

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

**Annual Report and Consolidated Financial Statements**

**Year ended 31 August 2017**

FRIDAY



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COMPANIES HOUSE

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

## **Pathfinder Multi Academy Trust**

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# Pathfinder Multi Academy Trust

## Reference and Administrative Details

### Members

Chairman of Governors - Mr John Hattam

Stepped down 25 May 2017

Dean of York Minster - The Very Reverend Vivienne Faull

York Diocesan Board of Education - Right Reverend Bishop Paul Ferguson

Archbishop of York - The Most Reverend & Right Honourable Dr John Sentamu

### Trustees

Mr John Hattam

Revd Richard Battersby

Dr Andrew Clarke

Andrew Daly

Mr Ian Dolben

Mr Paul Durham

Mr Stuart Outram

Rev Tim Robinson

Mr John Sharpe

Alison Smith

Claire Theyers

### Responsibilities

Chair

Finance Lead

School Improvement Lead

### Start/Leave Date

Resigned 26 October 2017

Resigned 26 October 2017

Resigned 16 February 2017

HR Lead

Appointed 6 March 2017

### Company Secretary

Bond Dickinson LLP

### Senior Management

Mr A Daly

Mrs A Hall

Mr S Outram

Mr M Carr

Mrs H Coles

Mrs C Precious

Mr A Herbert

Accounting Officer and Headteacher, Archbishop Holgate's School

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

### 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

# **Pathfinder Multi Academy Trust**

## **Trustees' Report**

The Trustees present their annual report together with the consolidated financial statements of the charitable company for the year 1 September 2016 to 31 August 2017. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The trust operates six primary (with three additional schools joining during the year) and one secondary academy in York. Its academies have a combined roll of 3,154 on the October 2016 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 10 individuals, with the option to increase this by a further two 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.

# **Pathfinder Multi Academy Trust**

## **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 MAT Board and local governing committees also has a 'Heads Group', which meet on a weekly basis.

Both the MAT Board and Local Governing Bodies 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 Body.

The organisational structure 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 Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

As a group the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for any teaching post will always contain a Governor. Some spending control is devolved to Heads of Department, with higher value items still requiring approval by a member of the Senior Leadership Team.

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, 'living into being' the Christian Values that underpin our school. 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 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.

### 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.

# **Pathfinder Multi Academy Trust**

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

### **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.

# Pathfinder Multi Academy Trust

## Trustees' Report (continued)

### Strategic Report

#### Achievements and Performance

#### Pathfinder Trust KS2 2017 Results

##### By Progress in Reading

School	% of pupils meeting expected standard	Reading Progress	Writing Progress	Maths Progress	% of pupils achieving at a higher standard	Average Score in Reading	Average Score in Maths
Acomb Primary School	76			1.1	28	110	107
Heworth Primary Academy	62	3.0	0.0	0.3	10	106	103
New Earswick Primary School	63	0.8		0.8	7	13	104
Hempland Primary Academy	79	0.7	2.3	-0.4	15	107	106
Clifton with Rawcliffe Primary School	68	-0.1	-0.4	1.8	5	104	106
Badger Hill Primary School	48	-1.1	-1.4	-1.5	8	101	101
Tang Hall Primary School	37		1.7	-1.3	5	97	100
Saint Lawrence's Primary School	32		-1.9		0	100	100

##### By Progress in Writing

School	% of pupils meeting expected standard	Reading Progress	Writing Progress	Maths Progress	% of pupils achieving at a higher standard	Average Score in Reading	Average Score in Maths
New Earswick Primary School	63	0.8		0.8	7	13	104
Acomb Primary School	76			1.1	28	110	107
Hempland Primary Academy	79	0.7	2.3	-0.4	15	107	106
Tang Hall Primary School	37		1.7	-1.3	5	97	100
Heworth Primary Academy	62	3.0	0.0	0.3	10	106	103
Clifton with Rawcliffe Primary School	68	-0.1	-0.4	1.8	5	104	106
Badger Hill Primary School	48	-1.1	-1.4	-1.5	8	101	101
Saint Lawrence's Primary School	32		-1.9		0	100	100

## Pathfinder Multi Academy Trust

### Trustees' Report (continued)

#### Strategic Report

##### Achievements and Performance

###### By Progress in Maths

School	% of pupils meeting expected standard	Reading Progress	Writing Progress	Maths Progress	% of pupils achieving at a higher standard	Average Score in Reading	Average Score in Maths
Clifton with Rawcliffe Primary School	68	-0.1	-0.4	1.8	5	104	106
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Tang Hall Primary School	37		1.7	-1.3	5	97	100
Badger Hill Primary School	48	-1.1	-1.4	-1.5	8	101	101
Saint Lawrence's Primary School	32		-1.9		0	100	100

### Pathfinder Trust KS4 2017 Results

We are proud of our outstanding summer 2017 results, highlights of which are excellent achievement and progress in Maths and our strongest ever pass rates in English and RE. The outcomes for both student progress and achievement evidence our distinctiveness and effectiveness as a Church of England School, with the exceptional GCSE RE performance highlighting the subject's continued position as 'the Jewel in the Crown'.

Key headline measures which will appear in performance tables are as follows:

- Attainment across 8 qualifications
- Progress across the same 8 qualifications
- Percentage of pupils achieving the threshold in English and Mathematics (the current threshold for a pass is 4+)
- Percentage of pupils achieving the English Baccalaureate (those students achieving a pass in English, Maths, a MFL, two good Sciences and either History or Geography)

#### 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 dependant 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.

Other key information – attainment 8 scores will vary from 2016 to 2017 as the performance points associated with each grade has changed. Please see the graphic below:

The vast majority of GCSE grades have had a reduction in point scores and therefore for this reason attainment 8 scores will drop from 2016 to 2017. The exception is with the A\* as this has slightly increased in value.



## Pathfinder Multi Academy Trust

### Trustees' Report (continued)

#### Strategic Report

##### Achievements and Performance

	2017	2016	2016 National
AHS	53.4 (national average APS on entry)	56.0 (sig + APS on entry)	48.5

##### Progress 8

This a value added score comparing our school against others 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.

