the separate opinion in relation to compliance with the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency on terms that have been agreed.

Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Ross McLauchlan BAcc CA (Senior Statutory Auditor),

For and on behalf of Wylie & Bisset LLP

Date

16/12/19

Chartered Accountants  
Statutory Auditor  
168 Bath Street  
Glasgow  
G2 4TP

## **Independent Reporting Auditor's Assurance Report on Regularity to Pathfinder Multi Academy Trust and the Education & Skills Funding Agency**

In accordance with the terms of our engagement letter and further to the requirements of the 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 Pathfinder Multi Academy Trust during the period 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 Pathfinder 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 the Pathfinder Multi Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Pathfinder Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Pathfinder Multi Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Pathfinder Multi Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**Independent Reporting Auditor's Assurance Report on Regularity to  
Pathfinder Multi Academy Trust and the Education Funding Agency  
(continued)**

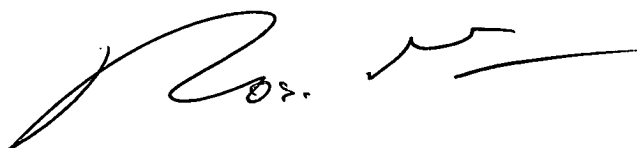
The work undertaken to draw to our conclusion includes:

- Direct consideration and corroboration of evidence used to inform the accounting officer's statements;
- Procedures to assess compliance with the funding agreement and Academies Financial Handbook from those already performed as part of the audit;
- Consideration of whether expenditure outside of the academies delegated authorities has received departmental approval;
- Evaluation and assessment of the operating effectiveness of the general control environment and operational level which are intended to reduce the risk of irregularity;
- Assessment of adequacy of policies and procedures to ensure compliance with the framework of authorities;
- Testing transactions with connected parties to determine whether the Trust has complied with the 'at cost' requirement of the Academies Accounts Direction 2018 to 2019.
- Consideration of whether the absence of a control represents a breach of authorities;
- Review of accounts or transactions susceptible to a greater risk of impropriety such as credit cards and cash accounts.

This list is not exhaustive and we performed additional procedures designed to provide us with additional appropriate evidence to express a conclusion on regularity consistent with the requirements of Part 9 of the Academies Accounts Direction 2018 to 2019.

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 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.



Ross McLauchlan  
**Reporting Accountant**  
Wylie & Bisset LLP  
Statutory Auditor  
168 Bath Street  
Glasgow  
G2 4TP

Dated: 16/12/19

# Pathfinder Multi Academy Trust

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

|  |      | Unrestricted<br>Funds<br>£000 | Restricted<br>General<br>Funds<br>£000 | Restricted<br>Fixed<br>Asset<br>Funds<br>£000 | <b>Total<br/>2019<br/>£000</b> | <b>Total<br/>2018<br/>£000</b> |
|--|------|-------------------------------|--|---|--------------------------------|--------------------------------|
|  | Note |                               |  |   |                                |                                |
| <b>Incoming resources:</b>                                   |      |                               |  |   |                                |                                |
| <i>Income from generated funds</i>                           |      |                               |  |   |                                |                                |
| - Donations and capital grants                               | 3    | 88                            | 2                                      | 3,715   | <b>3,805</b>                   | 1,163                          |
| - Transfer from local authority on conversion                | 28   | -                             | (23)                                   | 1,090   | <b>1,067</b>                   | 3,339                          |
| <i>Charitable activities:</i>                                |      |                               |  |   |                                |                                |
| - Funding for the trust's educational operations             | 4    | -                             | 18,621                                 | -   | <b>18,621</b>                  | 16,807                         |
| - Other trading activities                                   | 5    | -                             | 1,284                                  | -   | <b>1,284</b>                   | 1,583                          |
| - Investments  | 6    | 1                             | -                                      | -   | <b>1</b>                       | 1                              |
| <b>Total incoming resources</b>                              |      | <b>89</b>                     | <b>19,884</b>                          | <b>4,805</b>                                  | <b>24,778</b>                  | <b>22,893</b>                  |
| <b>Expenditure on:</b>                                       |      |                               |  |   |                                |                                |
| <i>Charitable activities:</i>                                |      |                               |  |   |                                |                                |
| Academy's educational operations                             | 7, 8 | -                             | 20,691                                 | 812   | <b>21,503</b>                  | 20,003                         |
| <b>Total resources expended</b>                              |      | <b>-</b>                      | <b>20,691</b>                          | <b>812</b>                                    | <b>21,503</b>                  | <b>20,003</b>                  |
| <b>Net incoming/(outgoing) resources before transfers</b>    |      | <b>89</b>                     | <b>(807)</b>                           | <b>3,993</b>                                  | <b>3,275</b>                   | <b>2,890</b>                   |
| <b>Transfers between funds</b>                               | 17   | (92)                          | 166                                    | (74)  | -                              | -                              |
| <b>Other recognised gains and losses</b>                     |      |                               |  |   |                                |                                |
| Actuarial gains/(losses)/ on defined benefit pension schemes | 25   | -                             | (2,028)                                | -   | <b>(2,028)</b>                 | 1,139                          |
| <b>Net movement in funds</b>                                 |      | <b>(3)</b>                    | <b>(2,669)</b>                         | <b>3,919</b>                                  | <b>1,247</b>                   | <b>4,029</b>                   |
| <b>Reconciliation of funds</b>                               |      |                               |  |   |                                |                                |
| Funds brought forward at 1 September                         | 17   | 3                             | (2,781)                                | 38,399  | <b>35,621</b>                  | 31,592                         |
| <b>Funds carried forward at 31 August</b>                    |      | <b>-</b>                      | <b>(5,450)</b>                         | <b>42,318</b>                                 | <b>36,868</b>                  | <b>35,621</b>                  |

All of the trust's activities derive from continuing operations during the above two financial periods.

A statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

# Pathfinder Multi Academy Trust

## Balance Sheet as at 31 August 2019

|   | Notes | 2019<br>£000 | 2019<br>£000  | 2018<br>£000 | 2018<br>£000  |
|---|-------|--------------|---------------|--------------|---------------|
| <b>Fixed assets</b>                                   |       |              |               |              |               |
| Tangible assets                                       | 13    |              | 41,268        |              | 38,399        |
| <b>Current assets</b>                                 |       |              |               |              |               |
| Stock   | 14    | 6            |               | 6            |               |
| Debtors   | 15    | 1,141        |               | 1,026        |               |
| Cash at bank and in hand                              | 23    | 1,910        |               | 1,018        |               |
|   |       | <u>3,057</u> |               | <u>2,050</u> |               |
| <b>Creditors: Amounts falling due within one year</b> | 16    | (1,589)      |               | (1,589)      |               |
| <b>Net current assets</b>                             |       |              | <u>1,468</u>  |              | <u>461</u>    |
| <b>Total assets less current liabilities</b>          |       |              | <u>42,736</u> |              | <u>38,860</u> |
| Pension scheme liability                              | 25    | (5,868)      |               | (3,239)      |               |
| <b>Net assets including pension liability</b>         |       |              | <u>36,868</u> |              | <u>35,621</u> |
| <b>Funds of the academy:</b>                          |       |              |               |              |               |
| <b>Restricted funds</b>                               |       |              |               |              |               |
| Fixed asset fund                                      | 17    | 42,318       |               | 38,399       |               |
| General fund  | 17    | 259          |               | 338          |               |
| Other restricted funds                                | 17    | 159          |               | 120          |               |
| Pension reserve                                       | 17    | (5,868)      |               | (3,239)      |               |
| <b>Total restricted funds</b>                         |       |              | <u>36,868</u> |              | <u>35,618</u> |
| <b>Unrestricted funds</b>                             | 17    |              | -             |              | 3             |
| <b>Total funds</b>                                    |       |              | <u>36,868</u> |              | <u>35,621</u> |

The financial statements on pages 22 to 47 were approved by the Governors, and authorised for issue on 12 December 2019 and are signed on their behalf by:



.....  
John Hattam  
Chairman of trustees

Company Limited by Guarantee  
Registration Number 07559610



# Pathfinder Multi Academy Trust

## Statement of Cash Flows for the year ended 31 August 2019

|   | Notes | 2019<br>£000 | 2018<br>£000 |
|---|-------|--------------|--------------|
| <b>Cash flows from operating activities</b>                         |       |              |              |
| Net cash provided by / (used in) operating activities               | 21    | (233)        | 269          |
| Net cash inflow from investing activities                           | 22    | 1,125        | 1            |
| <b>Change in cash and cash equivalents in the year</b>              |       | <u>892</u>   | <u>270</u>   |
| <br><b>Reconciliation of net cash flow to movement in net funds</b> |       |              |              |
| Cash and cash equivalents at 1 September                            |       | 1,018        | 748          |
| <b>Cash and cash equivalents at 31 August</b>                       | 23    | <u>1,910</u> | <u>1,018</u> |

# Pathfinder Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019

### 1 Statement of 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.

#### Basis of Preparation

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

Pathfinder Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

#### Going Concern

The Governors assess whether the use of going concern is appropriate, that is, whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements. The Governors have made this assessment and have determined that the Academy and the Group are both a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Incoming Resources

All incoming resources are recognised when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **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 year is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

- **Donations**

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods have been provided or on completion of the service.

# Pathfinder Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019 (continued)

### 1 Statement of accounting policies (continued)

- **Donated goods, facilities and services**

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

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

### **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 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 academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

### **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.

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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line over its expected useful lives, with a full years' depreciation being charged in the year of acquisition. The rates of depreciation are as follows:

|                                  |                                   |
|----------------------------------|-----------------------------------|
| Leasehold Land and Buildings     | over useful life of the buildings |
| Freehold Land and Buildings      | over useful life of the buildings |
| Fixtures, fittings and equipment | 20% straight line basis           |
| ICT equipment                    | 25 to 33% straight line basis     |
| Motor Vehicle                    | 25% straight line basis           |

# **Pathfinder Multi Academy Trust**

## **Notes to the Financial Statements for the year ended 31 August 2019 (continued)**

### **1 Statement of accounting policies (continued)**

#### **Tangible Fixed Assets**

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

#### **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 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.

#### **Provisions**

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

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

#### **Leased Assets**

Rents applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

Assets subject to finance leases where substantially all of the benefits and risks of ownership have been transferred to the lessee are capitalised and written off over the life of the asset.

#### **Investments**

The Academy's shareholding in the wholly owned subsidiary, Archbishop Holgate's School Services Limited at the cost of the share capital owned. There is no readily available market value and the cost of valuation exceeds the benefit derived.

#### **Stock**

Stocks are valued at the lower of cost or net realisable value.

#### **Taxation**

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

# Pathfinder Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019 (continued)

### 1 Statement of accounting policies (continued)

#### Pensions Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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 quinquennial valuations using a prospective benefit method. As stated in Note 25, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

#### Fund Accounting

General funds represent those resources which may be used towards meeting any of the objects of the Academy at the discretion of the governors.

Restricted funds comprise grants from the DfE and ESFA and other donors which are to be used for specific purposes. Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency where the asset acquired or created is held for a specific purpose.

#### Critical accounting estimates and areas of judgement

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

##### *Critical accounting estimates and assumptions*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 2013 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.

# **Pathfinder Multi Academy Trust**

## **Notes to the Financial Statements for the year ended 31 August 2019 (continued)**

### **1 Statement of accounting policies (continued)**

#### **Agency arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 28.

### **2 General Annual Grant (GAG)**

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2019 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2019.

