

Registration number: 07687135

The Pinnacle Learning Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2019

Beever and Struthers
Chartered Accountants and Statutory Auditors
St George's House
215 - 219 Chester Road
Manchester
M15 4JE



The Pinnacle Learning Trust

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The Pinnacle Learning Trust

Reference and Administrative Details

Members	A Kilburn
	E Morris
	M Hewstone
	D George (resigned 9 July 2019)
	S Waseem Khawaja
Trustees (Directors)	A Kilburn
	J Clarke
	M Gibbons
	D McEntee
	J Porter
	A Ur-Rehman
	C Wilson
	I Howard (appointed 23 October 2018)
Company Secretary	D Hunt

The Pinnacle Learning Trust

Reference and Administrative Details (continued)

Senior Management Team	J Clarke, Executive Principal and Accounting Officer D McEntee, Principal C North, Principal B Beaumont, Director of Finance and Chief Financial Officer P Roberts, Deputy Principal M Giles, Senior Vice Principal P McIlroy, Vice Principal S Reeves, Vice Principal R Logan, Vice Principal S Whittaker, Vice Principal C Arnold, Assistant Principal L Astbury, Assistant Principal N Baker, Assistant Principal M Crilly, Assistant Principal A Easton, Assistant Principal J Goodwin, Assistant Principal K Gregory, Assistant Principal E Hart, Assistant Principal R Lee, Assistant Principal K Malley, Assistant Principal A Potts, Assistant Principal A Travis, Assistant Principal S Williams, Assistant Principal D Sykes, Business Manager
Principal and Registered Office	Bellfield Avenue Oldham Lancashire OL8 3EP
Company Registration Number	07687135
External Auditors,	Beever and Struthers Chartered Accountants and Statutory Auditors St George's House 215 - 219 Chester Road Manchester M15 4JE
Internal Auditors	Wyle and Bisset

The Pinnacle Learning Trust

Reference and Administrative Details (continued)

Bankers

Lloyds Bank

Solicitors

Browne Jacobson LLP
14th Floor No.1 Spinningfields
1 Hardman Square
Manchester
M3 3EB

The Pinnacle Learning Trust

Trustees' Report for the Year Ended 31 August 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The multi-academy trust is currently responsible for Oldham Sixth Form College, The Hathershaw College and Werneth Primary School.

Oldham Sixth Form College

Student numbers on census date (14/10/2019): 2,311 (2018: 2,402)

The Hathershaw College

Hathershaw PAN (pupil admission number) is 1,050.

Students on roll as at census (03/10/2019): 1,062 (2018: 1,061)

Werneth Primary School (joined 1 February 2019 from Bright Tribe Trust)

Werneth PAN is 535 (on GIAS, but 459 using the agreed PAN of 60 per year, plus 39 in nursery).

Pupils on roll as at census date (03/10/2019): 434 (2018: 455)

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 07687135.

The trustees are also the directors of the charitable company for the purposes of company law. The charitable company operates as The Pinnacle Learning Trust, Oldham Sixth Form College, The Hathershaw College and Werneth Primary School.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the 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.

Trustees' indemnities

The multi academy trust through its Articles has indemnified its trustees to the fullest extent permissible by law. During the period the multi academy trust also purchased and maintained liability insurance for its trustees.

Method of recruitment and appointment or election of Trustees

The management of the multi academy trust is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association with effect from 1 September 2017. The Articles of Association require there to be a minimum of no fewer than three trustees.

The Pinnacle Learning Trust

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

Policies and procedures adopted for the induction and training of Trustees

Newly-appointed trustees are inducted into the workings of the multi-academy trust, including policies and procedures, as per the Trust's Transition and Induction Policy and Procedures. The Trust has recently joined the National Governance Association, which provides regular access to updates and training for Trustees and committee members. Where necessary, induction provides training on charity and educational, legal and financial matters. Trustees are invited to attend various training sessions covering all matters of governance through senior leaders and external training providers. The local governing bodies have designated trustees for key areas of responsibility, such as safeguarding and health and safety.

Organisational structure

The multi academy trust has a leadership which consists of five levels:

- 1 The members
- 2 The trustees
- 3 The Local Governing Body of each academy
- 4 The Senior Management Team of each academy
- 5 The academy teams

The aim of the leadership structure is to devolve responsibility appropriately and encourage decision-making at all levels. The Executive Principal is the Accounting Officer. Full details of roles and responsibilities are given in the scheme of delegation and the code of governance.

The Board meets as a full body a minimum of 4 times throughout the year. The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the multi academy trust's use of budgets and making major decisions about the direction of the multi academy trust, capital expenditure, student outcomes and senior staff appointments. The local governing body at each academy reports to the trust board and monitors outcomes at academy level, including academy-specific policies and quality and standards. The senior leadership team at each academy is detailed on page 1. The senior management teams control each academy on a day to day basis, implementing the policies laid down by the Trustees and reporting back to them.

Arrangements for setting pay and remuneration of key management personnel

A sub-committee of the trust board is responsible for determining the policy for the remuneration of the Executive Principal and other senior Trust level appointments, along with setting and reviewing the pay for the Principal of each academy. In determining such policy, the committee will take into account all factors which it deems necessary, including relevant regulatory requirements.