	2017	2016	National average
AHS	<del>+0.52</del> <b>+0.56*</b>	<del>+0.19</del>	0.0

\*This figure includes successful remarks and coursework moderation compared to the +0.52 that is showing on the DfE unvalidated performance tables.

A score of +0.56 indicates that students on average are achieving over half a grade more than similar students nationally within their studies.

We are delighted that our 2017 Progress 8 figure of +0.56\* places our school in the very best results bracket (well above national average) when compared to all schools nationally.

### Pathfinder Trust KS5 2017 Results

Below is a table that summarises the strength of the Year 13 results against national performance in all areas.

Qualification type	1 Year T Score (Overall sixth form performance)	3 Year T Score (Overall sixth form performance over time)	Red teaching and learning (% of outstanding or excellent subjects)	Blue teaching and learning (% of less than satisfactory subjects)	QI indicator /provider VA (shows performance across all subjects)
A Level	1 (top 1% nationally)	1 (top 1% nationally)	2 (top 10% nationally)	1 (top 1% nationally)	2 (top 10% nationally)
BTEC	2 (top 10% nationally)	2 (top 10% nationally)	2 (top 10% nationally)	1 (top 1% nationally)	2 (top 10% nationally)
Combined	2 (top 10% nationally)	2 (top 10% nationally)	2 (top 10% nationally)	2 (top 10% nationally)	2 (top 10% nationally)

## **Pathfinder Multi Academy Trust**

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

#### **Strategic Report**

##### **Achievements and Performance**

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 a grade 1. In essence, this score shows the overall performance of the sixth form as it takes into consideration – student value added (progress), the number of subjects that are classed as outstanding (ALPS 1-3) and the number of subjects that are classed as poor (ALPS 7-9) over time.

##### **OFSTED GRADES**

The current Ofsted grades for the seven schools in the trust during the year are:-

- |   |             |
|---|-------------|
| • Archbishop Holgate's School           | Outstanding |
| • Badger Hill Primary School            | Good        |
| • Hempland Primary School               | Outstanding |
| • Heworth CE Primary School             | Good        |
| • St Lawrence CE Primary School         | Inadequate  |
| • Tang Hall Primary School              | Good        |
| • Clifton with Rawcliffe Primary School | Good        |

## **Pathfinder Multi Academy Trust**

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

#### 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 2017 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 2017, total income (excluding restricted fixed asset funds) of £12,37,6000 (2016 £8,308,000) spending £13,879,000 (2016 £7,969,000). This deficit of £1,508,000, is due to the incorporation of three new school's Local Government Pension Scheme deficits into the trust. Funds for all schools (excluding pension scheme deficits) are all showing a surplus position.

At 31 August 2017 the net book value of fixed assets was £34,015,000 and movements in tangible fixed assets are shown in note 13 to the consolidated 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.

#### **Financial position**

The Trust held a surplus fund balances at 31 August 2017, before the pension deficit, of £653,000 (2016: deficit £439,000). The pension deficit of £3,200,000 (2016: £2,935,000) is included within restricted funds. There were restricted fixed asset funds of £34,015,000 (2016: £19,696,000) largely represented by the inherited value of the leasehold land, buildings and equipment and other asset additions. It also had restricted fund balances of £121,000 (2016: £91,000), with these mainly relating to School Trips and Visits.

The total net funds at 31 August 2017 were £31,592,000 (2016: £17,294,000).

#### **Subsidiary Undertaking**

The Academy has a wholly owned subsidiary company, Archbishop Holgate's School Services Limited; with the Academy holding a £1 Ordinary share in this company.

It was incorporated on 9 December 2011 and has prepared financial statements for the year 1 September 2016 to 31 August 2017. Its principal activity is the lettings of the Academy's sports and other facilities.

During the year ending 31 August 2017, the company generated sales of £128,405 (2016 £123,518) incurring re-charged costs of £28,672 (2016: £87,473) and gift aided £99,733 (2016: £36,045) to the Trust. The company had net assets of £1 as at 31 August 2017.

The financial statements of Archbishop Holgate's School Services Limited have been consolidated into the Academy's financial statements.

# Pathfinder Multi Academy Trust

## Trustees' Report (continued)

### 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 2017, the total revenue was £301,000 with expenditure of £271,000; this leaving the funds with a balance of £121,000 as at 31 August 2017.

### 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 2017, is a net surplus of £653,000 + £3,000 = £656,000. At this date one of the seven schools, Archbishop Holgate's school was 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 has been completed, 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.

### Plans for Future Years

The Multi Academy Trust is looking to continue to grow in a planned and managed manner. There are currently a number of local Primary Schools that have shown interest in joining the Trust. With one further school having joined in October 2017 and a further school planning to join in January 2018.

Moving forward all 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.

## **Pathfinder Multi Academy Trust**

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

#### **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.

A resolution proposing that Wylie Bisset LLP be reappointed as auditor of the charitable company will be made.

#### **Approval**

Trustees report, incorporating a strategic report, approved by order of the board of Governors, as the company directors, on 21 December 2017 and signed on the board's behalf by:



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

**Date: 21<sup>st</sup> December 2017**

# Pathfinder Multi Academy Trust

## 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 89% (2016 = 83%), as follows

Governor		Meetings attended	Out of a possible
J Hattam (Chair)		5	6
R Battersby		5	6
A Clarke		5	6
A Daly	Resigned 26 October 2017	6	6
I Dolben	Resigned 26 October 2017	6	6
P Durham		6	6
S Outram	Resigned 16 February 2017	3	3
T Robinson		3	6
J Sharpe		6	6
A Smith		5	6
C Theyers	Appointed 6 March 2017	3	3

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 were a total of 4 meetings in the year, with overall attendance at these meetings being 71% (2016 =83%), detailed as follows:

Governor		Meetings attended	Out of a possible
R Battersby (Chair)		3	4
A Daly	Resigned 26 October 2017	1	4
J Sharpe		3	3
A Rowlingson	Co-opted Governor	3	4
A Ward	Co-opted Governor	2	2

## **Pathfinder Multi Academy Trust**

### **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 of the guide to academy value for money statements published by the Education Funding Agency and understand 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:

- 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 school 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.
- Upon formation of the new MAT, the school took the decision to centralise a number of its core business services. As a result it feels it is starting to gain economies of scale and avoid duplication of processing at each of the schools.
- Additionally the four schools within the MAT were successful in bidding for the 'Academy Chain Grant', which was an additional £75,000 grant. The School has sought to utilise this to strengthen its School Improvement and Central services functions, thus being able to give a more robust service to all schools.