# Pathfinder Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019 (continued)

### 3 Donations and capital grants

|                      | Unrestricted<br>Funds<br>£000 | Restricted<br>Funds<br>£000 | Total<br>2019<br>£000 | Total<br>2018<br>£000 |
|----------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| ESFA capital grants  | -                             | 3,631                       | 3,631                 | 895                   |
| Other capital grants | -                             | 84                          | 84                    | 192                   |
| Other donations      | 88                            | 2                           | 90                    | 76                    |
|                      | <u>88</u>                     | <u>3,718</u>                | <u>3,805</u>          | <u>1,163</u>          |
| <i>2018 Total</i>    | <u>75</u>                     | <u>1,008</u>                | <u>1,163</u>          |                       |

### 4 Funding for the academy trust's educational operations

|   | Unrestricted<br>Funds<br>£000 | Restricted<br>Funds<br>£000 | Total<br>2019<br>£000 | Total<br>2018<br>£000 |
|---|-------------------------------|-----------------------------|-----------------------|-----------------------|
| <b>DfE/ESFA grants</b>  |                               |                             |                       |                       |
| General annual grant (GAG)  | -                             | 15,230                      | 15,230                | 13,682                |
| Start-up grants   | -                             | -                           | -                     | 25                    |
| Other DfE/ESFA grants   | -                             | 1,487                       | 1,487                 | 1,183                 |
|   | <u>-</u>                      | <u>16,717</u>               | <u>16,717</u>         | <u>14,890</u>         |
| <b>Other Government grants</b>                                      |                               |                             |                       |                       |
| Local authority grants  | -                             | 994                         | 994                   | 1,241                 |
| Other government grants   | -                             | 102                         | 102                   | 58                    |
|   | <u>-</u>                      | <u>1,096</u>                | <u>1,096</u>          | <u>1,299</u>          |
| <b>Other income from the academy trust's educational operations</b> |                               |                             |                       |                       |
| Teaching School   | -                             | 417                         | 417                   | 618                   |
| Non-Government income   | -                             | 390                         | 390                   | 393                   |
|   | <u>-</u>                      | <u>808</u>                  | <u>808</u>            | <u>1,011</u>          |
|   | <u>-</u>                      | <u>18,621</u>               | <u>18,621</u>         | <u>17,200</u>         |
| <i>2018 total</i>   | <u>-</u>                      | <u>16,807</u>               | <u>16,087</u>         |                       |

### 5 Other trading activities

|                    | Unrestricted<br>Funds<br>£000 | Restricted<br>Funds<br>£000 | Total<br>2019<br>£000 | Total<br>2018<br>£000 |
|--------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Hire of facilities | -                             | 277                         | 277                   | 200                   |
| Catering income    | -                             | 548                         | 548                   | 506                   |
| Sundry income      | -                             | 459                         | 459                   | 484                   |
|                    | <u>-</u>                      | <u>1,284</u>                | <u>1,284</u>          | <u>1,190</u>          |
| <i>2018 total</i>  | <u>418</u>                    | <u>1,165</u>                | <u>1,583</u>          |                       |

# Pathfinder Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019 (continued)

### 6 Investment income

|                     | Unrestricted<br>Funds<br>£000 | Restricted<br>Funds<br>£000 | Total<br>2019<br>£000 | Total<br>2018<br>£000 |
|---------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Short term deposits | 1                             | -                           | 1                     | 1                     |
|                     | <u>1</u>                      | <u>-</u>                    | <u>1</u>              | <u>1</u>              |
| 2018 total          | <u>1</u>                      | <u>-</u>                    | <u>1</u>              |                       |

### 7 Expenditure

|                                  | Staff<br>Costs<br>£000 | Non Pay<br>Premises<br>£000 | Expenditure<br>Other<br>£000 | Total<br>2019<br>£000 | Total<br>2018<br>£000 |
|----------------------------------|------------------------|-----------------------------|------------------------------|-----------------------|-----------------------|
| Academy's educational operations |                        |                             |                              |                       |                       |
| - Direct costs                   | 13,110                 | 812                         | 1,395                        | 15,317                | 15,574                |
| - Allocated support costs        | 3,369                  | -                           | 2,645                        | 6,014                 | 4,529                 |
| Teaching School                  |                        |                             |                              |                       |                       |
| - Direct costs                   | 3                      | -                           | 135                          | 138                   | -                     |
| - Allocated support costs        | 3                      | -                           | 31                           | 34                    | -                     |
|                                  | <u>16,485</u>          | <u>812</u>                  | <u>4,206</u>                 | <u>21,503</u>         | <u>20,003</u>         |
| 2018 total                       | <u>15,071</u>          | <u>747</u>                  | <u>4,185</u>                 | <u>20,003</u>         |                       |

Net expenditure for the year includes:

|                         |                | 2019<br>£000 | 2018<br>£000 |
|-------------------------|----------------|--------------|--------------|
| Operating leases        |                | 44           | 44           |
| Depreciation            |                | 812          | 747          |
| Fees payable to auditor | External Audit | 10           | 10           |
|                         | Internal Audit | 8            | 8            |
|                         | Other services | <u>1</u>     | <u>1</u>     |



# Pathfinder Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019 (continued)

### 8 Charitable activities

|   | Total<br>2019<br>£000 | Total<br>2018<br>£000 |
|---|-----------------------|-----------------------|
| <i>Direct costs – educational operations</i>  | 15,317                | 15,474                |
| <i>Direct costs – teaching school</i>         | 138                   | -                     |
| <i>Support costs – educational operations</i> | 6,014                 | 4,529                 |
| <i>Support costs – teaching school</i>        | 34                    | -                     |
|   | <u>21,503</u>         | <u>20,003</u>         |
| <i>2018 total</i>                             | <u>20,003</u>         |                       |

| <i>Analysis of support costs</i> | Teaching<br>School<br>£000 | Educational<br>Operations<br>£000 | Total<br>£000 | Total<br>£000 |
|----------------------------------|----------------------------|-----------------------------------|---------------|---------------|
| Support staff costs              | 3                          | 3,369                             | 3,372         | 2,152         |
| Technology costs                 | 3                          | 206                               | 209           | 156           |
| Premises costs                   | -                          | 1,211                             | 1,211         | 1,012         |
| Catering costs                   | -                          | 741                               | 741           | 702           |
| Other Support costs              | 28                         | 340                               | 368           | 309           |
| Governance costs                 | -                          | 147                               | 147           | 198           |
| <b>Total support costs</b>       | <u>34</u>                  | <u>6,014</u>                      | <u>6,048</u>  | <u>4,529</u>  |
| <i>2018 total</i>                | <u>-</u>                   | <u>4,529</u>                      | <u>4,529</u>  |               |

### 9 Staff

#### a. Staff Costs

|                                     | 2019<br>£000  | 2018<br>£000  |
|-------------------------------------|---------------|---------------|
| Staff costs during the period were: |               |               |
| Wages and salaries                  | 12,241        | 11,184        |
| Social security costs               | 1,096         | 992           |
| Pension costs                       | 2,790         | 2,413         |
| Apprenticeship levy                 | 47            | 41            |
|                                     | <u>16,174</u> | <u>14,687</u> |
| Supply teacher costs                | 255           | 370           |
| Staff restructuring costs           | 56            | 71            |
|                                     | <u>16,485</u> | <u>15,071</u> |

Staff restructuring costs comprise

- Payments to four individuals with a total cost of £56,000 (2018: £71,000).