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

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
6	6

Percentage of time spent on facility time

Percentage of time

1%-50%

Number of employees

6

Detail of pay bill spent on facility time

Provide the total cost of facility time

Provide the total pay bill

Provide the percentage of the total pay bill spent on facility time, calculated as:

(total cost of facility time / total pay bill) x 100

2019

1,479

13,211,567

0.01%

Paid trade union activities

2019
%

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100

98

Connected organisations, including related party relationships

D McEntee	West Oldham Trust (Director)
J Clarke	Oldham Leadership in Education Partnership (Director) (resigned March 2018)
	The Sixth Form Colleges' Association (SFCA) (Director)

The Pinnacle Learning Trust

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

Objectives and activities

Objects and aims

The principal object and activity of the charitable company is the operation of The Pinnacle Learning Trust, to provide education for students/pupils of different abilities between the ages of 3 to 19.

In accordance with the Funding Agreement made under section 1 of the Academies Act 2010 between the Secretary of State for Education, the multi academy trust is governed by a trust board which exercises its power and functions with a view to fulfilling a largely strategic role in running of the academy. The Funding Agreement specifies the admission arrangements, among other things, and that the curriculum, in substance, complies with statutory requirements.

The main objects of the multi academy trust during the year to 31 August 2019 are provided below and specifically restricted to the following, as per the Articles of Association:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a multi-academy trust offering a broad and balanced curriculum.

The broader mission, vision and values of the Trust are as follows:

Mission

Our mission is to improve the lives and life chances of young people in Oldham and the local area. In order to achieve this we are committed to continuing to raise aspirations and achievement across all our academies through the development of outstanding practice based upon partnership.

Vision

Our vision is to:

- Create a family of outstanding academies within a caring and supportive environment;
- Be consistent in our emphasis on high standards and excellence;
- Establish a culture of high aspirations and promote a commitment to lifelong learning;
- Provide and nurture an ethos in which students learn by example and grow morally and socially.

Values

Our purpose is to provide excellent academies for our children and young people based upon the following values. We aim to:

- **Celebrate the uniqueness of all students**, and through outstanding pastoral care, inspirational teaching and academic challenge, support each student to flourish and become responsible and successful citizens who make a positive contribution to the communities they serve;
- **Generate positive and challenging learning environments** which allow students and staff to grow and develop through a range of opportunities;
- **Develop outstanding leadership** at all levels that delivers maximum achievement;
- **Celebrate the diversity of our community** by encouraging an understanding of our communities, faiths and cultures; locally, nationally and internationally.

The Pinnacle Learning Trust

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

Objectives, strategies and activities

The multi academy trust's main strategy is to raise standards of achievement and progress through an unrelenting focus on continuous improvement in all aspects of the organisation. The core purpose of the multi academy trust is teaching and learning: its people and resources are constantly measured by their contribution to the overall quality of teaching and learning therefore the standards achieved by its students.

The priorities over the next 3 years are detailed in the Future Plans on page 17.

Public benefit

The multi academy trust provides educational services to all children in the local area. The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

In setting strategic aims and objectives and planning and reviewing activities, trustees have had regard to the Charity Commission guidance on public benefit. The Trust serves the Oldham area, with Oldham Sixth Form College serving students from across Oldham and beyond (into Tameside, North Manchester and Rochdale, for example) whilst Werneth Primary and Hathershaw College pupils are largely drawn from the West Oldham area. In providing activities through the Teaching School and our governance activities, a wider community is served, largely but not exclusively focused on Oldham. Those benefiting from the Trust's activities access these through attendance at the academies and through Trust staff attending other providers' locations to provide support.

The Trust advanced education for the public benefit in a variety of ways during the academic year 2018-19, including the provision of the following services and support:

- education at nursery, primary, secondary and sixth form levels
- a very broad range of extra-curricular activities, including trips and visits, summer schools, expeditions and many more
- providing support to young people in respect of physical and learning difficulties and disabilities, and personal, welfare and mental health issues
- supporting parents to engage with and support their children's education
- supporting schools beyond the Trust in respect of their education provision through our work via the Teaching School, Associate Research School and through Trust staff taking on Trustee and Governor roles at a range of schools
- a range of staff working as examiners in their specialist subjects, providing support to the education system beyond the Trust.

This is not a definitive list but gives a feel for the broad range of activities provided within and beyond the Trust in advancing education for the public benefit.

The Pinnacle Learning Trust

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

Strategic Report

Achievements and performance

Oldham Sixth Form College

The College was judged by Ofsted to be Good in September 2016 and has achieved improved results since this judgement, with progress scores significantly above average in both Academic and Applied General programmes and GCSE Maths and English resit outcomes that are well above sector averages.

A Level %	2017	2018	2019	National 2019 (2018)
Pass	97.9	98.1	99.0	97.6 (=)
A* - C	72.6	77.7	73.5	75.8 (77)

Vocational Courses (BTEC and CAMTEC)								
Pass rate	100%							
	Extended Diploma			Diploma			All Y13 vocational courses	
	2017	2018	2019	2017	2018	2019	2018	2019
High grades	84.63%	93.9% (228Ss)	96.4% (336 Ss)	60%	57.6% (59Ss)	70.2% (84Ss)	86.6% (65.2%)	90.4% (67.7% D*)

GCSE Courses				
OSFC outcomes – all figures are %	2017	2018	2019	National
GCSE Maths (grades 4+)	35.7	46.1	54.7	39.5
GCSE English	63.7	58.3	59.8	50.4

Value-added Quality Indicator scores, as measured by ALPS, are grade 3* for both A Level and Vocational programmes:

A Level	2017	2018	2019
Provider A Level Quality Indicator Grades	4	3	4
BTEC	2017	2018	2019
Provider BTEC Quality Indicator Grades	3	3	2

* The ALPS scoring system runs from 1-9 where 1 is best and 9 worst. A score of 3 places outcomes at OSFC in the top 25% nationally. In both cases, the score is very close to being a grade 2, which would be in the top 10%.