#### **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 2017 and up to the date of approval of the annual report and consolidated financial statements.

#### **Capacity to Handle Risk**

The Governing Body is undergoing a review of the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body 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 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

## **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 periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance 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 Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, during the year, the Governors decided to appoint 'Veritau' as Responsible Officer ('RO'), instead of continuing to use the Local Authority as RO. The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

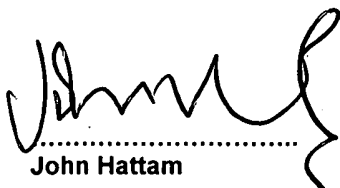
### **Review of Effectiveness**

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 Responsible Officer;
- 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.

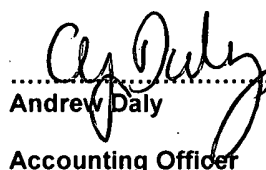
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 21 December 2017 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 2016.

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 2016.

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: 21<sup>st</sup> December 2017**

## **Pathfinder Multi Academy Trust**

### **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 consolidated 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 consolidated financial statements for each financial year. Under company law the Governors must not approve the consolidated 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 consolidated financial statements, the governors are required to:

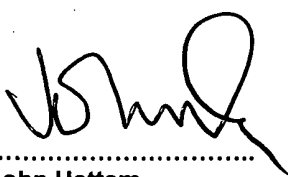
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Direction 2016 to 2017;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- prepare the consolidated 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 consolidated 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 21 December 2017 and signed on its behalf by:



.....  
**John Hattam**

**Chairman of Governors**

## **Pathfinder Multi Academy Trust**

# **Independent Auditor's Report to the Members of Pathfinder Multi Academy Trust for the Year Ended 31 August 2017**

### **Opinion**

We have audited the financial statements of Pathfinder Multi Academy Trust (the 'charitable company') for the year ended 31 August 2017 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 2016 to 2017 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 2017, 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 2016 to 2017.

### **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**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Governors' Report including the incorporated strategic report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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.

## **Pathfinder Multi Academy Trust**

### **Independent Auditor's Report to the Members of Pathfinder Multi Academy Trust for the Year Ended 31 August 2017 (continued)**

#### **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.

#### **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

#### **Responsibilities of the Trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 15 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.

## Pathfinder Multi Academy Trust

### Independent Auditor's Report to the Members of Pathfinder Multi Academy Trust for the Year Ended 31 August 2017 (continued)

#### 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.

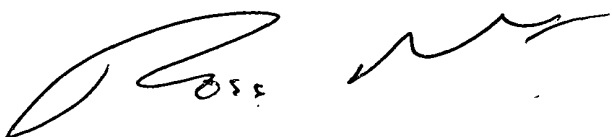
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

#### 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 2016 to 2017 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 21/12/17

Chartered Accountants  
Statutory Auditor  
168 Bath Street  
Glasgow  
G2 4TP

## **Pathfinder Multi Academy Trust**

### **Independent Reporting Auditor's Assurance Report on Regularity to Pathfinder Multi Academy Trust and the Education 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 2016 to 2017, 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 2016 to 31 August 2017 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 dated 27th July 2015 and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 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.

## **Pathfinder Multi Academy Trust**

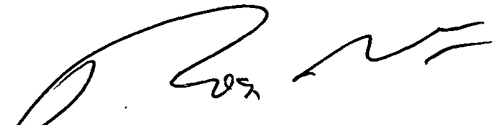
### **Independent Reporting Auditor's Assurance Report on Regularity to Pathfinder Multi Academy Trust and the Education Funding Agency (continued)**

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;
- 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.

#### **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 2016 to 31 August 2017 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

Dated: 21 December 2017

# Pathfinder Multi Academy Trust

## Consolidated Statement of Financial Activities for the year ended 31 August 2017 (Including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2017 £000	Total 2016 £000
<b>Incoming resources:</b>						
<i>Income from generated funds</i>						
- Donations and capital grants	3	101	-	127	228	213
- Transfer from local authority on conversion	31	-	463	14,737	15,200	4,081
<i>Charitable activities:</i>						
- Funding for the trust's educational operations	4	-	12,310	58	12,368	7,957
- Other trading activities	5	315	395	-	710	201
- Investments	6	2	-	-	2	2
<b>Total incoming resources</b>		<b>418</b>	<b>13,168</b>	<b>14,922</b>	<b>28,508</b>	<b>12,454</b>
<b>Expenditure on:</b>						
<i>Charitable activities:</i>						
Academy's educational operations	7, 8	335	13,544	603	14,482	8,528
<b>Total resources expended</b>		<b>335</b>	<b>13,544</b>	<b>603</b>	<b>14,026</b>	<b>8,528</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>83</b>	<b>(376)</b>	<b>14,319</b>	<b>12,811</b>	<b>3,926</b>
<b>Transfers between funds</b>	18	<b>(83)</b>	<b>83</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses)/ on defined benefit pension schemes	26	-	272	-	272	(1,253)
<b>Net movement in funds</b>		<b>-</b>	<b>(21)</b>	<b>14,319</b>	<b>14,298</b>	<b>2,673</b>
<b>Reconciliation of funds</b>						
Funds brought forward at 1 September	18	3	(2,405)	19,696	17,294	14,601
Prior year adjustment		-	-	-	-	20
<b>Total funds brought forward</b>		<b>3</b>	<b>(2,405)</b>	<b>19,696</b>	<b>17,294</b>	<b>14,621</b>
<b>Funds carried forward at 31 August</b>		<b>3</b>	<b>(2,426)</b>	<b>34,015</b>	<b>31,592</b>	<b>17,294</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.