#### b. Staff numbers

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

|                              | 2019<br>Number | 2018<br>Number |
|------------------------------|----------------|----------------|
| <i>Charitable Activities</i> |                |                |
| Teachers                     | 227            | 206            |
| Administration and support   | 314            | 300            |
| Management                   | 12             | 10             |
|                              | <u>553</u>     | <u>516</u>     |

# Pathfinder Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019 (continued)

### 9 Staff (continued)

#### c. Staff numbers

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

|                     | 2019<br>£000 | 2018<br>£000 |
|---------------------|--------------|--------------|
| £60,001 - £70,000   | 5            | 6            |
| £70,001 - £80,000   | 4            | 1            |
| £80,001 - £90,000   | -            | -            |
| £90,001 - £100,000  | -            | -            |
| £100,001 - £110,000 | -            | -            |
| £110,001 - £120,000 | -            | -            |
| £120,001 - £130,000 | 1            | 1            |

#### d. Key management personnel

The key management personnel of the academy trust, during the year, comprise the trust and senior management team, as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by the 13 key management personnel for their services to the academy trust was £927,027 (2018: 10 employees £767,042).

### 10 Related Party Transactions – Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the 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. If this is not the case payments must be disclosed separately. The value of trustees' remuneration and other benefits was as follows:

|   | 2019 | 2018  |
|---|------|---|
| A Daly (Head Archbishop Holgate's School and trustee) | n/a  | Pro-rata costs<br>Resigned 26 Oct 2017<br>£15,000-£20,000<br>Nil-£5,000 |
| • Remuneration  |      |   |
| • Employer pension contributions                      |      |   |

During the year ended 31 August 2019 there were no expenses reimbursed to the Board of Governors.

Other related party transactions involving the trustees are set out in note 26.

### 11 Central Services

The academy trust has provided the following central services to its academies (from 1 September 2018 to 31 August 2019)

#### List of Services

- Educational support services
- Human Resources
- Financial Services
- Management of Estates/Facilities and in-house cleaning
- Communications
- Others as arising

# Pathfinder Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019 (continued)

### 11 Central services (continued)

The Trust charges for these services on the following basis:

- Secondary Schools: : 3% ESFA GAG income
- Primary Schools : 4% ESFA GAG income
- There is an additional 1% charge for the first year in which a school joins the MAT.

The Actual amounts charged during the year were as follows:-

|                               | 2019<br>£000 | 2018<br>£000 |
|-------------------------------|--------------|--------------|
| Archbishop Holgate's School   | 208          | 192          |
| Badger Hill School            | 31           | 29           |
| Hempland School               | 56           | 52           |
| Heworth C of E School         | 22           | 22           |
| St Lawrence C of E School     | 29           | 32           |
| Tang Hall School              | 35           | 34           |
| Clifton with Rawcliffe School | 80           | 72           |
| New Earswick School           | 29           | 32           |
| Acomb School                  | 45           | 31           |
| Rufforth School               | 11           | -            |
| Total                         | 546          | 496          |

### 12 Trustees and officers' insurance

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

# Pathfinder Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019 (continued)

### 13 Tangible Fixed Assets- Group and Academy

|                        | Freehold<br>Land and<br>Buildings<br>£000 | Leasehold<br>Land and<br>Buildings<br>£000 | Assets in<br>course of<br>construction<br>£000 | Furniture<br>and<br>Equipment<br>£000 | Computer<br>Equipment<br>£000 | Motor<br>Vehicles<br>£000 | Total<br>£000 |
|------------------------|---|--|--|---------------------------------------|-------------------------------|---------------------------|---------------|
| <b>Cost</b>            |   |  |  |                                       |                               |                           |               |
| At 1 September 2018    | 3,201                                     | 38,223                                     | 214  | 463                                   | 377                           | 2                         | 42,480        |
| Additions              | 260                                       | 48   | 2,111  | 115                                   | 57                            | -                         | 2,591         |
| Inherited assets       |   | 1,090                                      |  |                                       |                               |                           | 1,090         |
| Reclassification       | -   | 74   | (74)   | -                                     | -                             | -                         | -             |
| Disposals              | -   | -  | -  | -                                     | (48)                          | -                         | (48)          |
| At 31 August 2019      | 3,461                                     | 39,435                                     | 2,251  | 578                                   | 386                           | 2                         | 46,113        |
| <b>Depreciation</b>    |   |  |  |                                       |                               |                           |               |
| At 1 September 2018    | 306                                       | 3,155                                      | -  | 264                                   | 354                           | 2                         | 4,081         |
| Charged in year        | 88  | 652  | -  | 51                                    | 21                            | -                         | 812           |
| Disposals              | -   | -  | -  | -                                     | (48)                          | -                         | (48)          |
| At 31 August 2019      | 394                                       | 3,807                                      | -  | 315                                   | 327                           | 2                         | 4,845         |
| <b>Net book values</b> |   |  |  |                                       |                               |                           |               |
| At 31 August 2019      | 3,067                                     | 35,628                                     | 2,251  | 263                                   | 59                            | -                         | 41,268        |
| At 31 August 2018      | 2,895                                     | 35,068                                     | 214  | 199                                   | 23                            | -                         | 38,399        |

The Academy's transactions relating to land and buildings included:

- Inherited assets, comprising Land of £400,000 and buildings of £690,000 (total £1,090,000) in relation to Rufforth Primary Schools are included in fixed assets.
- No value for land and buildings are also held for Heworth CE School, St Lawrence CE School and New Earswick Primary School as the academy trust occupies land (including buildings) under a licence with these schools.
- The additional freehold buildings of relates to the purchase and installation of new modular classrooms at Archbishop Holgate's School.
- Assets in the course of construction were mainly in relation to the following project:
  - Work in respect of a new school building for Badger Hill School (funded by PSBP).