The Pinnacle Learning Trust

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

Strategic Report

The Hathershaw College - Outcomes summary

Although overall progress is still in line with the national average, outcomes declined in 2019, which is consistent with what the College had been predicting all year based on internal data.

Whilst the decline was expected, outcomes were lower than predicted, mainly because of results in GCSE English Language and those in a small number of reformed GCSEs, where the standard expected from students was less clear. This variation between predicted and actual results is very unusual in the College and steps are now being taken to address this for the current cohort.

Performance Measure	2019 College Results		2018 National Results (ASP)	
Progress 8				
All students	+ 0.002		-0.02	
Disadvantaged students	- 0.059		-0.44	
Others (not disadvantaged)	+ 0.047		0.13	
Girls	+0.361		0.22	
Boys	- 0.417		-0.25	
Attainment 8				
All students	44.19		46.53	
Disadvantaged students	41.58		36.7	
Others (not disadvantaged)	46.10		50.1	
Girls	47.32		49.4	
Boys	40.39		43.8	
	English 4+	English 5+	English 4+	English 5+
All students	68.9%	50.5%	75%	60%
Disadvantaged students	64.4%	48.3%	59%	42%
Others (not disadvantaged)	72.3%	52.1%	81%	67%
Girls	77.9%	61.1%	83%	69%
Boys	58.1%	37.6%	68%	52%
	Maths 4+	Maths 5+	Maths 4+	Maths 5+
All students	67%	39.8%	69%	49%
Disadvantaged students	59.8%	34.5%	51%	30%
Others (not disadvantaged)	72.3%	43.7%	76%	56%
Girls	70.8%	46%	70%	50%
Boys	62.4%	32.3%	69%	49%
	English and Maths 4+	English and Maths 5+	English and Maths 4+	English and Maths 5+
All students	57.3%	35%	64%	43%
Disadvantaged students	50.6%	32.2%	45%	25%
Others (not disadvantaged)	62.2%	37%	71%	50%
Girls	65.5%	44.2%	68%	47%
Boys	47.3%	23.7%	60%	40%

The Pinnacle Learning Trust

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

Strategic Report

Progress 8 & Attainment 8

Progress 8 shows how much progress students made between the end of key stage 2 (primary school) and the end of key stage 4 (secondary school), compared to students across England who got similar results at the end of key stage 2. This is based on results in up to eight qualifications, which include English, Maths, three English Baccalaureate qualifications (science, computer science, history, geography or a modern foreign language) and three other additional approved qualifications.

In 2019, the College achieved a Progress 8 score of 0 (2018: +0.47) which is in-line with the national average. An overall score of zero represents expected progress which is considered to be good.

The 2019 Progress 8 score for Disadvantaged students was -0.06 (2018 national average score for Disadvantaged students: -0.39).

The average Attainment 8 score for all students, based upon the same subjects used to calculate Progress 8, was 44.2 (2018: 46.8).

The College acknowledges the gap in both attainment and progress between boys and girls. Although this is a national trend, the gap is generally wider in the College than the national picture and, as a result, the Improvement Plan has been updated to urgently address this.

Attendance

Whole school attendance for the academic year 2018/19 was 94.96% (2017/18: 95.54%) which is slightly above the most recent national position of 94.6%.

The Pinnacle Learning Trust

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

Strategic Report

Werneth Primary School - 2019 Outcomes

Headline outcome	2019 outcomes (2018)	Oldham average	National average
KS2 <u>R,W,M</u>	50% (45%)	61.6%	65%
KS2 Reading	60% (54%)	69.4%	73%
KS2 Reading progress	0.32 (-0.06)		In line
KS2 Writing	71% (58%)	75%	78%
KS2 Writing progress	1.02 (0.49)		In line
KS2 Maths	72% (65%)	77.2%	79%
KS2 Maths progress	0.15 (2.96)		In line
KS1 <u>R,W,M</u>	49% (37%)	60.8%	66%
KS1 Reading	58% (52%)	71.1%	67%
KS1 Writing	51% (47%)	64.8%	70%
KS1 Maths	56% (55%)	70.7%	77%
Year 1 Phonics	59% (65%)	79.1%	82%
EYFS: GLD	61% (56%)	61.8%	71% (2018)

Key performance indicators

Key Performance Indicator	Target	Out-turn
Cash days in hand	25	81.92
Current ratio	2	3.13
Operating surplus % to income	2%	7%
Dependency on ESFA income	95%	88.62%
Pay expenditure % to income	75%	72.15%

The Trust has healthy cash reserves and as a result cash days in hand and the current ratio out-turn is much improved on target. The Advantage Teaching School has attracted additional income and grants through its activity and has enabled the Trust to have a favourable out-turn on dependency to ESFA income.

The Trust also monitors pupil progress, outcomes, attendance, retention and staffing data against attendance and results data at full Trust Board, Committee and local governing body meetings.

The Pinnacle Learning Trust

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

Strategic Report

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Financial review

The multi-academy trust continues to adopt the Financial Regulations and Procedures and accompanying Scheme of Delegation which were drawn up March 2018 and are updated on an annual basis.

The multi-academy trust's incoming resources during the year amounted to £22.7m (2018: £36.1m). The majority of the multi-academy trust's income derives from central government funding via the Education and Skills Funding Agency in the form of recurrent grants. Further details of these grants are provided in the notes to the accounts.

Total outgoing resources for the year were £19.9m (2018: £18.3m), the majority of which related to the direct provision of educational operations. Income exceeded expenditure during the year by £2.8m (2018: £17.9m).

At the year-end 31 August 2019, the total reserves amounted to £25.4m (2018: £26.3m), including a deficit on the restricted pension fund of £8.3m (2018: £3.2m).