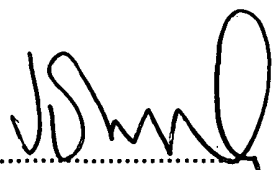


# Pathfinder Multi Academy Trust

## Balance Sheets as at 31 August 2017

		2017		2016	
	Notes	Group £000	Academy £000	Group £000	Academy £000
<b>Fixed assets</b>					
Tangible assets	13	34,015	34,015	19,696	19,696
Investments	14	-	-	-	-
		<u>34,015</u>	<u>34,015</u>	<u>19,696</u>	<u>19,696</u>
<b>Current assets</b>					
Stock	15	6	6	3	3
Debtors	16	1,249	1,277	916	960
Cash at bank and in hand	24	748	717	315	271
		<u>2,003</u>	<u>2,000</u>	<u>1,234</u>	<u>1,234</u>
<b>Creditors: Amounts falling due within one year</b>	17	(1,226)	(1,223)	(701)	(701)
<b>Net current assets</b>		<u>777</u>	<u>777</u>	<u>533</u>	<u>533</u>
<b>Total assets less current liabilities</b>		<u>34,792</u>	<u>34,792</u>	<u>20,229</u>	<u>20,229</u>
Pension scheme liability	26	(3,200)	(3,200)	(2,935)	(2,935)
<b>Net assets including pension liability</b>		<u>31,592</u>	<u>31,592</u>	<u>17,294</u>	<u>17,294</u>
<b>Funds of the academy:</b>					
<b>Restricted funds</b>					
Fixed asset fund	18	34,015	34,015	19,696	19,696
General fund	18	653	653	439	439
Other restricted funds	18	121	121	91	91
Pension reserve	18	(3,200)	(3,200)	(2,935)	(2,935)
<b>Total restricted funds</b>		<u>31,589</u>	<u>31,589</u>	<u>17,291</u>	<u>17,291</u>
<b>Unrestricted funds</b>	18	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
<b>Total funds</b>		<u>31,592</u>	<u>31,592</u>	<u>17,294</u>	<u>17,294</u>

The consolidated financial statements on pages 20 to 45 were approved by the Governors, and authorised for issue on 21 December 2017 and are signed on their behalf by:



**John Hattam**  
Chairman of trustees

Company Limited by Guarantee  
Registration Number 07559610

## Pathfinder Multi Academy Trust

### Consolidated Cash Flow Statement for the year ended 31 August 2017

	Notes	2017 £000	2016 £000
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	22	489	200
Net cash (outflow) from investing activities	23	(56)	(92)
<b>Change in cash and cash equivalents in the year</b>		<u>433</u>	<u>108</u>
 <b>Reconciliation of net cash flow to movement in net funds</b>			
Cash and cash equivalents at 1 September		315	207
<b>Cash and cash equivalents at 31 August</b>	24	<u>748</u>	<u>315</u>

# Pathfinder Multi Academy Trust

## Notes to the Consolidated Financial Statements for the year ended 31 August 2017

### 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 2016 to 2017 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.

#### Consolidation

The financial statements of Archbishop Holgate's School Services Limited have been consolidated into the Academy's financial statements on a line by line basis.

#### 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 Consolidated 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 Consolidated Financial Statements for the year ended 31 August 2017 (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 (£1,000 2016) 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	33% straight line basis
Motor Vehicle	25% straight line basis

# **Pathfinder Multi Academy Trust**

## **Notes to the Consolidated Financial Statements for the year ended 31 August 2017 (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 Consolidated 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 Consolidated Financial Statements for the year ended 31 August 2017 (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 26, 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 2017. 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 Consolidated Financial Statements for the year ended 31 August 2017 (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 29.

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

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2017 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 2017.

# Pathfinder Multi Academy Trust

## Notes to the Consolidated Financial Statements for the year ended 31 August 2017 (continued)

### 3 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
ESFA capital grants	-	54	54	26
Local Authority capital grants	-	48	48	158
Other capital grants	-	25	25	-
Other donations	101	-	101	29
	<u>101</u>	<u>127</u>	<u>228</u>	<u>213</u>
<i>2016 Total</i>	<u>24</u>	<u>189</u>	<u>213</u>	

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

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	9,724	9,724	5,972
Start-up grants	-	150	150	75
Other DfE/ESFA grants	-	696	696	420
National college grants	-	2	2	-
	<u>-</u>	<u>10,572</u>	<u>10,572</u>	<u>6,447</u>
<b>Other Government grants</b>				
Local authority grants	-	540	540	559
Other government grants	-	26	26	124
	<u>-</u>	<u>566</u>	<u>566</u>	<u>683</u>
<b>Other income from the academy trust's educational operations</b>				
Teaching School		660	660	322
Catering		389	389	201
Other		181	181	304
		<u>1,230</u>	<u>1,230</u>	<u>827</u>
	<u>-</u>	<u>12,368</u>	<u>12,368</u>	<u>7,957</u>
<i>2016 total</i>	<u>-</u>	<u>7,957</u>	<u>7,957</u>	

### 5 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Hire of facilities	131	5	136	123
Sundry income	184	390	574	78
	<u>315</u>	<u>395</u>	<u>710</u>	<u>201</u>
<i>2016 total</i>	<u>134</u>	<u>67</u>	<u>201</u>	



# **Pathfinder Multi Academy Trust**

## **Notes to the Consolidated Financial Statements for the year ended 31 August 2017 (continued)**

### **6 Investment income**

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Short term deposits	2	-	2	2
	2	-	2	2
2016 total	2	-	2	

### **7 Expenditure**

	Staff Costs £000	Non Pay Premises £000	Expenditure Other Costs £000	Total 2017 £000	Total 2016 £000
Academy's educational operations					
- Direct costs	7,194	603	1,360	9,157	6,637
- Allocated support costs	3,686	-	1,639	5,325	1,891
	10,880	603	2,999	14,482	8,528
2016 total	6,125	559	1,844	8,528	

Net income (expenditure) for the year includes:

	2017 £000	2016 £000
Operating leases	23	15
Depreciation	603	559
Fees payable to auditor	10	10
- Audit		
- Other services	1	1