### 14 Stock

|            | 2019<br>Academy<br>£000 | 2018<br>Academy<br>£000 |
|------------|-------------------------|-------------------------|
| Stationery | 3                       | 3                       |
| Catering   | 3                       | 3                       |
|            | <u>6</u>                | <u>6</u>                |

**Notes to the Financial Statements for the year ended 31 August 2019 (continued)**

**15 Debtors**

|  | <b>2019</b>    | <b>2018</b>    |
|--|----------------|----------------|
|  | <b>Academy</b> | <b>Academy</b> |
|  | <b>£000</b>    | <b>£000</b>    |
| Trade debtors                          | 300            | 151            |
| Prepayments and accrued income         | 546            | 720            |
| Other debtors                          | 5              | 5              |
| VAT recoverable                        | 290            | 150            |
| Amount due from subsidiary undertaking | -              | -              |
|  | <u>1,141</u>   | <u>1,026</u>   |

**16 Creditors: amounts falling due within one year**

|                                    | <b>2019</b>    | <b>2018</b>    |
|------------------------------------|----------------|----------------|
|                                    | <b>Academy</b> | <b>Academy</b> |
|                                    | <b>£000</b>    | <b>£000</b>    |
| Trade creditors                    | 793            | 394            |
| Other taxation and social security | 270            | 245            |
| Other creditors                    | 24             | 263            |
| Agency funds (16-19 bursary)       | 41             | 32             |
| Accruals and deferred income       | 461            | 655            |
| VAT Payable                        | -              | -              |
|                                    | <u>1,589</u>   | <u>1,589</u>   |

| <b>Deferred income</b>          | <b>2019</b> | <b>2018</b> |
|---------------------------------|-------------|-------------|
|                                 | <b>£000</b> | <b>£000</b> |
| Deferred income at 1 September  | 156         | 236         |
| Released from the previous year | (156)       | (236)       |
| Resources deferred in the year  | <u>280</u>  | <u>156</u>  |
| Deferred income at 31 August    | <u>280</u>  | <u>156</u>  |

Deferred income as at 31 August 2019 mainly comprises:

- £47,000: This being income received from the ESFA to offset the cost of 'rates', the deferred amount relates to rates costs for the period 1 September 2019 to 31 March 2020.
- £14,000: This being 7 months of a £24,000 grant received, covering the period April 2019 to March 2020
- £214,000: This being 7 months of the UIFSM (Universal Infant Free School Meals) funding received in July 2019

# Pathfinder Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019 (continued)

### 17 Funds

|                                     | Balance at<br>1 September 2018<br>£000 | Incoming<br>Resources<br>£000 | Resources<br>Expended<br>£000 | Gains,<br>Losses and<br>Transfers<br>£000 | Balance at<br>31 August<br>2019<br>£000 |
|-------------------------------------|--|-------------------------------|-------------------------------|---|---|
| <b>Restricted general funds</b>     |  |                               |                               |   |   |
| General Annual Grant (GAG)          | 338                                    | 15,230                        | (15,528)                      | 219                                       | 259                                     |
| Transfer on conversion              | -                                      | (23)                          | -                             | 23  | -                                       |
| Other DfE/EFA grants                | -                                      | 1,487                         | (1,487)                       | -   | -                                       |
| Other grants and donations          | -                                      | 2,891                         | (2,891)                       | -   | -                                       |
| Pension reserve                     | (3,239)                                | -                             | (525)                         | (2,104)                                   | (5,868)                                 |
|                                     | <u>(2,901)</u>                         | <u>19,585</u>                 | <u>(20,431)</u>               | <u>(1,862)</u>                            | <u>(5,609)</u>                          |
| <b>Restricted fixed asset funds</b> |  |                               |                               |   |   |
| Transfer on conversion              | 35,068                                 | 1,090                         | (647)                         | -   | 35,511                                  |
| DfE/EFA capital grants              | 2,501                                  | 3,631                         | (101)                         | -   | 6,031                                   |
| Capital expenditure from GAG        | 99                                     | -                             | (19)                          | -   | 80                                      |
| Other capital funding               | 731                                    | 84                            | (45)                          | (74)                                      | 696                                     |
|                                     | <u>38,399</u>                          | <u>4,805</u>                  | <u>(812)</u>                  | <u>(74)</u>                               | <u>42,318</u>                           |
| <b>Other Restricted Funds</b>       |  |                               |                               |   |   |
| School funds                        | 120                                    | 299                           | (260)                         | -   | 159                                     |
|                                     | <u>120</u>                             | <u>299</u>                    | <u>(260)</u>                  | <u>-</u>                                  | <u>159</u>                              |
| <b>Total restricted funds</b>       | <u>35,618</u>                          | <u>24,689</u>                 | <u>(21,503)</u>               | <u>(1,936)</u>                            | <u>36,868</u>                           |
| <b>Unrestricted funds</b>           |  |                               |                               |   |   |
| Unrestricted funds                  | 3                                      | 89                            | -                             | (92)                                      | -                                       |
|                                     | <u>3</u>                               | <u>89</u>                     | <u>-</u>                      | <u>(92)</u>                               | <u>-</u>                                |
| <b>Total funds</b>                  | <u>35,621</u>                          | <u>24,778</u>                 | <u>(21,503)</u>               | <u>(2,028)</u>                            | <u>36,868</u>                           |

