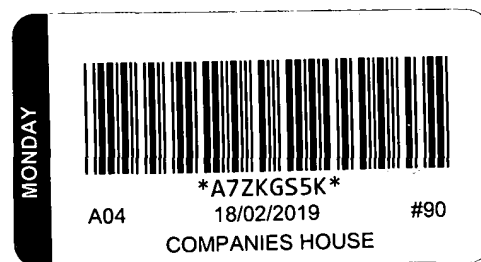


Company Registration Number: 07565242 (England and Wales)

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018



**PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 13
Governance statement	14 - 17
Statement on regularity, propriety and compliance	18
Statement of trustees' responsibilities	19
Independent auditors' report on the financial statements	20 - 22
Independent reporting accountant's assurance report on regularity	23 - 24
Statement of financial activities incorporating income and expenditure account	25
Balance sheet	26
Statement of cash flows	27
Notes to the financial statements	28 - 54

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members	A Phillips K Simkins I Taylor M Cooper J Mustoe
Trustees	J K Barnard ¹ M Cooper, Chair S Netherton K M Pearce, Vice Chair ¹ J S Simeons (appointed 22 October 2017) G J Slater (appointed 9 November 2017) R Van De Velde J L Seyler, Vice Chair C D Price (resigned 10 October 2017) ¹ ¹ Audit Committee
Company registered number	07565242
Company name	Peninsula Learning Trust
Principal and registered office	Unit 18 St Austell Business Park Treverbyn Road St Austell Cornwall PL25 4FD
Company secretary	G Groves
Accounting officer	P F Towe
Senior management team	R Baker, Principal (Penrice) P F Towe, Executive Headteacher (St Mewan), Interim CEO and Accounting Officer S Pollard, Headteacher (Carclaze) C N Bunting, Headteacher (Mount Charles) K Sicolo, Headteacher (Fowey appointed 1 Sept 2017) S Gynn, Headteacher (Mevagissey) and Executive Headteacher (Luxulyan) N Simmonds, Headteacher (Lostwithiel) J Gerrish, Chief Financial Officer & Interim COO

**PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN
Bankers	Lloyds Bank St Austell Cornwall PL25 5AZ
Solicitors	Browne Jacobson 1 Manor Court Dix's Field Exeter Devon EX1 1UP
Actuary	Hyman Robertson LLP 20 Waterloo Street Glasgow G2 6DB

**PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Academy Trust operates seven primary academies and one secondary academy in the St Austell Bay area of Cornwall. Its academies have a combined pupil capacity of 3,210 and had a roll of 3,250 in the school census on 4 October 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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 Peninsula Learning Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Peninsula Learning Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on pages 1 to 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 trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5 million on any one claim.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

When appointing new trustees, the board give consideration to the skills and experience mix of existing trustees in order to ensure that the board has the necessary skills to contribute fully to the development of the academy trust.

Policies and Procedures Adopted for the Induction and Training of Trustees

All new trustees meet with the Chief Executive Officer (CEO) and Chief Operations Officer (COO) following their appointment and receive an induction pack of documentation from the Governance Officer. This includes the Articles of Association, Code of Conduct, Conflicts of Interests Policy, Scheme of Delegation, Terms of Reference, Academies Financial Handbook and Governor's Handbook.

A programme of joint training for both trustees and governors is being developed. This programme will include: induction to the trust; introduction to governance; safeguarding; understanding data; Ofsted inspections; monitoring; data protection; special educational needs (SEN); early years foundation stage; and working with parents. Priorities for training will be identified through skills and training audits and other evaluation procedures at both individual and board level.

Organisational Structure

The governance structure of the academy trust consists of members, the board of trustees, the local governing bodies (LGBs), the audit committee and the trust executive leadership team (ELT).

The academy trust has four members who meet at least twice a year. The members appoint the majority of trustees.

**PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

The board currently has eight trustees – four appointed by the members and four co-opted by the board. In addition, the board has two associate trustees who are members of the audit committee but have no board voting rights.

The board has an audit committee and, in addition, there is a LGB for each academy. Membership of each LGB consists of the headteacher, an elected staff governor, two parent governors (appointed or elected) plus board appointed governors.

The academy trust has a scheme of delegated authority for governance and the audit committee and LGB have terms of reference which clearly define the split of responsibilities between management (CEO, COO, headteachers) and governance (board, chairs, committees, LGBs, ad hoc panels, individual trustees and governors).

The academy trust employs a Governance Officer with responsibility for the administration of meetings, record keeping and all governance-related documentation.

The CEO is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The trustees consider the board and the ELT (at the individual schools and in the central team) to be the key management personnel of the trust in charge of directing and controlling, running and operating the academy trust on a day to day basis. All trustees give their time freely and no trustee received remuneration in the year.

Details of trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings.

Connected Organisations, including Related Party Relationships

There are no related parties which control or significantly influence the decisions and operations of the academy trust.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the academy trust is to advance the education of our pupils, in particular by establishing, maintaining, managing and developing academies, and offering a broad range of curriculum for pupils of different abilities.

The goal of the academy trust is to develop collaborative approaches that drive improvements in outcomes and the overall quality of each pupil's experience. Headteachers and staff know that they are all part of one team working towards achieving all of the goals for the whole academy trust. No matter which academy a particular pupil is in they should have a fantastic experience, individual and unique to that academy, but with a visible commitment to the core values of the academy trust. The academy trust achieves this by having clear goals and expectations, great central support and structures for functions not directly related to teaching and learning and an ethos of sharing good practice between academies.

Governance of the academy trust will support those goals, with trustees focused on strategic priorities and managing risk and with the LGBs focused on standards of teaching and learning and the quality of the individual pupil's experience at the academy level. Recruitment to both levels of governance will be based on skills, experience or specialist knowledge. Members will instil our core values and evaluate overall impact of the academy trust on the wider community.

Objectives, Strategies and Activities

Key priorities for the 2018/19 year are taken from the PLT Development Plan 2017-19 and the focus is to improve the experience and attainment at each academy. Improvement focuses identified for this year include:

Securing academy improvement – Uniformly Green and Uniformly Good

The academy trust's overarching priority is to secure the necessary improvements in the performance of all our academies so that every academy can demonstrate that it is continually improving and that, by September 2019,

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

the minimum standard being achieved is that:

- Every trust academy is performing in line with or above national expectations against all the key indicators for attainment and progress at each key stage ("uniformly green");
- Every trust academy can clearly demonstrate that it is at least "good" against all the criteria in the Ofsted inspection framework ("uniformly good").

This will be achieved by implementing the following goals:

- To ensure that Quality First teaching is evident in all lessons.
- To achieve attainment and progress in Mathematics in line with, or better than, national averages.
- To ensure that the gaps in attainment and progress between those children entitled to Pupil Premium and their peers are in line with, or better than, national averages.
- To secure levels of pupil attendance of at least 96%, with less than 10% persistent absence.
- To ensure effective, seamless transition between all key phases of learning.
- To ensure that the proportion of pupils achieving "Greater Depth" is at national levels or above, through a trust-wide programme of provision for the most able pupils.

Running the business effectively to support school improvement

The academy trust is equally committed to continual improvements in the way it operates as a business to support its core purpose of raising educational standards. The academy trust's plan is to build on its successes and learn from its experience (and from that of other similar academy trusts) in order to:

- Ensure that the academy trust employs, inspires and motivates the best staff in all roles across the academy trust;
- Deploy the academy trust's collective resources in a way that maximises the benefit to pupils;
- Demonstrate strong accountability, effective leadership and good governance;
- Meet all the academy trust's obligations as a company, charity, education provider and employer.