# Pathfinder Multi Academy Trust

## Notes to the Consolidated Financial Statements for the year ended 31 August 2017 (continued)

### 8 Charitable activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
<i>Direct costs – educational operations</i>	-	9,157	9,157	6,637
<i>Support costs – educational operations</i>	335	4,990	5,325	1,891
	<u>335</u>	<u>14,147</u>	<u>14,482</u>	<u>8,528</u>
<i>2016 total</i>	<u>245</u>	<u>8,007</u>	<u>8,528</u>	
<i>Analysis of support costs</i>				
Support staff costs	140	3,602	3,742	812
Technology costs	-	77	77	42
Premises costs	-	634	634	414
Catering costs	195	297	492	194
Other Support costs	-	234	234	359
Governance costs	-	146	146	31
<b>Total support costs</b>	<u>335</u>	<u>4,990</u>	<u>5,325</u>	<u>1,891</u>
<i>2016 total</i>	<u>245</u>	<u>1,646</u>	<u>1,891</u>	

### 9 Staff

#### a. Staff Costs

	2017 £000	2016 £000
Staff costs during the period were:		
Wages and salaries	7,944	4,806
Social security costs	681	380
Pension costs	1,956	877
Apprenticeship levy	13	-
	<u>10,594</u>	<u>6,063</u>
Supply teacher costs	245	62
Staff restructuring costs	41	-
	<u>10,880</u>	<u>6,125</u>

Staff restructuring costs comprise

- One redundancy payment, with a total cost of £41,000 (2016: £Nil).

#### b. Staff numbers

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

	2017 Number	2016 Number
<i>Charitable Activities</i>		
Teachers	160	99
Administration and support	191	70
Management	5	3
	<u>356</u>	<u>172</u>

# Pathfinder Multi Academy Trust

## Notes to the Consolidated Financial Statements for the year ended 31 August 2017 (continued)

### 9 Staff (continued)

#### c. Staff numbers

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

	2017 £000	2016 £000
£60,001 - £70,000	4	3
£70,001 - £80,000	1	-
£80,001 - £90,000	-	-
£90,001 - £100,000	-	1
£100,001 - £110,000	-	-
£110,001 - £120,000	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 key management personnel for their services to the academy trust was £475,611 (2016: £675,217).

### 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:

	2017	2016
A Daly (Head Archbishop Holgate's School and trustee)		
• Remuneration	£110,000 - £115,000	£95,000 - £100,000
• Employer pension contributions	£15,000 - £20,000	£15,000 - £20,000
S Outram (Head Hempland School and trustee):		
• Remuneration	<i>Pro-rata costs</i> <i>Resigned 16 Feb 2017</i> £30,000 - £35,000	<i>Pro-rata costs</i> <i>Appointed 1 Aug 2016</i> £5,000-£10,000
• Employer pension contributions	£5,000 - £10,000	£0- £5,000

During the year ended 31 August 2017 there were no expenses reimbursed to the Board of Governors.

Other related party transactions involving the trustees are set out in note 27.

### 11 Central Services

The academy trust has provided the following central services to its academies (from 1 September 2016 to 31 August 2017)

#### List of Services

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

## Pathfinder Multi Academy Trust

### Notes to the Consolidated Financial Statements for the year ended 31 August 2017 (continued)

#### 11 Central services (continued)

The Trust charges for these services on the following basis:

- The equivalent income that schools receive from the ESFA in respect of their Education Services Grant, this being an amount of £77 per pupil, for those schools that were in the MAT at the start of the year (four schools)
- For schools joining the MAT during the year (three schools), a charge of 3% of the ESFA income was incurred.

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

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Archbishop Holgate's School	<b>98</b>	9
Badger Hill School	<b>15</b>	1
Hempland School	<b>32</b>	3
Heworth C of E School	<b>11</b>	1
St Lawrence CofE School	<b>15</b>	-
Tang Hall School	<b>9</b>	-
Clifton with Rawcliffe School	<b>13</b>	-
Total	<b>193</b>	14

#### 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 Consolidated Financial Statements for the year ended 31 August 2017 (continued)

### 13 Tangible Fixed Assets- Group and Academy

	Freehold Land and Buildings £000	Leasehold Land and Buildings £000	Assets in course of construction £000	Furniture and Equipment £000	Computer Equipment £000	Motor Vehicles £000	Total £000
<b>Cost</b>							
At 1 September 2016	2,201	19,442	158	276	348	2	22,427
Additions	9	-	44	115	17	-	185
Inherited assets		14,737					14,737
Transfers	158	-	(158)	-	-	-	-
At 31 August 2017	2,368	34,179	44	391	365	2	37,349
<b>Depreciation</b>							
At 1 September 2016	147	2,113	-	158	311	2	2,731
Charged in year	55	474	-	51	23	-	603
Disposals	-	-	-	-	-	-	-
At 31 August 2017	202	2,587	-	209	334	2	3,334
<b>Net book values</b>							
At 31 August 2017	2,166	31,592	44	182	31	-	34,015
At 31 August 2016	2,054	17,329	158	118	37	-	19,696

The Academy's transactions relating to assets in the course of construction, were:

- A new modular building at Archbishop Holgate's School, primarily used as an additional catering facility, was completed as at 31 August 2017. Some of the costs of this was shown as an 'asset in the course of construction', as at 31 August 2016 with a cost of £158,000. This cost was transferred to freehold land and buildings in the year.
- Inherited assets, comprising Land of £2,710,000 and buildings of £2,241,600 (total £4,951,600) in relation to Tang Hall Primary Schools are included in fixed assets.
- Inherited assets, comprising Land £3,530,000 and buildings of £6,255,000 (total £9,785,000) in relation to Clifton with Rawcliffe primary school are included in fixed assets.
- No value for the land and buildings in respect of St Lawrence C of E school has been included within tangible fixed assets. This is because the academy trust occupies land (including buildings) under a licence which are owned by its Trustees who are the Diocese of York. The Trustees are the providers of the academy on the basis as when the academy was a maintained school. The academy trust occupies the land (and buildings) under a mere licence. This continuing permission of their Trustees is pursuant to, and subject to, the trustees' charitable objects, and is part of the Catholic Church's contribution since 1847 to provide State funded education in partnership with the state. The licence delegates aspects of the management of the land and buildings to the academy trust for the time being, but does not vest any rights over the land in the academy trust. The trustees have given an undertaking to the Secretary of State that they will not give the academy trust less than two years notice to terminate the occupation of the land and buildings. Having considered the factual matrix under which the academy trust is occupying the land and buildings the Trustees have concluded that the value of the land and buildings occupied by the academy trust will not be recognised on the balance sheet of the trust. This was in keeping with a NIL value when Heworth CE Primary School joined the Trust on 1 August 2016.