# Pathfinder Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019 (continued)

### 17 Funds (continued)

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

|                                     | Balance at<br>1 September 2017<br>£000 | Incoming<br>Resources<br>£000 | Resources<br>Expended<br>£000 | Gains,<br>Losses and<br>Transfers<br>£000 | Balance at<br>31 August<br>2018<br>£000 |
|-------------------------------------|--|-------------------------------|-------------------------------|---|---|
| <b>Restricted general funds</b>     |  |                               |                               |   |   |
| General Annual Grant (GAG)          | 653                                    | 13,682                        | (13,997)                      | -   | 338                                     |
| Transfer on conversion              | -                                      | 44                            | (44)                          | -   | -                                       |
| Start Up Grant                      | -                                      | 25                            | (25)                          | -   | -                                       |
| Other DfE/EFA grants                | -                                      | 1,342                         | (1,342)                       | -   | -                                       |
| Other grants and donations          | -                                      | 2,588                         | (2,588)                       | -   | -                                       |
| Pension reserve                     | (3,200)                                | -                             | (429)                         | 390                                       | (3,239)                                 |
|                                     | <u>(2,547)</u>                         | <u>17,681</u>                 | <u>(18,425)</u>               | <u>390</u>                                | <u>(2,901)</u>                          |
| <b>Restricted fixed asset funds</b> |  |                               |                               |   |   |
| Transfer on conversion              | 31,620                                 | 4,044                         | (596)                         | -   | 35,068                                  |
| DfE/EFA capital grants              | 1,694                                  | 895                           | (88)                          | -   | 2,501                                   |
| Capital expenditure from GAG        | 137                                    | 4                             | (42)                          | -   | 99                                      |
| Other capital funding               | 564                                    | 188                           | (21)                          | -   | 731                                     |
|                                     | <u>34,015</u>                          | <u>5,131</u>                  | <u>(747)</u>                  | <u>-</u>                                  | <u>38,399</u>                           |
| <b>Other Restricted Funds</b>       |  |                               |                               |   |   |
| School funds                        | 121                                    | 336                           | (337)                         | -   | 120                                     |
|                                     | <u>121</u>                             | <u>336</u>                    | <u>(337)</u>                  | <u>-</u>                                  | <u>120</u>                              |
| <b>Total restricted funds</b>       | <u>31,589</u>                          | <u>23,148</u>                 | <u>(19,509)</u>               | <u>390</u>                                | <u>35,618</u>                           |
| <b>Unrestricted funds</b>           |  |                               |                               |   |   |
| Unrestricted funds                  | 3                                      | 494                           | (494)                         | -   | 3                                       |
|                                     | <u>3</u>                               | <u>494</u>                    | <u>(494)</u>                  | <u>-</u>                                  | <u>3</u>                                |
| <b>Total funds</b>                  | <u>31,592</u>                          | <u>23,642</u>                 | <u>(20,003)</u>               | <u>390</u>                                | <u>35,621</u>                           |

# Pathfinder Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019 (continued)

### 17 Funds (continued)

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

Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward as at 31 August 2019. Note 2 discloses whether the limit was exceeded.

### Total fund analysis by Academy

Fund balances at 31 August 2019 were allocated as follows:

|   | Total<br>2019<br>£000 | Total<br>2018<br>£000 |
|---|-----------------------|-----------------------|
| Archbishop Holgate's C of E School            | (96)                  | (74)                  |
| Badger Hill Primary School                    | 146                   | 120                   |
| Hempland Primary School                       | 155                   | 197                   |
| Heworth C of E Primary School                 | (35)                  | 26                    |
| St Lawrence C of E Primary School             | (47)                  | 15                    |
| Tang Hall Primary School                      | 101                   | 95                    |
| Clifton with Rawcliffe Primary School         | 83                    | 63                    |
| New Earswick Primary School                   | 81                    | 72                    |
| Acomb Primary School                          | (182)                 | (110)                 |
| Rufforth School                               | 62                    | -                     |
| Central Services                              | (9)                   | (66)                  |
| Total before fixed assets and pension reserve | 259                   | 338                   |
| Restricted fixed asset fund                   | 42,318                | 38,399                |
| Other restricted funds                        | 159                   | 120                   |
| Unrestricted funds                            | -                     | 3                     |
| Pension reserve                               | (5,868)               | (3,239)               |
| Total   | 36,868                | 35,621                |

The following funds were in deficit as at 31 August 2019

#### Archbishop Holgate's School: Net deficit = £96k

- This being a small increase on the prior year. The deficit is largely because the school is/has been going through a period of significant growth in student numbers, as such with the main source of funding being 'lagged' (based on the previous year's student numbers), it has had to incur higher levels of staffing cost compared to the lagged student funding. This deficit is projected to be cleared within two years.

#### Acomb Primary School: Net deficit = £182k

- This is largely due to the school having a deficit upon conversion from the LA. The trust is taking the following action to return the academy to surplus;
- Significant increases in funding in 19/20 onwards; largely due to both lagged funding (with school numbers increasing), and also increases in funding from the New Funding Formula 'minimum funding per pupil'. This increased funding should be greater than increases in additional staffing required, thus generating a surplus to return the school to a surplus position by 31 August 2021.

#### Central Services: Net deficit = £9k

- The trust anticipating this small deficit being cleared within the next year.

#### Heworth C of E Primary School: Net deficit = £35k

- The trust is aware this school is in deficit. At present current projections do not indicate the school clearing their deficit within the next 3 years.
- The trust carefully monitors expenditure within these schools and ensures that the overall trust position is in surplus.

#### St Lawrence C of E Primary School: Net deficit = £47k

- The trust is aware this school is in deficit. At present current projections do not indicate the school clearing their deficit within the next 3 years.
- The trust carefully monitors expenditure within these schools and ensures that the overall trust position is in surplus.



# Pathfinder Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019 (continued)

### 17 Funds (continued)

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

|                                     | Teaching and<br>Educational<br>Support Staff | Other<br>Support<br>Staff<br>Costs | Educational<br>Supplies | Other Costs<br>(Excluding<br>Depreciation) | Total<br>2019 | Total<br>2018 |
|-------------------------------------|--|------------------------------------|-------------------------|--|---------------|---------------|
|                                     | £000   | £000                               | £000                    | £000                                       | £000          | £000          |
| Archbishop Holgate's School         | 5,941  | 916                                | 851                     | 911  | 8,619         | 8,101         |
| Badger Hill Primary School          | 624  | 151                                | 54                      | 87   | 916           | 937           |
| Hempland Primary School             | 1,205  | 165                                | 130                     | 265  | 1,765         | 1,654         |
| Heworth C of E Primary School       | 481  | 92                                 | 33                      | 95   | 701           | 688           |
| St Lawrence C of E Primary School   | 745  | 141                                | 33                      | 215  | 1,134         | 1,144         |
| Tang Hall Primary School            | 876  | 178                                | 47                      | 170  | 1,271         | 1,319         |
| Clifton with Rawcliffe School       | 1,731  | 255                                | 92                      | 315  | 2,393         | 2,257         |
| New Earswick Primary School         | 697  | 84                                 | 44                      | 215  | 1,040         | 987           |
| Acomb Primary School                | 942  | 188                                | 73                      | 177  | 1,380         | 851           |
| Rufforth Primary School             | 184  | 22                                 | 9                       | 48   | 263           | -             |
| Central Services                    | 128  | 261                                | 4                       | 128  | 521           | 619           |
| <b>Academy Trust</b>                | <b>13,554</b>                                | <b>2,453</b>                       | <b>1,370</b>            | <b>2,626</b>                               | <b>20,003</b> | <b>18,557</b> |
| Depreciation and Amortisation costs |  |                                    |                         |  | <b>812</b>    | 747           |
| Other finance and pension costs     |  |                                    |                         |  | <b>688</b>    | 699           |
|                                     |  |                                    |                         |  | <b>21,503</b> | <b>20,003</b> |
| <i>2018 Total</i>                   | <i>12,485</i>                                | <i>2,192</i>                       | <i>1,603</i>            | <i>2,187</i>                               | <i>18,557</i> |               |