Recruitment, retention, deployment and development of staff

To recruit, retain, deploy and develop the best staff for the benefit of all the trust's pupils, with the ambition of becoming an "employer of choice". Areas for development include:

- Performance management
- Harmonisation of terms and conditions
- Talent management, leadership development and succession planning

Efficient deployment of our collective resources

To deploy the trust's collective resources in a way that maximises the impact on school performance. In addition to the academy trust's staff, this includes:

- The academy trust's financial resources, estates and facilities and IT infrastructure
- The academy trust's central services functions
- Public relations, marketing and reputation management

Governance, leadership and management

To ensure that the academy trust's arrangements for governance, leadership and management of the academy trust are fit for purpose, effective and clearly articulated. Areas for development include:

- Schemes of delegation, roles and responsibilities
- Policies and procedures
- Communications
- Director/governor recruitment, induction and development
- Risk management

Shaping the future

While the prime focus of this plan is to secure significant improvements in both academy performance and business efficiency over the next two years, in the longer term the academy trust is strongly committed to:

- embedding a culture of continuous improvement that leads to all the academy trust's pupils gaining an excellent education, all trust academies being judged outstanding and all aspects of the academy trust's business being exemplary;

**PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

- establishing strong links with partner organisations, including neighbouring academy trusts, the local authority and the Regional Schools Commissioner, to help create a collaborative infrastructure that serves the needs of local pupils, families and communities.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the trust's aims and objectives and in planning its future activities.

STRATEGIC REPORT

Achievements and Performance

The academy trust is in its fourth year of operation. The total number of pupils at 31 August 2017 was 3,256 and this has decreased to 3,250 in September 2018.

To ensure that standards are assessed, each academy employs a robust and challenging performance management programme that is both supportive and rigorous. Each academy undertakes internal and external reviews, focusing predominately on pupil outcomes. As part of this process all academies undertake peer to peer reviews, not only to moderate standards but also to share good practice. CPD plays a major part in improving each academy and the academy trust works together, and also with external partners, to deliver a wide ranging programme on improving two key areas: teaching and learning, and leadership.

The academy trust primary schools have joined the Kernow Teaching School Alliance (KTSA), a committed and principled group of people working collaboratively to share knowledge and expertise in order to support quality training and professional development across their partner trusts. This alliance will improve school challenge, achieve the best value for money and have a positive impact on the life chances of the children and young people within the academy trust.

Achievements at Specific Schools

Penrice Academy

- Penrice recorded strong GCSE results with a P8 score of +0.35.
- 69% of students attained 4+ GCSE's including English and Maths (4+EM).
- 47% of students attained 5+ GCSE's including English and Maths (5+EM).

St Mewan CP School

- Overall, data at St. Mewan in 2017-18 continued to be above national standards in EYFS, Y1 phonics and in Y2 national assessments.
- Key Stage 2 achieved positive progress data and we were above national progress measures in reading, writing and maths again last year.
- The school was inspected by OFSTED in June 2018. As well as positive data outcomes and leadership and management, safeguarding was a major strength of the school: this was also confirmed when the S157/75 safeguarding return was used as an exemplar for other schools across the county. The school's self-evaluation was robust, with the inspector verifying judgements. The school was rated 'Good' and are now focusing on the main area for improvement - developing the provision for the wider curriculum across the school – and have already made significant progress with curriculum development.
 - Cornwall School Games Year 6 Boys were Gold Medal winners for swimming.
 - St Austell and District Large Schools A Team 1 Champions for football.
 - St Austell and District Large Schools Year 4 Football Champions.
 - Kwik Cricket County Y4 Champions.
 - Year 5/6 Choir were St. Austell Music Festival and Mid Somerset Champions.
 - Year 3/4 Choir were St. Austell Music Festival Champions and County Champions.
 - St. Mewan Orchestra were St. Austell Music Festival Champions.
 - Over 200 children entered the St. Austell Festival of Speech and Music and with winners in many categories over the two-week period.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Carclaze CP School

- Carclaze made significant improvements in the progress and attainment of all children. The gap between disadvantaged children and the rest of the school was significantly smaller than previous years.
- The swimming team won their league and were promoted to the top league in the St Austell school's gala.

Mevagissey CP School

- Key Stage 2 results are in the top 10% of schools nationally for progress.
- All of the achievement results in Early Years Foundation Stage (EYFS), Key Stage 1 and Key Stage 2 were in line or above national averages.
- The school retained the status of 'Good' following an OFSTED inspection in November 2017 and the report highlighted the fact that 'pupils enjoy school and behave really well as a result'.
- The school won the small school choir trophy at the St Austell Music & Speech Festival.
- The football team got to the semi-final of the Cornwall FA Schools Tony Broad Shield.

Fowey Primary School

- A brand new curriculum has been developed for 2018, written by the teachers specifically for the children, in consultation with parents and children. All the teachers attended a bespoke training day in Leicester to see novel study and project based learning in action in an outstanding, teaching school.
- This year, 46% of the Year 6 children achieved greater depth in reading, which was an increase of 18% on the previous year.
- The school won both the football and netball leagues for Year 5/6 last year.

Lostwithiel School

- Excellent Y6 SATs results were achieved: 86% reading, 91% maths and 82% writing.
- KS2 Greater Depth (GD) results were above national average in reading, writing and combined.
- KS1 results at the expected and GD standard are above national average for all three subjects.
- Y1 and Y2 phonics are above national average results.
- EYFS GLD above national average results.
- Increased numbers in 2017/2018 cohorts. Current EYFS at PAN and Year 1 has 24 pupils.
- EYFS and Year 1 have now moved into our new build. Building opened by the mayor and positive response from all parents and visitors. It is an inspiring provision.
- Swift response to Ofsted inspection report in May 2018. Wider curriculum issues addressed in the second half of the summer term, ready for the autumn term start.
- There has been an overall attendance improvement.
- Pupils participated in the Fowey Festival for young writers and artists.
- Stay safe mentors programme started, creating Y6 play leaders.
- RRSA bronze level awarded.

Luxulyan School

- Key Stage 2 attainment and progress increased significantly from last year with reading and writing progress being the highest across the trust. Greater depth attainment was also achieved at KS2 in reading, writing and mathematics (RWM) with combined results in all three areas above the national average.
- In reception class, 82% of children achieved a Good Level of Development (GLD), which is 11% above national average.
- The Year 3/4 football team won the Clay Cup having been undefeated throughout the competition and also the Coast and Countryside Cup.
- They were the Division 2 winners of the Bodmin and District schools swimming gala.
- The Year 5/6 Hi5 team came second amongst the Clay schools.

Mount Charles

- There have been significant improvements in Key Stage 2 attainment and progress.
- The Choir won their class at the St. Austell Music Festival.
- The netball team were A and B league winners.

**PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

- The football team were B league winners.
- The school won the St Austell Swimming Gala for 19th year.
- 75% of Key Stage 2 pupils have represented their school at a sporting activity.
- The school are County champions at Girls 800m and Boys Speed Bounce.
- The Year 5 girls are the St Austell Cross Country winners.
- They won the bronze medal for Netball at the County Finals.

Growing the Trust

The academy trust has remained the same size throughout this year, continuing to consolidate the current structure and embedding the centralisation of the business support team.