# Pathfinder Multi Academy Trust

## Notes to the Consolidated Financial Statements for the year ended 31 August 2017 (continued)

### 14 Investments

The Academy holds a £1 Ordinary share in the wholly owned company 'Archbishop Holgate's School Services Limited'. The company was incorporated on 9 December 2011 and have prepared separate financial statements for the year to 31 August 2017 that have been consolidated into these financial statements, see Note 30.

### 15 Stock

	2017		2016	
	Group £000	Academy £000	Group £000	Academy £000
Stationery	3	3	3	3
Catering	3	3	-	-
	<u>6</u>	<u>6</u>	<u>3</u>	<u>3</u>

### 16 Debtors

	2017		2016	
	Group £000	Academy £000	Group £000	Academy £000
Trade debtors	125	109	113	86
Prepayments and accrued income	599	599	398	398
Other debtors	460	460	363	363
VAT recoverable	65	65	42	36
Amount due from subsidiary undertaking	-	44	-	77
	<u>1,249</u>	<u>1,277</u>	<u>916</u>	<u>960</u>

Other debtors includes £454,000 due from the Local Authority, in respect of the surplus balances from two Primary Schools.

### 17 Creditors: amounts falling due within one year

	2017		2016	
	Group £000	Academy £000	Group £000	Academy £000
Trade creditors	313	313	185	185
Other taxation and social security	228	228	156	156
Other creditors	217	217	257	257
Agency funds (16-19 bursary)	30	30	24	24
Accruals and deferred income	437	435	79	79
VAT Payable	1	-	-	-
	<u>1,226</u>	<u>1,223</u>	<u>701</u>	<u>701</u>

# Pathfinder Multi Academy Trust

## Notes to the Consolidated Financial Statements for the year ended 31 August 2017 (continued)

### 17 Creditors: amounts falling due within one year (continued)

Deferred income	2017 £000	2016 £000
Deferred income at 1 September	27	68
Released from the previous year	(27)	(68)
Resources deferred in the year	236	27
Deferred income at 31 August	236	27

Deferred income as at 31 August 2017 mainly comprises:

- A receipt from ESFA in respect of a new school (New Earswick Primary School) joining the Trust on 1<sup>st</sup> October; this funding has been deferred to the year in which the school joins the trust.
- Other funding in relation to ESFA 'Conditions Improvement Funds' have also been deferred, as no work has yet been undertaken in the year in respect of this grant.

### 18 Funds

	Balance at 1 September 2016 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2017 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	346	12,791	(12,567)	83	653
Transfer on conversion	-	(752)	752	-	-
Start Up Grant	93	31	(124)	-	-
Other DfE/EFA grants	-	27	(27)	-	-
Other grants and donations	-	735	(735)	-	-
Pension reserve	(2,935)	(1,180)	(572)	1,487	(3,200)
	(2,496)	11,652	(13,273)	1,570	(2,547)
<b>Restricted fixed asset funds</b>					
Transfer on conversion	17,356	14,737	(473)	-	31,620
DfE/EFA capital grants	1,705	54	(65)	-	1,694
Capital expenditure from GAG	128	58	(49)	-	137
Other capital funding	507	73	(16)	-	564
	19,696	14,922	(603)	-	34,015
<b>Other Restricted Funds</b>					
School funds	91	301	(271)	-	121
	91	301	(271)	-	121
<b>Total restricted funds</b>	17,291	26,875	(14,147)	1,570	31,589
<b>Unrestricted funds</b>					
Unrestricted funds	3	418	(335)	(83)	3
	3	418	(335)	(83)	3
<b>Total funds</b>	17,294	27,293	(14,482)	1,487	31,592

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 2017. Note 2 discloses whether the limit was exceeded.

# Pathfinder Multi Academy Trust

## Notes to the Consolidated Financial Statements for the year ended 31 August 2017 (continued)

### 18 Funds (continued)

#### Total fund analysis by Academy

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £000	Total 2016 £000
Archbishop Holgate's C of E School	(81)	13
Badger Hill Primary School	111	54
Hempland Primary School	218	228
Heworth C of E Primary School	14	37
St Lawrence C of E Primary School	41	-
Tang Hall Primary School	198	-
Clifton with Rawcliffe Primary School	134	-
Central Services	18	107
Total before fixed assets and pension reserve	653	439
Restricted fixed asset fund	34,015	19,696
Other restricted funds	121	91
Unrestricted funds	3	3
Pension reserve	(3,200)	(2,935)
Total	31,592	17,294

Archbishop Holgate's School is carrying a net deficit of £81k on these funds. This is largely because it is 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.

The trust is taking the following action to return the academy to surplus;

- Ensure that the significant increase in funding in 17/18 and 18/19 (largely due to lagged funding, but also with benefits from the New Funding Formula in 18/19) will outstrip the increases in additional staffing required; thus generating a surplus to return the school to a surplus position as at 31 August 2019.