### 18 Analysis of net assets between funds

|                          | Unrestricted<br>Funds<br>£000 | Restricted<br>General<br>Funds<br>£000 | Restricted<br>Fixed<br>Asset<br>Funds<br>£000 | Total<br>Funds<br>£000 |
|--------------------------|-------------------------------|--|---|------------------------|
| Tangible fixed assets    | -                             | -                                      | 41,268  | 41,268                 |
| Current assets           | -                             | 2,007                                  | 1,050   | 3,057                  |
| Current liabilities      | -                             | (1,589)                                | -   | (1,589)                |
| Pension scheme liability | -                             | (5,868)                                | -   | (5,868)                |
| <b>Total net assets</b>  | <b>-</b>                      | <b>(5,450)</b>                         | <b>42,318</b>                                 | <b>36,868</b>          |

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

|                          | Unrestricted<br>Funds<br>£000 | Restricted<br>General<br>Funds<br>£000 | Restricted<br>Fixed<br>Asset<br>Funds<br>£000 | Total<br>Funds<br>£000 |
|--------------------------|-------------------------------|--|---|------------------------|
| Tangible fixed assets    | -                             | -                                      | 38,399  | 38,399                 |
| Current assets           | -                             | 2,050                                  | -   | 2,050                  |
| Current liabilities      | -                             | (1,589)                                | -   | (1,589)                |
| Pension scheme liability | -                             | (3,239)                                | -   | (3,239)                |
| <b>Total net assets</b>  | <b>-</b>                      | <b>(2,778)</b>                         | <b>38,399</b>                                 | <b>35,621</b>          |

# Pathfinder Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019 (continued)

### 19 Capital Commitments

|  | 2019<br>£000 | 2018<br>£000 |
|--|--------------|--------------|
| Contracted for, but not provided in the financial statements | 963          | -            |

### 20 Financial Commitments

#### *Operating leases*

At 31 August 2019 the total of the Academy Trusts future minimum lease payments under non-cancellable

|                                       |              |              |
|---------------------------------------|--------------|--------------|
| operating leases was:                 | 2019<br>£000 | 2018<br>£000 |
| Amounts due within one year           | 18           | 24           |
| Amounts due within two and five years | 34           | 52           |
|                                       | 52           | 76           |

### 21 Reconciliation of Net Income to Net Cash Inflow from Operating Activities

|  | 2019<br>£000 | 2018<br>£000 |
|--|--------------|--------------|
| Net income   | 3,275        | 2,890        |
| Depreciation [note 14]   | 812          | 747          |
| Capital grants from DfE/ESFA and other capital income                    | (4,805)      | (5,131)      |
| Interest receivable [note 6]   | (1)          | (1)          |
| Defined benefit pension scheme obligation inherited [note 31]            | 76           | 749          |
| Defined benefit pension scheme cost less contributions payable [note 26] | 445          | 338          |
| Defined benefit pension scheme finance cost [note 26]                    | 80           | 91           |
| (Increase) in stock  | -            | -            |
| (Increase) in debtors  | (115)        | 223          |
| (Decrease) in Increase in creditors                                      | -            | 363          |
| <b>Net cash provided by / (used in) operating activities</b>             | <b>(233)</b> | <b>269</b>   |

### 22 Cash flows from investing activities

|   | 2019<br>£000 | 2018<br>£000 |
|---|--------------|--------------|
| Interest receivable                               | 1            | 1            |
| Purchase of tangible fixed assets                 | (2,591)      | (1,087)      |
| Capital grants from DfE/ESFA                      | 3,631        | 895          |
| Capital funding received from sponsors and others | 84           | 192          |
| <b>Net cash (used in) investing activities</b>    | <b>1,125</b> | <b>1</b>     |

# Pathfinder Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019 (continued)

### 23 Analysis of cash and cash equivalents

|                          | At<br>31 August<br>2019<br>£000 | At<br>31 August<br>2018<br>£000 |
|--------------------------|---------------------------------|---------------------------------|
| Cash in hand and at bank | 1,910                           | 1,018                           |
|                          | <u>1,910</u>                    | <u>1,018</u>                    |

### 24 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

### 25 Pension and Similar Obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £265,000 (2018: £248,000) were payable to the schemes at 31 August 2019 and are included within creditors.

#### Teachers' Pension Scheme

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

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

## Notes to the Financial Statements for the year ended 31 August 2019 (continued)

### 25 Pension and Similar Obligations (continued)

#### Valuation of the Teachers' Pension Scheme

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

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

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

The employer pension costs paid to TPS in the period amounted to £1,338,000 (2018: £ 1,228,000).

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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

#### Local Government Pension Scheme

The academy is one of several employing bodies included within the Local Government Pension Scheme (LGPS).

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £1,087,000 (2018: £963,000), of which employer's contributions totalled £856,000 and employees' contributions totalled £231,000 (2018 £760,000 and £203,000). The agreed contribution rates for future years are 19.9% for employers and between 5.5% - 12.5% for employees (varying depending upon their salary).

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 effect on 18 July 2013.