In addition to this embedding and improvement, the academy trust has looked to develop relationships with other local academy trusts with a view to improving the education for children across the county by focusing on school improvement and increased efficiencies. In June 2018, the academy trust received approval from the Regional Schools Commissioner to merge with Newquay Education Trust to form a new multi academy trust called the Cornwall Education and Learning Trust (CELT). Opportunities to bring another secondary school into the academy trust are also being explored.

The merger of the two trusts will be a key focus for the coming year resulting in a trust covering an area from the North Coast of Cornwall to the South and providing education for over 7,000 children with ages ranging from 3 to 18.

Professional Support Services

The following services are provided to individual academies from a centralised professional services team:

- Finance is a fully centralised function with payments, invoicing, financial management, financial reporting, and strategic financial planning supplied by a team of professionals based centrally and working in individual schools to process transactions.
- HR is a fully centralised function delivered by a central team and supported by an external consultant. HR policies are common across the academy trust and training is delivered to maintain consistency across the schools.
- IT is fully centralised with two teams of technicians working within schools to deliver operational support with strategic development overseen within the central service.
- Estates and Facilities is a partially centralised function with operational site management based in schools and overseen by a central team employee. The Health and Safety function across schools is supported by an external Service Level Agreement. Each academy has been subject to a health and safety gap analysis and has subsequently developed an action plan to implement improvements, coordinated through the central team. Capital work is funded via School Conditioning Allocation (SCA) as the trust exceeds five academies and 3,000 pupils.

PERFORMANCE

Secondary - Penrice Academy

The table below shows results for Penrice Academy. The results are compared to national results for comparison.

Results for attainment, progress and Maths and English level 5+ are above the national average.

	Penrice	National
Progress 8	+0.35	0
Attainment 8	51.3	44.3
Grade 5 or above in English and Maths GCSEs	47.0%	39.9%
EBacc average point score	4.32	3.83
Staying in education or entering employment	97%	94%

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Primary

The table below shows the percentage of children in each academy reaching or exceeding the required standard of tests taken at the end of Key Stage 1 (KS1) and Key Stage 2 (KS2):

	EYFS % GLD	Y1 Phonics	KS1 Reading	KS1 Writing	KS1 Maths	KS2 RWM	KS2 Reading	KS2 Writing	KS2 Maths
National	71%	81%	76%	68%	75%	64%	75%	78%	76%
Carclaze	73%	85%	73%	67%	72%	58%	68%	76%	73%
Fowey	75%	79%	92%	88%	85%	74%	79%	83%	79%
Lostwithiel	77%	94%	83%	78%	83%	77%	86%	82%	91%
Luxulyan	82%	64%	73%	67%	73%	45%	64%	73%	55%
Mevagissey	68%	87%	73%	73%	82%	78%	83%	83%	89%
Mount Charles	65%	74%	75%	70%	73%	66%	76%	85%	75%
St Mewan	80%	90%	85%	87%	85%	58%	78%	78%	70%
PLT Average	73%	83%	79%	75%	78%	64%	76%	78%	75%

Averaged across all academies, results in the 2018 statutory assessments are typically slightly above national average results. The two exceptions are both at KS2, where combined reading, writing and maths (RWM) is in line with national results; and where Maths is slightly below national results (both for attainment and progress).

Results in 2018 are typically above national results at Fowey, Lostwithiel, Mevagissey and St Mewan. At Carclaze and Luxulyan, results have improved this year, but typically are still below national results, except for EYFS (both schools) and Year 1 phonics (Carclaze). Results at Mount Charles have also improved this year, and are typically above national results at KS2 but slightly below national results for KS1 and below national results for EYFS and Year 1 phonics.

Averaged across all PLT, results improved in 2018 across all assessments except Year 1 Phonics and Key Stage 1 reading.

Averaged across all PLT, with the exception of Year 1 phonics, results for Pupil Premium children improved considerably in 2018 and are now above national results for Pupil Premium children.

Key Performance Indicators

A number of KPI's are measured and reported both at school level and trust level. These include:

- Staff costs/income %
- Teachers costs/ lagged pupil numbers.
- Education support costs/lagged pupil numbers.
- Premises staff/lagged pupil numbers.
- Admin staff per lagged pupil numbers.
- Pupils per class.
- Revenue reserves/ GAG %
- Curriculum spend/ income %
- Total premises cost/ income %
- Admin costs/ income %
- Revenue surplus or (deficit)/ income %

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2018 were 3,250, a decrease of 6 over 2017. It is anticipated that this number will rise next year.

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 Going Concern policy.

**PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

FINANCIAL REVIEW

Financial Review

The academy trust's accounting period is the year to 31 August 2018.

Most of the academy trust's income is obtained from the Department for Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2018 and the associated expenditure is shown as Restricted Funds in the Statement of Financial Activities.

The academy trust also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Restricted Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the academy trust's accounting policies.

During the year ended 31 August 2018, the trust received total income of £16,348,869 and incurred total expenditure of £17,080,675 excluding fixed asset fund. The surplus of income over expenditure for the year was £413,257, excluding assets transferred on conversion.

At 31 August 2018 the net book value of fixed assets was £31,403,303 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy trust.

The academy trust has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 24 to the financial statements.

Reserves Policy

The trustees review the reserve levels of the academy trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees take into consideration the future plans of the academy trust, the uncertainty over future income streams and other key risks identified during the risk review.

The trustees have determined that the appropriate level of free reserves should be 10% of annual GAG: which is £ 1,372,182. This is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

Total reserves of the academy trust amount to £31,815,463. Some £32,330,944 represents fixed assets or represents non GAG restricted funds. An additional deficit reserve of £2,935,000 is held in respect of the Local Government Pension Scheme. The remaining £2,419,519 is the balance that the trustees monitor in accordance with the board's reserves policy.

The amount currently held in the reserve is higher than 10% of GAG. This is to provide funds for future capital expenditure. During the current financial year, Penrice Academy have refurbished four science labs and commenced the building of an additional two science labs, which are due to be finished in time for the spring term. Some of the excess reserves have been allocated to support this capital expenditure. The academy trust's reserves policy is reviewed annually.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the academy trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the academy trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the academy trust.

Investment Policy

All funds surplus to immediate requirements are invested to optimal effect. On a daily basis this is achieved by automatic transfer of surplus funds from the current account to a deposit account. Longer term savings accounts are used to provide an income stream for reserves not required to support working capital.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Principal Risks And Uncertainties

The board adopted a risk management strategy during 2015, which sets out the academy trust's approach to risk management and is continuing to embed risk management in practice throughout the trust. The audit committee reviews the arrangements in place to manage risk and the board reviews the strategic risks.

The principle risks and uncertainties facing the academy trust are set out below.