The multi academy trust remains in a healthy financial position with net assets as at 31 August 2019 of £25.4m (2018: £26.3m).

Cash balances at the year ended 31 August 2019 were £4.2m (2018: £3.7m).

At 31 August 2019, all assets shown in the financial statements were used exclusively for providing education and associated support services to students in the multi-academy trust.

Funds in deficit

The Local Government Pension Scheme (LGPS) is in a deficit position as at 31 August 2019 resulting in a pension fund reserve deficit. The deficit on the LGPS does not mean that an immediate liability crystallises. The deficit results in a cash flow effect for the multi-academy trust in the form of possible future increases in pension contributions which, if required, will be met from the budgeted annual income. There is therefore no direct impact on the free reserves of the multi academy trust because of recognising the deficit. Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust closure, outstanding local government pension scheme liabilities would be met by the Department for Education. This guarantee came into force on 18 July 2013.

The Pinnacle Learning Trust

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

Strategic Report

The principal sources of funding and how expenditure has supported the key objectives of the academy trust

The multi-academy trust receives its principal funding from the Education and Skills Funding Agency in the form of current grants, including:

- Pupil led factors.
- Special educational needs.
- Minimum funding guarantee.
- Education Services Grant.
- Pre/Post 16 high needs.
- Capital improvement funding.

Financial and risk management objectives and policies

The Trustees have assessed the major risks to which the academy is exposed, in particular to those relating to specific teaching, provision of facilities and other operational areas of the multi-academy trust and its finances. The Trustees have implemented a number of systems to enable them to assess the risk which the multi-academy trust faces, in particular those relating to operational areas such as teaching, health and safety, school trips and bullying as well as in relation to the control of finance. Systems have been implemented by the trustees to minimise risk which included vetting of staff, registration and signing in procedures for visitors and supervision of the multi-academy trust estates.

As a multi-academy trust directly funded by the Department for Education, funding streams are considered to be reasonably safe and secure. The risk mainly arises from changes in government policy and funding levels. However, the key risk is falling student/pupil numbers. The trustees have a risk management strategy which is managed and reviewed on a regular basis.

The multi-academy trust's share of the defined benefit pension scheme liability is £8,271,000 (2018: £3,169,000) and the risk is that if the defined benefit pension scheme deficit increases, there may be an impact on cash flow representing an increase in employer's pension contributions. The trustees are satisfied that the multi-academy trust is able to meet its known contribution to commitments for the foreseeable future.

The Pinnacle Learning Trust

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

Strategic Report

Reserves policy

The multi-academy trust's target is to maintain sufficient reserves of at least 2% of income in any financial year, to enable the multi-academy trust to operate effectively in what is becoming a less certain economic and funding environment, to address any current year shortfall in funding, or to use them in the on-going investment in the multi-academy trust's estate, subject to satisfying the terms and conditions of the grant funding. Individual academies are expected to produce at least breakeven budgets each year.

Restricted General Reserves

Restricted Income Funds must be spent by the Trust on the provision of education. At the 31 August 2019 these funds totalled £1,204k which the Trust board intends to use to invest in the Trust's academy buildings, infrastructure and resources. Transfer from the Restricted Income Fund to the Fixed Assets Reserves will be reflected annually as capital expenditure is incurred.

Unrestricted Reserves

Unrestricted income funds are those funds that the Trust can spend how they believe appropriate within the aims and objectives of the Trust. As at year ended 31 August 2019 the unrestricted reserves of the Trust are £1,974k.

Investment policy and performance

All investments are made in accordance with the policy of the multi-academy trust. The multi-academy trust's policy on investments is one of minimum risk, with all investments being held with the multi-academy trust's bankers. The multi-academy trust will nevertheless seek to maximise interest receipts with these arrangements.

Under the Memorandum and Articles of Association, the multi-academy trust has the power to invest funds not immediately required for its own purposes in any investments the trustees see fit. The multi-academy trust has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are also reviewed on a regular basis,

The multi-academy trust has invested £1.7m on long term deposits during the year ended 31 August 2019.

The Pinnacle Learning Trust

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

Strategic Report

Principal risks and uncertainties

The trustees delegate responsibility for identifying risks faced by each Academy of The Pinnacle Learning Trust, at the same time identifying risks at trust level.

The Local Governing Body is responsible for the management of risks faced by their respective academy and the Senior Management Teams ensure that employees are aware of these procedures and of the implications of failing to implement them. The Trustees are satisfied that the system of delegated responsibility and the associated procedures are consistent with guidelines issued by the Charity Commission. Detailed considerations of the risks are reviewed by the Local Governing Body of each Academy assisted by the Senior Management Team. Risks are identified and assessed and controls are established on an ongoing basis.

The Trust Audit and Risk Committee receives updates on each Academy's risks and is responsible for ensuring that the overall multi-academy trusts risks are monitored and controlled.

The main risks to the multi-academy trust and its academies as identified in the risk registers are:

- Changes in Government legislation, particularly with regard to funding;
- Outcomes for young people;
- Loss of key staff;
- Disruption to IT Systems; and
- Estates issues including inadequate buildings.

Through the risk management processes established for The Pinnacle Learning Trust, the Board of Trustees is satisfied that the major risks have been adequately managed where necessary. It is recognised that systems and procedures can only provide reasonable but not absolute assurance that major risks have been adequately managed, including taking reasonable steps for the prevention and detection of fraud and other irregularities.