# Pathfinder Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2019 (continued)

### 25 Pension and Similar Obligations (continued)

| Principal Actuarial Assumptions                      | At 31<br>August 2019 | At 31<br>August 2018 |
|--|----------------------|----------------------|
| Rate of increase in salaries                         | 3.35%                | 3.25%                |
| Rate of increase for pensions in payment / inflation | 2.10%                | 2.00%                |
| Discount rate for scheme liabilities                 | 1.90%                | 2.80%                |
| Inflation assumption (CPI)                           | 2.10%                | 2.00%                |
| Commutation of pensions to lump sums                 | 50.0%                | 50.0%                |

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

|                             | At 31<br>August 2019 | At 31<br>August 2018 |
|-----------------------------|----------------------|----------------------|
| <i>Retiring today</i>       |                      |                      |
| Males                       | 21.9                 | 22.9                 |
| Females                     | 25.1                 | 26.4                 |
| <i>Retiring in 20 years</i> |                      |                      |
| Males                       | 23.6                 | 25.1                 |
| Females                     | 26.9                 | 28.7                 |

| Sensitivity analysis                   | At 31 August<br>2019<br>£'000 | At 31 August<br>2018<br>£'000 |
|--|-------------------------------|-------------------------------|
| Discount rate +0.1%                    | 14,250                        | 9,371                         |
| Discount rate -0.1%                    | 14,938                        | 9,824                         |
| Mortality assumption – 1 year increase | 15,083                        | 9,866                         |
| Mortality assumption – 1 year decrease | 14,103                        | 9,325                         |
| CPI rate +0.1%                         | 14,763                        | 9,675                         |
| CPI rate -0.1%                         | 14,469                        | 9,515                         |

The Academy's share of the assets in the scheme were:

|                  | Fair Value at<br>31 August 2019<br>£000 | Fair Value at<br>31 August 2018<br>£000 |
|------------------|---|---|
| Equities         | 5,050                                   | 3,858                                   |
| Property         | 663                                     | 502                                     |
| Government Bonds | 1,692                                   | 1,030                                   |
| Corporate Bonds  | -                                       | -                                       |
| Cash             | 401                                     | 19                                      |
| Other            | 916                                     | 947                                     |
| <b>TOTAL</b>     | <b>8,722</b>                            | <b>6,356</b>                            |

The actual return on scheme assets was £448,000 (2018: £601,000).

# Pathfinder Multi Academy Trust

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

### 25 Pension and Similar Obligations (continued)

#### Local Government Pension Scheme (continued)

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

|                                     | 2019<br>£000 | 2018<br>£000 |
|-------------------------------------|--------------|--------------|
| Current service cost                | 1,148        | 1,098        |
| Interest income                     | (210)        | (137)        |
| Interest cost                       | 290          | 228          |
| Past service cost                   | 164          | -            |
| Total amount recognised in the SOFA | <u>1,392</u> | <u>1,189</u> |

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

|                                | 2019<br>£000  | 2018<br>£000 |
|--------------------------------|---------------|--------------|
| <b>At 1 September</b>          | 9,595         | 7,569        |
| Adjustments to opening balance | 361           | -            |
| Current service cost           | 1,148         | 1,098        |
| Interest cost                  | 290           | 228          |
| Employee contributions         | 231           | 203          |
| Actuarial (gain)/loss          | 2,226         | (675)        |
| Net Benefits paid              | 250           | (405)        |
| Inherited upon conversion      | 285           | 1,577        |
| <b>At 31 August</b>            | <u>14,590</u> | <u>9,595</u> |

At the request of the Administering Authority, last year's comparison figures quoted in this disclosure have been updated to reflect the actual pension, lump sum and transfers out paid in respect of employees associated with this employer. The total increase is a total of £361,000.

#### Change in the present value of Academy's share of scheme assets:

|                                | 2019<br>£000 | 2018<br>£000 |
|--------------------------------|--------------|--------------|
| <b>At 1 September</b>          | 6,356        | 4,369        |
| Adjustments to opening balance | 372          | -            |
| Expected return on assets      | 210          | 137          |
| Actuarial gain / (loss)        | 238          | 464          |
| Employer contributions         | 856          | 760          |
| Employee contributions         | 231          | 203          |
| Net Benefits paid              | 250          | (405)        |
| Inherited upon conversion      | 209          | 828          |
| <b>At 31 August</b>            | <u>8,722</u> | <u>6,356</u> |

# Pathfinder Multi Academy Trust

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

### 26 Related Party Transactions

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is possible that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures. The following related party transactions took place in the period.

- The trust also receives funding from 'Archbishop Holgate's Grammar School Foundation', this being a separate registered charity. Three of the nine trustees of this charity are also trustees of the trust; during the 2016/17 year, the school received donations totalling of £25,280 (2017: £101,461) from this charity.
- The trust procures services from "York Diocesan Board of Education", with the trust having a trustee that is employed by this organisation. The trustee is not involved in any of the services purchased, with this transaction also registered with the ESFA.
- In entering into the above transactions, the trust has complied with the requirements of the Academies Handbook 2017.

D.Drummond, spouse of J.Drummond, a trustee (appointed 25 February 2018), is employed by the academy trust as a cleaning manager. D.Drummond was appointed prior to J. Drummond commencing his roles as trustee. D.Drummond is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

### 27 Agency Arrangements

The school distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting year ending 31 August 2019 the trust received £15,000 (2018: £17,000) and disbursed £6,000 (2018: £17,000) from the fund. An amount of £41,000 (2018: £32,000) is included in creditors relating to undistributed funds that is repayable to ESFA.

# Pathfinder Multi Academy Trust

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

### 28 Conversion to an Academy Trust

#### Rufforth Primary School

On 1 March 2019 Rufforth Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Pathfinder Multi Academy Trust from the City of York Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as voluntary income – 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 SOFA.

#### Rufforth Primary School

|                              | Unrestricted<br>Funds<br>£000 | Restricted<br>General<br>Funds<br>£000 | Restricted<br>Fixed Asset<br>Funds<br>£000 | Total<br>£000 |
|------------------------------|-------------------------------|--|--|---------------|
| Tangible fixed assets        |                               |  |  |               |
| Leasehold land and buildings |                               |  | 1,090                                      | 1,090         |
| Budget surplus on LA funds   | -                             | 53                                     | -  | 53            |
| LGPS pension (deficit)       | -                             | (76)                                   | -  | (76)          |
| <b>Net assets</b>            | <b>-</b>                      | <b>(23)</b>                            | <b>1,090</b>                               | <b>1,067</b>  |

The LGPS for Rufforth School was transferred from the LA to the MAT upon conversion. In the year the school converted with a deficit of £23,000.

### 29 Events after the end of the reporting period

There are no know material events to report that have occurred since 31 August 2019.