- Failing to improve or maintain standards of teaching and learning, specifically in the areas of:
- Key Stage 1 outcomes:
In the 2017/18 academic year, outcomes aggregated across all 7 primary academies, were above national averages in all areas. There were particular strengths in writing which was 7% above the national average.
- Key Stage 2 Maths:
Maths continues to be a focus area for the academy trust. Aggregated attainment results for the 7 primary academies were 1% below the national figure.
- Key Stage 2 attainment:
Attainment at the end of KS2, was in line with national figures, being slightly above in reading and writing and 1% below national figures in mathematics. Progress measures in 2 of the 7 primary academies were below national figures in all three areas and improving this aspect is a key focus in 2018/19 as is improving progress in mathematics which was not as strong as in the other areas.
- OFSTED inspections:
Two of our primary schools are due to be Ofsted inspected in the 2018/19 academic year, maintaining current standards is a priority for the schools and academy trust.
- Key Stage 4 P8 progress:
P8 progress was well above the national figure. This was also the case in English. Further improving progress for the disadvantaged group is a focus in 2018/19.
- Merger with Newquay Education Trust (NET):
The academy trust is committed to ensuring that the merger with Newquay Education Trust in September 2019 does not distract from the drive to build upon the significant improvements in outcomes seen in 2017/18.
- Failure to put in place appropriate safeguarding arrangements that leads to risk to the welfare or care of a pupil.
- The future sustainability of the academy trust, which includes:
- The uncertainty over future funding and balancing the academy trust's budget while maintaining the quality of provision;
- Additional academies not joining the trust and falling rolls as a result of competition; and
- Ensuring sufficient leadership capacity to support academies requiring improvement

FUNDRAISING

The academy trust allows its academies to raise funds where appropriate to enhance the learning experience enjoyed by the pupil's and students within the academy trust. Each academy selects the method of fundraising most appropriate to their own location and circumstances. Fundraising events within the academy trust are generally low key and internal and do not involve commercial participants or professional fundraisers. Funds received from such events are subject to the financial regulations and procedures of the organisation.

PLANS FOR FUTURE PERIODS

The academy trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The academy trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The main areas of focus for 2018/19 are:

- Securing academy improvement to improve outcomes for pupils;
- Improving attainment and progress in all academies across the academy trust;
- Recruit, retain, deploy and develop staff to inspire and motivate our pupils;
- Demonstrate strong accountability, effective leadership and good governance;
- Deploy our collective resources in a way that maximises the benefit to pupils;

**PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

- Continuing to grow the academy trust in a controlled manner;
- Progress the merger with Newquay Education Trust; and
- Improving safeguarding arrangements across the academy trust.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The trust and its trustees do not act as the custodian trustees of any other charity.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

The academy trust guarantees that an interview will be offered to all disabled applicants meeting the minimum criteria defined for the advertised roles.

Consistency and fairness is a key factor in building and maintaining effective employee relations across the academy trust. It is therefore essential for the academy trust to provide a mechanism for staff to feedback/comment/raise issues. A working group was brought together in 2015/16 to represent staff in each academy within the academy trust. The working group consisted of the CEO, elected staff governors, representing teaching and support staff, and an HR Advisor. During the year 2017/18 a staff forum has been formed to continue this work.

TRADE UNION FACILITY TIME

Relevant union officials

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

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	£ -
Total pay bill	£ -
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
---	-----

TRUSTEES' INDEMNITIES

No third party indemnity provisions have been made during the year.

**PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

AUDITORS

In so far as the Trustees are aware:

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

Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on ...13...12...18... and signed on the board's behalf by:

Michael J. Cooper

**M Cooper.
Chair of Trustees**

**PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 9 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
J K Barnard	4	9
M Cooper, Chair	9	9
S Netherton	5	9
K M Pearce, Vice Chair	5	9
J S Simeons	7	8
G J Slater	6	8
R Van De Velde	5	9
J L Seyler, Vice Chair	3	9
C D Price Resigned 10/10/2017	0	1

The Audit Committee is a committee of the main board of trustees. Its responsibilities include:

- to review the trust's annual report and financial statements in order to recommend to the board their approval or otherwise. To receive the external auditors' report and review any actions or judgements;
- to receive management reports on the effectiveness of the systems for internal financial control and monitor compliance;
- to approve policies and procedures relating to internal control;
- to monitor the effectiveness of the risk management processes and procedures;
- to appoint, receive reports and recommendations from internal audit and to agree the internal audit annual plan; and
- to appoint, receive reports and recommendations from external audit and to oversee the external audit annual plan.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J K Barnard	2	2
K M Pearce, Vice Chair	2	2
C Price (resigned 10/10/17)	0	0

The composition of the board continues to be based on skills with an emphasis on ensuring the skill set of trustees offered a robust and fully skilled board able to support and challenge the Senior Management Team within the academy trust. The board has two new directors this year; one has specialist knowledge of estates and facilities and the other a business background.

**PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

The following resignations were received throughout the year:

C Price, (resigned 10/10/2017).

The number of board meetings per year has remained at 8, with one additional meeting to review progress on the PLT Development Plan 2017/19, and agendas for the board, the Executive Leadership Team and the LGB Chairs remain aligned so the whole organisation is focused on common goals at the same point in time. Communication between the various tiers of governance continues to improve with joint training sessions and a focus on governance throughout the year.

The board received financial data in the form of budget forecasts, prepared by a qualified accountant and reviewed in monthly meetings with the trustee for financial responsibility, also a qualified accountant. The monthly budget monitoring documentation will be shared with the full board going forwards.

Academy data is provided by the headteachers using an externally developed system for measurement and management of progress and attainment. The results are validated by the consultant to give assurance of content to the board.

REVIEW OF VALUE FOR MONEY

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

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

- implementing robust financial governance and budgetary management linked to school improvement plans;
- procuring cross academy contracts which have improved the quality of service and returned savings;
- centralising business support services which has generated savings as well as improving the quality and effectiveness of the back office support areas;
- deploying staff effectively and working on becoming an employer of choice;
- reviewing teaching and learning within the academies to enable children to achieve nationally expected progress; and
- using benchmarking data and financial analysis to focus on areas of high spend across the trust and identifying target review areas for the next academic year.

During the period covered by the financial statements, a contract for cleaning across four academies within the trust came up for renewal, giving the trust the opportunity to procure a contract for all eight schools. A tendering company, The Litmus Partnership, was used to run the tendering process. Two tenders were received and each company was invited to give a presentation to a panel from the trust where they outlined their offering detailing both the quality of the service as well as the expected return. The contract was awarded on the basis of relevant experience in the sector, staff benefits and approach to staff wellbeing, and the financial benefits offered by the contract.

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 ongoing process designed to identify and prioritise the risks to the achievement of 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 Peninsula Learning Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements..

GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed 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 Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The 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 Board of Trustees;
- regular reviews by the board of trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Cornwall Council as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial and non-financial systems. The information is fed back via a report to the audit committee, who in turn report to the board.

The findings were reported to the audit committee and recommendations tracked. In particular, the check carried out in 2017/18 included:

Testing the control environment in respect of financial management including:

Budget Setting;
Financial management of the academy trust in line with financial regulations and delegated responsibility;
Monitoring and reporting;
Income and expenditure;
Propriety of spend;
Virements; and
Reserves and investments

Additional tests in non-financial areas were completed this year and included:

Review of the effectiveness of governance arrangements at the trust and its academies including:
Ensuring Clarity of Vision, ethos and strategic direction;
Holding executive leaders to account for the educational performance of the organisation and pupils, and the performance management of staff;
Overseeing the financial performance of the organisation and making sure it is well spent;
The academy trusts governance and financial oversight arrangements are in line with the requirements of the handbook; and,
The overarching governance structures and arrangements and compliance with statute.

Internal audit delivered their schedule of work as planned and no material controls issues have been identified from their review.

**PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

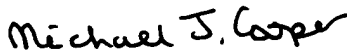
REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 13.12.18 and signed on their behalf, by:



M Cooper
Chair of Trustees



P F Towe
Accounting Officer

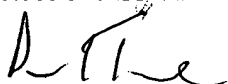
**PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Peninsula Learning Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

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



P F Towe
Accounting Officer

Date: 14.12.18.....

**PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018**

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

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

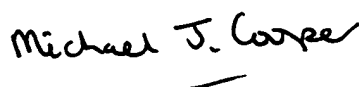
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:



**M Cooper
Chair of Trustees**

Date: 14.12.18

**PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PENINSULA LEARNING TRUST**

OPINION

We have audited the financial statements of Peninsula Learning Trust (the 'trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

**PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PENINSULA LEARNING TRUST**

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

This report is made solely to the trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the trust's members those

**PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PENINSULA LEARNING TRUST**

matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trust and its members for our audit work, for this report, or for the opinions we have formed.



Pamela Tuckett FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

Salt Quay House

4 North East Quay

Sutton Harbour

Plymouth

PL4 0BN

Date: 20-12-18

**PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PENINSULA LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 17 May 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Peninsula Learning Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Peninsula Learning Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Peninsula Learning 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 Peninsula Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF PENINSULA LEARNING TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Peninsula Learning Trust's funding agreement with the Secretary of State for Education dated 31 March 2011, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the 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 trust's income and expenditure.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PENINSULA
LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Pamela Tuckett FCA DChA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: 20.12.18

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	70,635	7,000	1,132,471	1,210,106	1,265,458
Charitable activities	3	1,027,750	15,198,698	-	16,226,448	15,958,859
Other trading activities	4	39,613	-	-	39,613	34,866
Investments	5	5,173	-	-	5,173	8,673
TOTAL INCOME		1,143,171	15,205,698	1,132,471	17,481,340	17,267,856
EXPENDITURE ON:						
Charitable activities		1,376,909	15,703,766	882,643	17,963,318	17,312,550
TOTAL EXPENDITURE	8	1,376,909	15,703,766	882,643	17,963,318	17,312,550
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	19	(233,738)	(498,068)	249,828	(481,978)	(44,694)
		-	(17,937)	17,937	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(233,738)	(516,005)	267,765	(481,978)	(44,694)
Actuarial gains on defined benefit pension schemes	24	-	1,163,000	-	1,163,000	2,294,000
NET MOVEMENT IN FUNDS		(233,738)	646,995	267,765	681,022	2,249,306
RECONCILIATION OF FUNDS:						
Total funds brought forward		2,544,114	(3,472,852)	32,063,179	31,134,441	28,885,135
TOTAL FUNDS CARRIED FORWARD		2,310,376	(2,825,857)	32,330,944	31,815,463	31,134,441

The notes on pages 28 to 54 form part of these financial statements.

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07565242

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	14		31,403,303		31,126,937
CURRENT ASSETS					
Debtors	15	702,278		510,549	
Cash at bank and in hand		4,141,235		4,337,501	
		<u>4,843,513</u>		<u>4,848,050</u>	
CREDITORS: amounts falling due within one year	16	<u>(1,495,563)</u>		<u>(1,276,965)</u>	
NET CURRENT ASSETS			<u>3,347,950</u>		<u>3,571,085</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>34,751,253</u>		<u>34,698,022</u>
CREDITORS: amounts falling due after more than one year	17		<u>(790)</u>		<u>(1,581)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>34,750,463</u>		<u>34,696,441</u>
Defined benefit pension scheme liability	24		<u>(2,935,000)</u>		<u>(3,562,000)</u>
NET ASSETS			<u><u>31,815,463</u></u>		<u><u>31,134,441</u></u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	19	109,143		89,148	
Fixed asset funds	19	32,330,944		32,063,179	
		<u>32,440,087</u>		<u>32,152,327</u>	
Restricted funds excluding pension liability					
Pension reserve		<u>(2,935,000)</u>		<u>(3,562,000)</u>	
Total restricted funds			<u>29,505,087</u>		<u>28,590,327</u>
Unrestricted funds	19		<u>2,310,376</u>		<u>2,544,114</u>
TOTAL FUNDS			<u><u>31,815,463</u></u>		<u><u>31,134,441</u></u>

The financial statements on pages 25 to 54 were approved by the trustees, and authorised for issue, on 14-12-18 and are signed on their behalf, by:

Michael J. Cooper

M Cooper
Chair of Trustees

The notes on pages 28 to 54 form part of these financial statements.

**PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	(174,902)	1,204,689
Cash flows from investing activities:			
Purchase of tangible fixed assets		(1,159,009)	(1,218,897)
Capital grants from DfE Group		1,132,472	951,389
Net cash used in investing activities		(26,537)	(267,508)
Interest		5,173	8,673
Net cash provided by financing activities		5,173	8,673
Change in cash and cash equivalents in the year		(196,266)	945,854
Cash and cash equivalents brought forward		4,337,501	3,391,647
Cash and cash equivalents carried forward	22	4,141,235	4,337,501

The notes on pages 28 to 54 form part of these financial statements.

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

Peninsula Learning Trust constitutes a public benefit entity as defined by FRS 102.

1.2 FUND ACCOUNTING

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

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

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

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

All income is recognised once the academy trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of 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 Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement 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.

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 EXPENDITURE

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

Expenditure on charitable activities are costs incurred on the academy trust's educational operations, including support costs and those costs relating to the governance of the trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.5 GOING CONCERN

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

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	Land over term of lease and property 2% straight line
Furniture and fixtures	-	25% straight line
Computer equipment	-	33% straight line

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

1.7 OPERATING LEASES

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

1.8 DEBTORS

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

**PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.9 CASH AT BANK AND IN HAND

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

1.10 LIABILITIES AND PROVISIONS

Liabilities and provisions 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 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.

1.11 FINANCIAL INSTRUMENTS

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment.

1.12 TAXATION

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

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.13 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the 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.

1.14 AGENCY ARRANGEMENTS

The academy trust acts as an agent in distributing School Centred Initial Teacher Training (SCITT) bursary funds from National College for Teaching & Leadership (NCTL). Funds received from NCTL and subsequent disbursements to students are excluded from the Statement of Financial Activities as the academy trust does not have control over the charitable application of funds. The funds received and paid and any balances held are disclosed in note 30.

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The academy trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the trust to determine, based on an evaluation of terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	70,635	7,000	-	77,635	124,874
Capital Grants	-	-	1,132,471	1,132,471	1,140,584
	70,635	7,000	1,132,471	1,210,106	1,265,458
Total 2017	94,513	30,361	1,140,584	1,265,458	

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Education	906,503	15,195,668	16,102,171	15,871,016
Nursery	121,247	3,030	124,277	87,843
	<u>1,027,750</u>	<u>15,198,698</u>	<u>16,226,448</u>	<u>15,958,859</u>
Total 2017	<u>1,055,609</u>	<u>14,903,250</u>	<u>15,958,859</u>	

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant	-	13,721,824	13,721,824	13,539,570
Other DfE Group grants	-	1,226,225	1,226,225	1,109,442
	<u>-</u>	<u>14,948,049</u>	<u>14,948,049</u>	<u>14,649,012</u>
Other Government grants				
High Needs	-	161,173	161,173	144,365
Other Local Authority grants	-	52,303	52,303	81,014
	<u>-</u>	<u>213,476</u>	<u>213,476</u>	<u>225,379</u>
Other funding				
Catering	69,309	-	69,309	60,798
SCITT income	252,000	-	252,000	389,250
Other income	585,194	34,143	619,337	546,577
	<u>906,503</u>	<u>34,143</u>	<u>940,646</u>	<u>996,625</u>
	<u>906,503</u>	<u>15,195,668</u>	<u>16,102,171</u>	<u>15,871,016</u>
Total 2017	<u>968,976</u>	<u>14,902,040</u>	<u>15,871,016</u>	