#### Total cost analysis by Academy

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

	Teaching and Educational Support Staff £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (Excluding Depreciation) £000	Total 2017 £000	Total 2016 £000
Archbishop Holgate's School	4,361	1,934	1,006	831	8,132	8,278
Badger Hill Primary School	459	197	58	118	832	55
Hempland Primary School	842	365	132	251	1,590	93
Heworth C of E Primary School	339	192	45	103	679	41
St Lawrence C of E Primary School	383	180	36	91	690	-
Tang Hall Primary School	188	126	32	49	395	-
Clifton with Rawcliffe Primary School	296	123	40	76	535	-
Central Services	176	147	11	120	454	61
<b>Academy Trust</b>	<b>7,044</b>	<b>3,264</b>	<b>1,360</b>	<b>1,639</b>	<b>13,307</b>	<b>8,528</b>
<i>2016 Total</i>	<i>5,313</i>	<i>729</i>	<i>600</i>	<i>1,886</i>	<i>8,528</i>	



# Pathfinder Multi Academy Trust

## Notes to the Consolidated Financial Statements for the year ended 31 August 2017 (continued)

### 19 Analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	34,015	34,015
Current assets	3	2,030	-	2,033
Current liabilities	-	(1,256)	-	(1,256)
Pension scheme liability	-	(3,200)	-	(3,200)
<b>Total net assets</b>	<b>3</b>	<b>(2,426)</b>	<b>34,015</b>	<b>31,592</b>

### 20 Capital Commitments

	2017 £000	2016 £000
Contracted for, but not provided in the financial statements	313	48

### 21 Financial Commitments

#### Operating leases

At 31 August 2017 the total of the Academy Trusts future minimum lease payments under non-cancellable operating leases was:

	2017 £000	2016 £000
Amounts due within one year	16	-
Amounts due within two and five years	16	41
	<b>32</b>	<b>41</b>

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

	2017 £000	2016 £000
Net income	12,811	3,926
Depreciation [note 14]	603	559
Capital grants from DfE/ESFA and other capital income	(14,864)	(4,146)
Interest receivable [note 6]	(2)	(2)
Defined benefit pension scheme obligation inherited [note 31]	1,232	184
Defined benefit pension scheme cost less contributions payable [note 26]	(52)	31
Defined benefit pension scheme finance cost [note 26]	572	52
(Increase) in stock	(3)	-
(Increase) in debtors	(333)	(564)
Increase in creditors	525	160
<b>Net cash provided by / (used in) operating activities</b>	<b>489</b>	<b>200</b>

# Pathfinder Multi Academy Trust

## Notes to the Consolidated Financial Statements for the year ended 31 August 2017 (continued)

### 23 Cash flows from investing activities

	2017 £000	2016 £000
Interest receivable	2	2
Purchase of tangible fixed assets	(185)	(278)
Capital grants from DfE/ESFA	54	26
Capital funding received from sponsors and others	73	158
<b>Net cash (used in) investing activities</b>	<b>(56)</b>	<b>(92)</b>

### 24 Analysis of cash and cash equivalents

	At 31 August 2017 £000	At 31 August 2016 £000
Cash in hand and at bank	776	315
	<b>776</b>	<b>315</b>

### 25 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

### 26 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 £202,000 (2016: £100,000) were payable to the schemes at 31 August 2017 and are included within creditors.

**Notes to the Consolidated Financial Statements for the year ended 31 August 2017 (continued)**

**26 Pension and Similar Obligations (continued)**

**Teachers' Pension Scheme**

**Introduction**

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

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

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

**Valuation of the Teachers' Pension Scheme (continued)**

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

The pension costs paid to TPS in the period amounted to £904,000 (2016: £664,000).

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.

# Pathfinder Multi Academy Trust

## Notes to the Consolidated Financial Statements for the year ended 31 August 2017 (continued)

### 26 Pension and Similar Obligations (continued)

#### 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 2017 was £606,000 (2016: £256,000), of which employer's contributions totalled £480,000 and employees' contributions totalled £126,000 (2016 £195,000 and £61,000). 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.

#### Principal Actuarial Assumptions

	At 31 August 2017	At 31 August 2016
Rate of increase in salaries	3.25%	3.4%
Rate of increase for pensions in payment / inflation	2.0%	3.0%
Discount rate for scheme liabilities	2.5%	2.0%
Inflation assumption (CPI)	2.0%	1.9%
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 August 2017	At 31 August 2016
<i>Retiring today</i>		
Males	22.8	23.3
Females	26.3	25.8
<i>Retiring in 20 years</i>		
Males	25.0	25.6
Females	28.6	28.1

#### Sensitivity analysis

	At 31 August 2017 £'000	At 31 August 2016 £'000
Discount rate +0.1%	6,693	3,989
Discount rate -0.1%	7,017	4,171
Mortality assumption – 1 year increase	6,652	3,953
Mortality assumption – 1 year decrease	7,056	4,206
CPI rate +0.1%	6,960	4,116
CPI rate -0.1%	6,798	4,042

## Notes to the Consolidated Financial Statements for the Year Ended 31 August 2017 (continued)

# Pathfinder Multi Academy Trust

## 26 Pension and Similar Obligations (continued)

### Local Government Pension Scheme (continued)

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

	Fair Value at 31 August 2017	Fair Value at 31 August 2016
	£000	£000
Equities	2,897	1,241
Property	354	170
Government Bonds	559	292
Corporate Bonds	131	99
Cash	22	(14)
Other	406	188
<b>TOTAL</b>	<b>4,369</b>	<b>1,976</b>

The actual return on scheme assets was £477,000 (2016: £171,000).

### Amounts recognised in the statement of financial activities

	2017 £000	2016 £000
Current service cost (NET of employer contributions)	447	31
Interest income	(52)	(38)
Interest cost	125	90
<b>Total amount recognised in the SOFA</b>	<b>520</b>	<b>83</b>

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

	2017 £000	2016 £000
<b>At 1 September</b>	<b>4,911</b>	<b>2,335</b>
Current service cost	927	226
Interest cost	125	90
Employee contributions	126	61
Actuarial (gain) / loss	100	1,386
Benefits paid	(28)	(19)
Inherited upon conversion	1,408	832
<b>At 31 August</b>	<b>7,569</b>	<b>4,911</b>

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

	2017 £000	2016 £000
<b>At 1 September</b>	<b>1,976</b>	<b>920</b>
Expected return on assets	52	38
Actuarial gain / (loss)	372	133
Employer contributions	480	195
Employee contributions	126	61
Benefits paid	(28)	(19)
Inherited upon conversion	1,391	648
<b>At 31 August</b>	<b>4,369</b>	<b>1,976</b>