The key controls used by The Pinnacle Learning Trust are:

- Formal agendas for the Board of Trustees, the multi-academy trust committees and each Local Governing Body activity;
- Detailed and comprehensive terms of reference and standing orders for the Local Governing Body;
- Comprehensive strategic planning, budgeting and management accounting;
- Established organisational structure and lines of reporting;
- Formal written policies, compliant with relevant laws and regulations;
- Clear authorisation and approval levels;
- Vetting and clearance procedures as required by law for the protection of children and young people;
- Internal audit provision; and
- ICT disaster recovery policy.

The Pinnacle Learning Trust

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

Strategic Report

Plans for future periods

The Trust's strategic plan includes the following priorities:

Deliver high quality education and secure outstanding outcomes for students

Through a continued focus on and prioritisation of a broad curriculum and highly effective teaching and learning experiences for students, linked with evidence-informed CPD for staff and robust quality assurance and improvement processes, which are increasingly consistent across the Trust.

Develop the Teaching School within and beyond the Trust

Taking account of current changes in the school improvement framework at national level, ensure that the Teaching School Alliance (TSA) provides a range of professional development opportunities for colleagues within the Multi academy Trust (MAT) and school improvement support within and beyond the Trust, working with other TSAs and ensuring effective implementation of evidence-informed practices to secure improvements.

Ensure a high priority is given to staff development and well-being

Staff development, well-being and workload are key considerations in the achievement of the Trust's priorities, given that staff are our most important resource. This should be recognised in both Trust-level and academy-level improvement plans each year.

Build and maintain strong and effective strategic relationships

Working with the Local Authority, DfE/Regional Schools Commissioners and other partners to become a MAT of choice for local provision and ensuring our strategic planning reflects local priorities wherever possible. Developing and promoting the TSA in partnership with others, to enable Trust academies and pupils to both benefit from best practice and share this with others, in keeping with the Trust mission.

Raise the profile of the Trust locally and regionally

Seeking to actively raise awareness of and promote the Trust, its academies and the TSA; our existing successes and our vision, values and aspirations for future development, as a further means of establishing the Trust's reputation and position as a MAT of choice locally.

Develop and implement a carefully managed growth strategy

Learning from successes and failures within and beyond the education sector, following national and local advice and best practice recommendations, develop practices, relationships and intelligence to enable the Trust to grow to at least 5 academies by 2022.

Continued central services development

Sharing effective practice and taking opportunities to develop a consistent Trust-level approach (including shared policies) wherever this is appropriate and has the potential to improve our work. Linked to this and the priority below - reviewing the Trust levy as appropriate to ensure best practice and value is secured.

Ensure strong and effective financial management, with close and careful monitoring of funding, viability, compliance and risk management

Ensuring the MAT's finances are managed strategically, securing best value, with transparency, full compliance and supporting the delivery of the MAT strategic plan, together with systematic and regular consideration of key risks at Trust and academy level. In achieving this priority, the Trust's levy should be reviewed, in order to identify a model for the future, based on best practice.

The Pinnacle Learning Trust

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

Employment of disabled persons

The Pinnacle Learning Trust is committed to ensuring equality of opportunity for all who learn and work within it. Through its core values it respects and values positively differences in race, gender, able-bodiedness, sexual orientation, class and age. The Trust strives vigorously to remove conditions, which place individuals at a disadvantage.

The multi-academy trust considers all applications for employment from disabled persons. An applicant who is disabled and satisfies all the essential criteria of the post is guaranteed an interview. Where an existing employee becomes disabled, every effort is made to ensure that their employment with the multi-academy trust continues. The multi-academy trust is committed to provide training, staff development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

We have a comprehensive series of policies in place to support managers and leaders in guiding staff through processes affecting their employment within the Multi-Academy Trust. These policies enable us to apply consistent employment practice approaches across the organisation and are tailored to ensure that both new and existing employees are able to learn about how we operate and what staff can expect from us as well as what we expect from staff.

The multi-academy trust is committed to ensuring that any change management required is implemented sensitively and effectively to ensure minimal impact to staff and students alike. This will include engaging and communicating with staff and their representatives from the beginning of the change and providing assurances around a transparent and fair process.

Funds held as Custodian Trustee on behalf of others

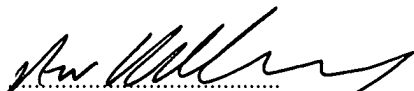
There are no funds held as a custodian trustee on behalf of another.

Auditor

Insofar as the Trustees are aware:

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

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees on 3/12/19 and signed on its behalf by:



A Kilburn
Trustee

The Pinnacle Learning Trust

Governance Statement

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that The Pinnacle 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 J Clarke (Executive Principal), 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 The Pinnacle 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 6 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
A Kilburn	5	6
C Wilson	6	6
A Ur-Rehman	5	6
M Gibbons	4	6
J Porter	5	6
J Clarke	6	6
D McEntee	6	6
I Howard	3	5

The Pinnacle Learning Trust

Governance Statement (continued)

• Key changes in the composition of the board of trustees

Sandra Mavro Michaelis who resigned from her position as Trustee at the end of the Summer term 2018 was replaced by Irene Howard on 23rd October 2018. Irene also chairs OSFC's LGB.

Dave McEntee took early retirement as Principal at The Hathershaw College in August 2019 but retains his position as Trustee.

Jayne Clarke is now sole Executive Principal of the Trust, as opposed to also being the Principal at Oldham Sixth Form College.

We currently have a vacancy for a Trustee.

• The coverage of its work

The role of the Board is fundamentally strategic and focused on three core strategic functions set out in the Governance Handbook, namely:

- ensuring clarity of vision, ethos and strategic direction for the Trust and the Academies;
- holding the PEG to account for the educational performance of the Academies and their pupils; and
- overseeing the financial performance of the Trust and the Academies and making sure that money is well spent.