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	31,055	-	31,055	34,022
Other	8,558	-	8,558	844
	<u>39,613</u>	<u>-</u>	<u>39,613</u>	<u>34,866</u>
Total 2017	<u>34,866</u>	<u>-</u>	<u>34,866</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	5,173	-	5,173	8,673
	<u>5,173</u>	<u>-</u>	<u>5,173</u>	
Total 2017	<u>8,673</u>	<u>-</u>	<u>8,673</u>	

6. DIRECT COSTS

	Education £	Nursery £	SCITT £	Total 2018 £	Total 2017 £
Pension costs	70,500	-	-	70,500	83,000
Educational supplies	497,522	5,287	-	502,809	483,805
Examination fees	119,629	-	-	119,629	120,764
Staff development	87,082	-	-	87,082	93,685
Other costs	472,261	-	23	472,284	455,437
Supply teachers	219,013	-	3,320	222,333	275,334
Technology costs	272,600	-	-	272,600	259,402
Wages and salaries	8,743,161	62,373	65,365	8,870,899	8,674,733
National insurance	780,486	1,983	7,028	789,497	757,522
Pension cost	2,035,815	10,715	8,723	2,055,253	1,867,669
Depreciation	785,542	-	-	785,542	716,940
	<u>14,083,611</u>	<u>80,358</u>	<u>84,459</u>	<u>14,248,428</u>	<u>13,788,291</u>
Total 2017	<u>13,635,567</u>	<u>50,991</u>	<u>101,733</u>	<u>13,788,291</u>	

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

7. SUPPORT COSTS

	Education	Nursery	SCITT	Total 2018	Total 2017
Pension costs	23,500	-	-	23,500	29,000
Teaching school support costs	10,143	-	50,677	60,820	98,278
Recruitment and support	41,730	-	2,121	43,851	41,467
Maintenance of premises and equipment	517,615	3,663	7,427	528,705	401,779
Cleaning	281,215	2,050	4,157	287,422	290,704
Rent and rates	161,636	1,178	2,389	165,203	138,500
Energy costs	188,026	1,371	2,779	192,176	190,874
Insurance	85,428	623	1,263	87,314	83,472
Security and transport	42,274	-	-	42,274	39,250
Catering	316,161	-	627	316,788	320,123
Technology costs	28,026	-	4,242	32,268	25,256
Office overheads	436,009	3,238	14,813	454,060	407,089
Bank interest and charges	7,717	-	-	7,717	5,582
Loss on disposal of fixed assets	-	-	-	-	23,033
Governance	15,587	-	-	15,587	11,604
Wages and salaries	946,310	-	48,056	994,366	999,928
National insurance	98,840	-	3,695	102,535	61,308
Pension cost	255,859	-	7,344	263,203	276,672
Depreciation	97,101	-	-	97,101	80,340
	3,553,177	12,123	149,590	3,714,890	3,524,259
Total 2017	3,324,031	9,188	191,040	3,524,259	

During the year ended 31 August 2018, the trust incurred the following Governance costs £15,587 (2017: £11,604). Included within governance costs are any costs associated with the strategic as opposed to day-to-day management of the Academy Trust's activities. These costs will include any employee benefits for trusteeship, the cost of staff involved in meetings with trustees, the cost of any administrative support provided to the trustees, and costs relating to constitutional and statutory requirements including audit and preparation of statutory accounts.

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

8. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Education					
Direct costs	11,778,498	547,829	1,757,284	14,083,611	13,737,300
Support costs	1,301,009	1,105,026	1,147,142	3,553,177	3,515,071
Nursery					
Direct costs	75,071	-	5,287	80,358	50,991
Support costs	-	12,123	-	12,123	9,188
SCITT:					
Direct costs	81,093	-	3,366	84,459	-
Support costs	59,095	29,675	60,820	149,590	-
	<u>13,294,766</u>	<u>1,694,653</u>	<u>2,973,899</u>	<u>17,963,318</u>	<u>17,312,550</u>
Total 2017	<u>12,913,168</u>	<u>1,539,821</u>	<u>2,859,561</u>	<u>17,312,550</u>	

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	9,702,805	9,539,174
Social security costs	892,032	832,543
Operating costs of defined benefit pension schemes	2,318,456	2,144,342
	12,913,293	12,516,059
Agency staff costs	219,013	275,334
Staff restructuring costs	162,460	121,775
	13,294,766	12,913,168

Staff restructuring costs comprise:

	2018 £	2017 £
Redundancy payments	56,236	24,725
Other restructuring costs	106,224	97,050
	162,460	121,775

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

Included in staff restructuring costs were non-statutory/non-contractual restructuring payments totalling £106,224 (2017: £97,050). Individual payments were: £3,000, £11,275, £18,750, £19,317, £19,500, £8,000, £20,382 and £6,000.

c. Staff numbers

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

	2018 No.	2017 No.
Management	8	11
Teachers	193	186
Administration and support - including teaching assistants	259	269
	460	466

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Management	8	11
Teachers	173	168
Administration and support - including teaching assistants	162	157
	343	336

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. STAFF COSTS (continued)

d. Higher paid staff

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

	2018	2017
	No.	No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	1	2
In the band £90,001 - £100,000	2	1
In the band £130,001 - £140,000	0	1

Contributions to pension schemes in relation to the above staff members during the year were £76,222 (2017: £98,801)

e. Key management personnel

The key management personnel of the academy trust comprise trustees (who do not receive remuneration for their role as trustees) and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the trust was £675,819 (2017: £808,734).

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	882,643	797,280
Loss on disposal of fixed assets	-	23,033
Auditors' remuneration - audit	11,650	8,150
Auditors' remuneration - other services	4,689	4,950
Internal audit costs	8,410	8,320
Operating lease rentals	53,066	66,414
	<u>960,458</u>	<u>908,047</u>

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

11. 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 other staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

		2018	2017
		£	£
D M J Parker, (CEO and trustee) -	Remuneration	0	130,000-135,000
resigned	Pension contributions paid	0	15,000-20,000

During the year ended 31 August 2018, expenses totalling £577 (2017: £617) were reimbursed to 1 trustee (2017: 1).

12. CENTRAL SERVICES

The academy trust has provided the following central services to its academies during the year:

- Finance and administration
- IT services and software
- Payroll and HR
- Health & safety and estates management
- Leadership management
- Settlement of other shared costs
- Secretarial

The academy trust charges for these services on the following basis:

The full costs of the provision of central services, net of income received centrally, is recharged to the academies proportionally at a flat rate of 4.8% (2017: 6%) of GAG income.

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
Carclaze	71,834	90,016
Fowey	30,522	39,427
Lostwithiel	31,708	39,012
Luxulyan	20,223	25,140
Mevagissey	22,345	28,856
Mount Charles	77,747	97,517
Penrice	338,635	409,853
St Mewan	69,834	86,287
	662,848	816,108
Total	662,848	816,108

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £1,301 (2017: £1,215).

14. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
COST					
At 1 September 2017	33,307,160	3,520	251,126	754,742	34,316,548
Additions	826,422	-	141,437	191,150	1,159,009
Transfers intra classes	(13,738)	-	13,738	-	-
Disposals	-	-	-	(25,308)	(25,308)
At 31 August 2018	34,119,844	3,520	406,301	920,584	35,450,249
DEPRECIATION					
At 1 September 2017	2,438,844	3,520	188,248	558,999	3,189,611
Charge for the year	615,546	-	70,358	196,739	882,643
On disposals	-	-	-	(25,308)	(25,308)
Transfer between classes	(550)	-	550	-	-
At 31 August 2018	3,053,840	3,520	259,156	730,430	4,046,946
NET BOOK VALUE					
At 31 August 2018	31,066,004	-	147,145	190,154	31,403,303
At 31 August 2017	30,868,316	-	62,878	195,743	31,126,937

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

15. DEBTORS

	2018 £	2017 £
Trade debtors	29,704	13,914
VAT debtor	194,052	123,351
Prepayments and accrued income	478,522	373,284
	<u>702,278</u>	<u>510,549</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	375,922	249,122
Salix and local authority loans	790	17,457
Tax and social security	213,514	207,471
Other creditors	196,350	190,493
Accruals and deferred income	708,987	612,422
	<u>1,495,563</u>	<u>1,276,965</u>

DEFERRED INCOME

	2018 £	2017 £
Deferred income at 1 September 2017	161,657	144,009
Resources deferred during the year	190,191	161,657
Amounts released from previous years	(161,657)	(144,009)
Deferred income at 31 August 2018	<u>190,191</u>	<u>161,657</u>

Deferred income in 2018 and 2017 represents UIFSM grants, school trip and other payments received in advance.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 £	2017 £
Other loans	<u>790</u>	<u>1,581</u>

Included within the above are amounts falling due as follows:

	2018 £	2017 £
BETWEEN ONE AND TWO YEARS		
Other loans	<u>790</u>	<u>-</u>
BETWEEN TWO AND FIVE YEARS		
Other loans	<u>-</u>	<u>1,581</u>

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. FINANCIAL INSTRUMENTS

	2018	2017
	£	£
Financial assets measured at amortised cost	267,173	240,302
Financial liabilities measured at amortised cost	1,091,859	907,357

Financial assets measured at amortised cost comprise of trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors and accruals.

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS						
General funds	2,544,114	1,143,171	(1,376,909)	-	-	2,310,376
RESTRICTED FUNDS						
General Annual Grant (GAG)	-	13,721,824	(13,703,887)	(17,937)	-	-
Other DfE/ESFA grants	89,148	1,226,225	(1,211,040)	-	-	104,333
Other government grants	-	216,505	(215,664)	-	-	841
Other restricted funds	-	34,144	(34,144)	-	-	-
Donations	-	7,000	(3,031)	-	-	3,969
Pension reserve	(3,562,000)	-	(536,000)	-	1,163,000	(2,935,000)
	(3,472,852)	15,205,698	(15,703,766)	(17,937)	1,163,000	(2,825,857)
RESTRICTED FIXED ASSET FUNDS						
Inherited fixed asset fund	26,826,383	-	(558,463)	(73,749)	-	26,194,171
Assets purchased from GAG	995,367	-	(154,767)	388,470	-	1,229,070
DfE/ESFA Capital grant funded assets	3,106,236	-	(157,641)	649,684	-	3,598,279
LA Capital funding	183,184	-	(9,023)	194,604	-	368,765
Unspent LA Capital funding	-	194,603	-	(194,603)	-	-
DfE/ESFA grant funds unspent	928,238	937,868	-	(945,946)	-	920,160
Private sector capital sponsorship	23,771	-	(2,749)	(523)	-	20,499
	32,063,179	1,132,471	(882,643)	17,937	-	32,330,944
Total restricted funds	28,590,327	16,338,169	(16,586,409)	-	1,163,000	29,505,087
Total of funds	31,134,441	17,481,340	(17,963,318)	-	1,163,000	31,815,463

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

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the trust, including education and support costs.

Other DfE/ESFA grants - includes: Pupil Premium funding received from the ESFA for children that qualify for free school meals to enable the trust to address the current underlying inequalities between its disadvantaged pupils; and PE and sport funding - The PE and sport funding is designed to help primary schools improve the quality of the PE and sport activities they offer their pupils.

Pension reserve - This represents the academy trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. STATEMENT OF FUNDS (continued)

of scheme liabilities over scheme assets which was inherited on conversion to an academy trust. The trust is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

Fixed assets transferred on conversion – This represent the buildings and equipment donated to the schools from the Local Authority on conversion to the trust.

Fixed assets purchased from GAG and other restricted funds

DfE/ESFA Capital Grants - These funds are received for direct expenditure on fixed asset projects. It includes Devolved formula capital, which represents funding from the ESFA to cover the maintenance and purchase of the academy trust's assets. It is also includes any Condition Improvement Funds awarded.

Private sector capital sponsorship - This fund represents the net book value of assets funded by private sector capital and the balance of unspent funds, totalling £20,499 as at 31 August 2018.

During the year, transfers totalling £17,937 were made from GAG to restricted fixed assets.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Central	41,406	12,994
Penrice Academy	1,417,675	1,502,046
St Mewan	207,265	225,451
Carclaze	156,252	270,197
Mevagissey	99,598	146,571
Fowey	29,308	36,824
Lostwithiel	52,139	52,550
Luxulyan	155,568	182,677
Mount Charles	260,308	203,952
Total before fixed asset fund and pension reserve	<u>2,419,519</u>	<u>2,633,262</u>
Restricted fixed asset fund	32,330,944	32,063,179
Pension reserve	(2,935,000)	(3,562,000)
Total	<u><u>31,815,463</u></u>	<u><u>31,134,441</u></u>

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2018 £	Total 2017 £
Central	482,063	304,433	-	326,178	1,112,674	1,089,832
Penrice Academy	5,167,960	544,282	201,606	1,387,644	7,301,492	6,782,741
St Mewan	1,257,771	100,218	55,531	327,562	1,741,082	1,696,558
Carclaze	1,326,171	143,781	42,812	317,491	1,830,255	1,776,491
Mevagissey	379,215	41,157	26,601	123,743	570,716	512,660
Fowey	515,392	72,170	36,620	149,459	773,641	768,472
Lostwithiel	457,750	50,122	37,641	213,952	759,465	796,824
Luxulyan	313,995	35,792	29,645	118,778	498,210	413,843
Mount Charles	1,339,948	97,453	72,353	447,386	1,957,140	1,949,346
	<u>11,240,265</u>	<u>1,389,408</u>	<u>502,809</u>	<u>3,412,193</u>	<u>16,544,675</u>	<u>15,786,767</u>