## **Pathfinder Multi Academy Trust**

### **Notes to the Consolidated Financial Statements for the Year Ended 31 August 2017 (continued)**

#### **27 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.

- Catalyst Consultancy – which Mr John Hattam (trustee) is the owner; the school incurred expenditure of £250 (2016: £750), in respect of the delivery of governance training.
- St Lawrence CE School, prior to conversion, were having difficulties recruiting a suitable Chair of Governors to enable them to support the change and improvement the school following its inadequate Ofsted judgement. In doing so the Local Authority paid Mr John Hattam to undertake this role. Subsequent to St Lawrence joining the trust, on 1 February 2017, this arrangement has continued; with two payments of £3,000 (total £6,000) having been paid in respect of the Spring and Summer terms. It should be noted that this matter has been fully discussed at trustee meetings and was also discussed with the trusts external auditors.
- 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 £106,461 from this charity.
- In entering into the above transactions the trust has complied with the requirements of the Academies Handbook 2016.

#### **28 Events after the end of the reporting period**

On 1st October 2017 a further Primary School, New Earswick Primary School, joined the Multi-Academy Trust. Whilst this has no impact upon any of the information held within this report. It has been treated as a material event that has occurred after the end of the year.

#### **29 Agency Arrangements**

The school distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting year ending 31 August 2017 the trust received £12,000 and disbursed £5,000 from the fund. An amount of £30,000 is included in creditors relating to undistributed funds that is repayable to ESFA.

#### **30 Subsidiary Companies and Consolidated Financial Statements**

In the previous year the Academy prepared consolidated financial statements, in respect of:

- the Academy itself;
- its wholly owned trading subsidiary – Archbishop Holgate's School Services Ltd; and

A Consolidated Financial Statements have therefore been prepared for the year ended 31 August 2017 with comparator information reported for the previous year.

# Pathfinder Multi Academy Trust

## Notes to the Consolidated Financial Statements for the Year Ended 31 August 2017 (continued)

### 30 Subsidiary Companies and Consolidated Financial Statements (continued)

#### Archbishop Holgate's School Services Limited

The Academy created a wholly owned subsidiary company, Archbishop Holgate's School Services Limited; with the Academy holding a £1 Ordinary share in this company. Company number 07877524.

Its principal activity is the lettings of the Academy's sports and other facilities. A summary of Archbishop Holgate's School Services Limited are set out below.

#### Profit and Loss Account

	Year 1 Sep 16 to 31 Aug 17	Year 1 Sep 15 to 31 Aug 16
	£	£
Turnover	128,405	123,518
Administration Expenses	28,672	87,473
Operating Profit	99,733	36,045
Covenant	99,733	36,045
Profit for the financial period	Nil	Nil

#### Balance Sheet

	Year 1 Sep 16 to 31 Aug 17	Year 1 Sep 15 to 31 Aug 16
	£	£
Current Assets		
Debtors	15,847	33,005
Cash at Bank and in Hand	58,511	44,064
	74,358	77,069
Creditors: Amounts due within one year	74,357	77,068
Net Current Assets less liabilities	1	1
Capital and Reserves		
Called up equity and share capital	1	1
Shareholders' Funds	1	1

As from 31 August 2017, no further transactions will pass through Archbishop Holgate's School Services Ltd, as all transactions will from this date, will be processed through Pathfinder MAT directly.

## Pathfinder Multi Academy Trust

### Notes to the Consolidated Financial Statements for the Year Ended 31 August 2017 (continued)

#### 31 Conversion to an Academy Trust

##### St Lawrence C of E Primary School

On 1 February 2017 St Lawrence C of E 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.

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
Leasehold land and buildings	-	-	-	-
Budget surplus on LA funds	-	65	-	65
LGPS pension (deficit)	-	(17)	-	(17)
<b>Net assets</b>	-	48	-	48

No value for the land and buildings in respect of St Lawrence C of E School has been included within tangible fixed assets. This is because the academy trust occupies land (including buildings) under a licence which are owned by its Trustees who are the Diocese of York. The Trustees are the providers of the academy on the basis as when the academy was a maintained school. The academy trust occupies the land (and buildings) under a mere licence. This continuing permission of their Trustees is pursuant to, and subject to, the trustees' charitable objects, and is part of the Catholic Church's contribution since 1847 to provide State funded education in partnership with the state. The licence delegates aspects of the management of the land and buildings to the academy trust for the time being, but does not vest any rights over the land in the academy trust. The trustees have given an undertaking to the Secretary of State that they will not give the academy trust less than two years notice to terminate the occupation of the land and buildings. Having considered the factual matrix under which the academy trust is occupying the land and buildings the Trustees have concluded that the value of the land and buildings occupied by the academy trust will not be recognised on the balance sheet of the trust.

##### Tang Hall Primary School

On 1 May 2017 Tang Hall 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.



# Pathfinder Multi Academy Trust

## Notes to the Consolidated Financial Statements for the Year Ended 31 August 2017 (continued)

### 31 Conversion to an Academy Trust (continued)

#### Tang Hall Primary School

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
Leasehold land and buildings			4,952	4,952
Budget surplus on LA funds	-	256	-	256
LGPS pension (deficit)	-	-	-	-
<b>Net assets</b>	-	256	4,952	<b>5,208</b>

#### Clifton with Rawcliffe Primary School

On 1 June 2017 Clifton with Rawcliffe 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 academy trust occupies land and buildings provided to it under a licence (also referred as a Church Supplemental Agreement) which contains a two year notice period. Having considered the fact that the academy trust occupies the land and buildings on it by a mere licence that transfers to the academy no rights or control over the site save that of occupying it at the will of the site trustees under the terms of the relevant site trust, the governors have concluded that the value of land and buildings occupied by the academy will not be recognised on the balance sheet.

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
Leasehold land and buildings	-		9,785	9,785
Budget surplus on LA funds	-	159	-	159
LGPS pension (deficit)	-	-	-	-
<b>Net liabilities</b>	-	159	9,785	<b>9,944</b>