The key functions of the Board are as follows:

Strategy and Policy

a) Setting the overall strategy and policy objectives of the Trust at Trust level together with setting key performance targets and agreeing any amendments to these. This is undertaken through the consideration and approval of a strategic plan proposed to the Board by the PEG and informed by the individual Academy strategies (prepared by the relevant Principal and LGB).

b) Approving any other major strategies.

c) Annually considering the Trust's responses to its regulators (e.g. DfE, EFA & OFSTED) requirements for regular returns as well as any investigations and reports prepared and published by such regulators.

Financial Management and Control

d) Approving the budget and cash flow forecast.

e) Approving long term financial forecasts

f) Receiving and considering a regular report on the Trust's performance against key financial indicators and reviewing or agreeing any corrective action necessary.

g) Acting in relation to any serious under-performance or any danger to the Trust's financial security.

h) Entering into any significant risks outside delegated authority.

i) Ensuring the Trust's assets are protected including the maintenance of adequate insurance cover.

j) Agreeing authorised signatories for returns and submission to regulators.

Education

k) Monitoring performance against the Trust's education performance targets.

l) Agreeing policy for new schools and academies to join the Trust.

Borrowing

m) Agreeing any borrowing strategy and methods for raising funds.

Human Resources

n) Recruitment, appointment and remuneration of Senior Trust level posts and Academy Principals.

o) Setting salaries for any Trust centrally appointed posts following recommendation by the Remuneration Committee.

p) The setting of salaries for all other posts is delegated to the relevant academy Principal, subject to compliance with the relevant nationally agreed pay scale and approval from the Executive Principal.

q) Approving material changes in the Trust's or any individual academy's senior management staffing structure.

The Scheme of Delegation sets out further details of the matters to be determined by the Board.

The Pinnacle Learning Trust

Governance Statement (continued)

- **The board's performance, including assessment of its own effectiveness and any particular challenges that have arisen for the board**

The Board carries out an annual review of its work in a strategy review meeting, which enables Trustees to identify areas for improvement. An annual skills audit form is also completed in order to identify skills gaps that exist on the Board that need to be addressed through the recruitment process.

In addition, a self-assessment of the Trust Board is to be undertaken using the Improvement Capacity Framework for Trust Governance developed by the Confederation of School Trusts, as means of identifying the Trust's key strengths and areas for development.

In the current academic year, key challenges relate to the appointment of key senior staff (a new Chief Financial Officer, and new Principals at Werneth and OSFC).

- **Information about the quality of the data used by the board, and why the board finds it acceptable**

Working across three phases (primary, secondary and post-16) means that Trustees receive a broad range of data given the headline information for all three phases varies somewhat. Trustees are provided with headline details, benchmarked against local and national data wherever possible, along with clarification on acronyms. Data is provided in line with national headlines and the provision of externally validated data alongside in-year data ensures Trustees can have confidence in the validity and accuracy of the information provided.

Documentation cover sheets have been introduced in order to help Trustees navigate through the large amount of data that they receive. The cover sheets explicitly point out activity for noting, recommendations, matters for review/approval or decision and issues that have been flagged in terms of risk management, financial compliance, consequences and links to the Trust Strategic Plan, with a clear timetable for implementation. These have been well received by the Board.

Governance reviews

The Finance and Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to consider each of the Academies' indicative funding, notified annually by the DfE/ESFA, to assess their implications for the relevant Academy and to consider and recommend acceptance or non-acceptance of the Academies' budgets each financial year. The committee monitors and reviews expenditure on a regular basis and ensures compliance with the overall financial plan for the Academies. It keeps under review the multi-academy trust's financial management and reporting arrangements and monitor and reviews procedures for ensuring the effective implementation and operation of financial procedures on a regular basis, including the implementation of bank account arrangements. The committee considers the financial statements which form part of the annual report of the Board to stakeholders. The committee receives a Health and Safety report and advise as necessary. The committee also consider asset and property management, pay and other HR matters including grievances, appeals and dismissals. It also receives HR reports and makes recommendations to the Board. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
C Wilson	3	3
M Gibbons	3	3
J Porter	3	3
J Clarke	3	3
D McEntee	3	3

The Pinnacle Learning Trust

Governance Statement (continued)

The Audit & Risk Committee is a sub-committee of the main Board of Trustees. Its purpose is to consider the external and internal audit function, review the adequacy and effectiveness of the multi-academy trust's financial management and reporting arrangements, review policies, review the risk management strategy, processes and procedures, and robustness of risks registers. It also reviews health and safety matters, and monitors compliance with the Academies' Health and Safety report and statutory obligations under the H & S at Work Act 1974. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
A Kilburn	3	3
A Ur-Rehman	2	3
J Clarke	3	3
D McEntee	2	3

Review of value for money

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

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

- Robust financial governance and budget management;
- Value for money purchasing including accepting best value quotes, noting that this is not necessarily the cheapest quote;
- Reviewing controls and managing risk;
- Centralising services and procurement where possible;
- Considering allocation/targeting/use of resources;
- Making comparisons with similar Academies using data provided by the ESFA and the Government;
- Challenging proposals and examining their effectiveness and efficiency;
- Deploying staff effectively;
- Reviewing quality of curriculum provision and quality of teaching;
- Reviewing the quality of learning to enable students/children to achieve nationally expected progress;
- Reviewing actual need before recruiting like for like for staffing.

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 academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Pinnacle Learning Trust for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

The Pinnacle Learning Trust

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 ended 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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 Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- to appoint Wylie and Bisset as internal auditor

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

- IT Systems;
- Payroll and expenses;
- Human Resources
- Overall Financial Controls.