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds	2,336,364	1,193,661	(993,967)	8,056	-	2,544,114
RESTRICTED FUNDS						
General Annual Grant (GAG)	209,306	13,539,570	(13,672,972)	(75,904)	-	-
Other DfE/ESFA grants	87,063	1,270,168	(1,260,027)	(8,056)	-	89,148
Other government grants	2,398	93,512	(95,910)	-	-	-
Other restricted funds	-	30,361	(30,361)	-	-	-
Pension reserve	(5,417,000)	-	(439,000)	-	2,294,000	(3,562,000)
	<u>(5,118,233)</u>	<u>14,933,611</u>	<u>(15,498,270)</u>	<u>(83,960)</u>	<u>2,294,000</u>	<u>(3,472,852)</u>
RESTRICTED FIXED ASSET FUNDS						
Inherited fixed asset fund	27,344,535	-	(518,152)	-	-	26,826,383
Assets purchased from GAG	1,014,277	-	(196,100)	177,190	-	995,367
DfE/ESFA Capital grant funded assets	2,363,500	-	(99,573)	842,309	-	3,106,236
LA Capital funding	-	189,195	(3,738)	(2,273)	-	183,184
DfE/ESFA grant funds unspent	890,253	951,389	-	(913,404)	-	928,238
Private sector capital sponsorship	54,439	-	(2,750)	(27,918)	-	23,771
	<u>31,667,004</u>	<u>1,140,584</u>	<u>(820,313)</u>	<u>75,904</u>	<u>-</u>	<u>32,063,179</u>
Total restricted funds	<u>26,548,771</u>	<u>16,074,195</u>	<u>(16,318,583)</u>	<u>(8,056)</u>	<u>2,294,000</u>	<u>28,590,327</u>
Total of funds	<u>28,885,135</u>	<u>17,267,856</u>	<u>(17,312,550)</u>	<u>-</u>	<u>2,294,000</u>	<u>31,134,441</u>

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	31,403,303	31,403,303
Current assets	2,312,851	1,603,021	927,641	4,843,513
Creditors due within one year	(1,685)	(1,493,878)	-	(1,495,563)
Creditors due in more than one year	(790)	-	-	(790)
Pension scheme liability	-	(2,935,000)	-	(2,935,000)
	<u>2,310,376</u>	<u>(2,825,857)</u>	<u>32,330,944</u>	<u>31,815,463</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset fund 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	31,126,937	31,126,937
Current assets	2,563,154	1,348,654	936,242	4,848,050
Creditors due within one year	(17,459)	(1,259,506)	-	(1,276,965)
Creditors due in more than one year	(1,581)	-	-	(1,581)
Provisions for liabilities and charges	-	(3,562,000)	-	(3,562,000)
	<u>2,544,114</u>	<u>(3,472,852)</u>	<u>32,063,179</u>	<u>31,134,441</u>

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(481,978)	(44,694)
Adjustment for:		
Depreciation charges	882,643	797,280
Dividends, interest and rents from investments	(5,173)	(8,673)
Loss on the sale of fixed assets	-	23,033
(Increase)/decrease in debtors	(191,729)	655,540
Increase in creditors	217,807	294,591
Capital grants from DfE and other capital income	(1,132,472)	(951,388)
Defined benefit pension scheme cost less contributions payable	442,000	327,000
Defined benefit pension scheme finance cost	94,000	112,000
Net cash (used in)/provided by operating activities	<u>(174,902)</u>	<u>1,204,689</u>

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	3,213,594	3,401,259
Capital funding unspent	927,641	936,242
	<u>4,141,235</u>	<u>4,337,501</u>

23. CAPITAL COMMITMENTS

At 31 August 2018 the trust had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	<u>121,832</u>	<u>-</u>

24. PENSION COMMITMENTS

The academy trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cornwall Council. Both are multi-employer Defined Benefit Pension Schemes.

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

Contributions amounting to £192,010 were payable to the schemes at 31 August 2018 (2017: 188,905) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

24. PENSION COMMITMENTS (continued)

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

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

The employer's pension costs paid to TPS in the period amounted to £1,082,192 (2017: £1,058,729).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £975,000 (2017: £918,000), of which employer's contributions totalled £807,000 (2017: £757,000) and employees' contributions totalled £168,000 (2017: £161,000). The agreed contribution rates for future years are 16.7% for employers and 5.5% to 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.50 %	2.50 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.1	22.1
Females	24.5	24.5
Retiring in 20 years		
Males	24.0	24.0
Females	26.4	26.4

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

24. PENSION COMMITMENTS (continued)

The trust's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	4,385,000	3,594,000
Bonds	3,848,000	3,288,000
Property	626,000	535,000
Cash	90,000	229,000
Total market value of assets	<u>8,949,000</u>	<u>7,646,000</u>

The actual return on scheme assets was £232,000 (2017: £115,000).

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

	2018 £	2017 £
Current service cost	(1,208,000)	(1,084,000)
Past service cost	(41,000)	-
Interest income	202,000	139,000
Interest cost	(296,000)	(251,000)
Total	<u>(1,343,000)</u>	<u>(1,196,000)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2018 £	2017 £
Opening defined benefit obligation	11,208,000	11,905,000
Current service cost	1,208,000	1,084,000
Interest cost	296,000	251,000
Employee contributions	168,000	161,000
Actuarial gains	(931,000)	(2,179,000)
Benefits paid	(106,000)	(87,000)
Past service costs	41,000	-
Prior year actuarial changes	-	73,000
Closing defined benefit obligation	<u>11,884,000</u>	<u>11,208,000</u>

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

24. PENSION COMMITMENTS (continued)

Movements in the fair value of the trust's share of scheme assets:

	2018 £	2017 £
Opening fair value of scheme assets	7,646,000	6,488,000
Interest income	202,000	139,000
Actuarial gains	232,000	115,000
Employer contributions	807,000	757,000
Employee contributions	168,000	161,000
Benefits paid	(106,000)	(87,000)
Prior year actuarial changes	-	73,000
Closing fair value of scheme assets	<u>8,949,000</u>	<u>7,646,000</u>

25. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
AMOUNTS PAYABLE:		
Within 1 year	50,556	38,006
Between 1 and 5 years	54,402	73,802
Total	<u>104,958</u>	<u>111,808</u>

26. 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.

27. GENERAL INFORMATION

Peninsula Learning Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Unit 18, St Austell Business Park, Treverbyn Road, Carclaze, St Austell, PL25 4FD.

**PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

28. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

29. AGENCY ARRANGEMENTS

The academy trust distributes bursary funds to students as an agent for NCTL. In the year ending 31 August 2018 the academy trust received £375,500 (2017: £482,648) and disbursed £423,392 (2017: £456,376) from the fund. An amount of £13,280 (2017: £65,582) remained unspent and is included in accruals.

30. CONTROLLING PARTY

There are no controlling parties.

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

31. TEACHING SCHOOL TRADING ACCOUNT

	2018 £	2018 £	2017 £	2017 £
INCOME				
DIRECT INCOME				
Student Income - Tuition fee	252,000		389,250	
OTHER INCOME				
Other Income	682		1,755	
TOTAL INCOME		252,682		391,005
EXPENDITURE				
DIRECT EXPENDITURE				
Direct staff costs	81,093		101,733	
OTHER EXPENDITURE				
Other staff costs	59,095		54,011	
Teaching support costs	64,186		98,278	
Other costs	29,675		38,750	
TOTAL OTHER EXPENDITURE	152,956		191,039	
TOTAL EXPENDITURE		234,049		292,772
TRANSFERS BETWEEN FUNDS EXCLUDING DEPRECIATION		(247,348)		-
(DEFICIT) / SURPLUS FROM ALL SOURCES		(228,715)		98,233
TEACHING SCHOOL BALANCES AT 1 SEPTEMBER 2017		228,715		130,482
TEACHING SCHOOL BALANCES AT 31 AUGUST 2018		-		228,715

The Academy Trust run a SCITT during 2017/8. However, the activity ceased at the end of July 2018, and trainees who had not completed the course were transferred to another provider.