On a quarterly basis, the auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees's financial responsibilities.

There were no material control or other issues reported by the internal auditor to date.

Review of effectiveness

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

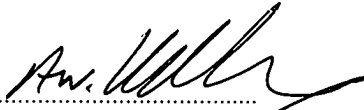
- the work of the internal auditor ;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

The Pinnacle Learning Trust

Governance Statement (continued)

Approved by order of the members of the Board of Trustees on 3/12/19 and signed on its behalf by:


.....
A Kilburn
Trustee

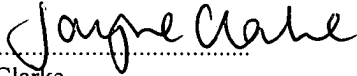
The Pinnacle Learning Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Pinnacle 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 terms and conditions of all funding received by the academy trust, 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 the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Board of Trustees and the ESFA. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.


.....
J Clarke
Accounting officer

Date: 3/12/19

The Pinnacle Learning Trust

Statement of Trustees' Responsibilities

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

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

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

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 on 3/12/19 and signed on its behalf by:


.....
A Kilburn
Trustee

The Pinnacle Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of The Pinnacle Learning Trust

Opinion

We have audited the financial statements of The Pinnacle Learning Trust (the 'Academy Trust') for the year ended 31 August 2019, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information (covers the Reference and Administrative Details, the Trustees' Report and Strategic Report and the Governance Statement)

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

The Pinnacle Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of The Pinnacle Learning Trust (continued)

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 26, the Trustees 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 Academy'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 Academy or to cease operations, or have no realistic alternative but to do so.

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.

The Pinnacle Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of The Pinnacle Learning Trust (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Academy Trust to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Academy Trust audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Academy Trust's Trustees, 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 Academy Trust's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

.....
Sue Hutchinson (Senior Statutory Auditor)
For and on behalf of Beever and Struthers, Statutory Auditor

St George's House
215 - 219 Chester Road
Manchester
M15 4JE

Date: 18/12/19

The Pinnacle Learning Trust

Independent Reporting Accountant's Report on Regularity to The Pinnacle Learning Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 29 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Pinnacle Learning Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Board of Trustees's funding agreement with the Secretary of State for Education dated 17 August 2017 and the Academies Financial Handbook extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review and testing of financial systems of internal control;
- Sample testing of transactions;
- Discussions with management.

The Pinnacle Learning Trust

Independent Reporting Accountant's Report on Regularity to The Pinnacle Learning Trust and the Education & 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 from 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Beever and Struthers

.....
Sue Hutchinson

Reporting Accountant

For and on behalf of Beever and Struthers, Chartered Accountants

St George's House
215 - 219 Chester Road
Manchester
M15 4JE

Date:.....18/12/19

The Pinnacle Learning Trust


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

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2018/19 Total £ 000	2017/18 Total £ 000
Income and endowments from:						
Voluntary income						
Donations and capital grants	2	44	-	414	458	965
Transfers on conversion & of existing academies		-	(490)	3,852	3,362	18,666
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	18,471	-	18,471	16,326
Teaching schools		-	200	-	200	60
Other trading activities	4	126	74	-	200	133
Investments	5	20	-	-	20	3
Total		190	18,255	4,266	22,711	36,153
Expenditure on:						
<i>Charitable activities:</i>						
Academy trust educational operations	7	-	18,624	1,259	19,883	18,214
Teaching schools	29	-	200	-	200	60
Total		-	18,824	1,259	20,083	18,274
Net income/(expenditure)		190	(569)	3,007	2,628	17,879
Transfers between funds		(854)	-	854	-	-
Other recognised gains and losses						
Actuarial gain/(loss) on defined benefit pension schemes	25	-	(3,735)	-	(3,735)	2,011
Net movement in (deficit)/funds		(664)	(4,304)	3,861	(1,107)	19,890
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2018		2,638	(2,763)	26,457	26,332	6,442
Total funds/(deficit) carried forward at 31 August 2019		1,974	(7,067)	30,318	25,225	26,332

The Pinnacle Learning Trust
(Registration number: 07687135)
Balance Sheet as at 31 August 2019

	Note	2019 £ 000	2018 £ 000
Fixed assets			
Tangible assets	12	30,143	26,762
Current assets			
Debtors	13	506	534
Cash at bank and in hand		<u>4,197</u>	<u>3,705</u>
		4,703	4,239
Creditors: Amounts falling due within one year	14	<u>(1,340)</u>	<u>(1,469)</u>
Net current assets		<u>3,363</u>	<u>2,770</u>
Total assets less current liabilities		33,506	29,532
Creditors: Amounts falling due after more than one year	15	<u>(10)</u>	<u>(31)</u>
Net assets excluding pension liability		33,496	29,501
Pension scheme liability	25	<u>(8,271)</u>	<u>(3,169)</u>
Net assets including pension liability		<u>25,225</u>	<u>26,332</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		1,204	405
Restricted fixed asset fund		30,318	26,458
Restricted pension fund		<u>(8,271)</u>	<u>(3,169)</u>
		23,251	23,694
Unrestricted funds			
Unrestricted general fund		<u>1,974</u>	<u>2,638</u>
Total funds		<u>25,225</u>	<u>26,332</u>

The financial statements on pages 32 to 60 were approved by the Trustees, and authorised for issue on ~~31/12/19~~ and signed on their behalf by:


A Kilburn
Trustee

The Pinnacle Learning Trust

Statement of Cash Flows for the Year Ended 31 August 2019

	Note	2019 £ 000	2018 £ 000
Cash flows from operating activities			
Net cash provided by operating activities	20	868	3,596
Cash flows from investing activities	22	(355)	(174)
Cash flows from financing activities	21	<u>(21)</u>	<u>(21)</u>
Change in cash and cash equivalents in the year		492	3,401
Cash and cash equivalents at 1 September		<u>3,705</u>	<u>304</u>
Cash and cash equivalents at 31 August	23	<u><u>4,197</u></u>	<u><u>3,705</u></u>

The Pinnacle Learning Trust

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

1 Accounting policies

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

Basis of preparation

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

Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of 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.

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations

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

The Pinnacle Learning Trust

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

1 Accounting policies (continued)

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Transfer on conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within donations and capital grant income to the net assets received.

Transfer of existing academies into the trust

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within donations and capital grant income to the net assets acquired.

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.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

The Pinnacle Learning Trust

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

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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.

Asset class	Depreciation method and rate
Leasehold Land	125 years
Property	50 years
Building improvements	10 years
Inherited buildings	39 years
Furniture and equipment	5 years
Computer equipment	6 years
Plant & machinery	15 years
Mechanical & electrical	20 years
Fixtures & fittings	10 years
Motor vehicles	10 years
Educational/other equipment	10 years

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

The Pinnacle Learning Trust

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

1 Accounting policies (continued)

Provisions

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

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

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

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 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

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 academy 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.

The Pinnacle Learning Trust

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

1 Accounting policies (continued)

Pension benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education Group.

Critical accounting estimates and areas of judgement

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

The Pinnacle Learning Trust

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

1 Accounting policies (continued)

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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Agency accounting

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 27.

2 Donations and capital grants

	Unrestricted funds £ 000	Restricted fixed asset funds £ 000	2018/19 Total £ 000	2017/18 Total £ 000
Other voluntary income				
Educational trips and visits	37	-	37	26
Capital grants	-	414	414	932
Other donations	7	-	7	7
	<u>44</u>	<u>414</u>	<u>458</u>	<u>965</u>

The Pinnacle Learning Trust

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

3 Funding for the Academy Trust's educational operations

	Restricted funds £ 000	2018/19 Total £ 000	2017/18 Total £ 000
DfE/ESFA revenue grants			
General Annual Grant (GAG)	16,878	16,878	15,577
Other DfE / ESFA grants	329	329	300
Pupil Premium	535	535	428
Universal Infant Free School Meals	60	60	-
	<u>17,802</u>	<u>17,802</u>	<u>16,305</u>
Other government grants			
Other government grants	33	33	-
Local Authority Grants	343	343	-
	<u>376</u>	<u>376</u>	<u>-</u>
Non-government grants and other income			
Other income	293	293	21
Total grants	<u>18,471</u>	<u>18,471</u>	<u>16,326</u>

4 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	2018/19 Total £ 000	2017/18 Total £ 000
Hire of facilities	25	-	25	24
Catering income	-	34	34	22
School shop sales	15	-	15	9
Other sales	86	40	126	78
	<u>126</u>	<u>74</u>	<u>200</u>	<u>133</u>

5 Investment income

	Unrestricted funds £ 000	2018/19 Total £ 000	2017/18 Total £ 000
Short term deposits	20	20	3

The Pinnacle Learning Trust

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

6 Expenditure

	Non Pay Expenditure			2018/19	2017/18
	Staff costs £ 000	Premises £ 000	Other costs £ 000	Total £ 000	Total £ 000
Academy's educational operations					
Direct costs	12,464	-	1,179	13,643	11,850
Allocated support costs	2,679	2,545	1,016	6,240	6,364
Teaching School	136	-	64	200	60
	<u>15,279</u>	<u>2,545</u>	<u>2,259</u>	<u>20,083</u>	<u>18,274</u>

Net income/(expenditure) for the year includes:

	2018/19 £ 000	2017/18 £ 000
Operating lease rentals	28	22
Depreciation	1,261	1,109
Fees payable to auditor - audit	16	14
- other audit services	<u>8</u>	<u>4</u>

7 Charitable activities

	2018/19 £ 000	2017/18 £ 000
Direct costs - educational operations	13,643	11,850
Support costs - educational operations	<u>6,240</u>	<u>6,364</u>
	<u>19,883</u>	<u>18,214</u>

	Educational operations £ 000	2018/19 Total £ 000	2017/18 Total £ 000
Analysis of support costs			
Support staff costs	2,679	2,679	2,979
Depreciation	1,259	1,259	1,233
Technology costs	129	129	121
Premises costs	1,286	1,286	1,222
Other support costs	852	852	781
Governance costs	<u>35</u>	<u>35</u>	<u>28</u>
Total support costs	<u>6,240</u>	<u>6,240</u>	<u>6,364</u>

The Pinnacle Learning Trust

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

8 Staff

Staff costs

	2018/19 £ 000	2017/18 £ 000
Staff costs during the year were:		
Wages and salaries	11,475	10,359
Social security costs	1,081	972
Operating costs of defined benefit pension schemes	<u>2,562</u>	<u>2,297</u>
	15,118	13,628
Supply staff costs	155	74
Staff restructuring costs	<u>7</u>	<u>-</u>
	<u>15,280</u>	<u>13,702</u>
		2019 £ 000

Staff restructuring costs comprise:

Severance payments	<u>7</u>
--------------------	----------

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £6,858 (2018: £Nil). Individually, the payments were:

Non-contractual payments £6,858

Staff numbers

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

	2018/19 No	2017/18 No
Charitable Activities		
Teachers	198	219
Administration and support	183	106
Management	<u>24</u>	<u>18</u>
	<u>405</u>	<u>343</u>

The Pinnacle Learning Trust

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

8 Staff (continued)

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2019 No	2018 No
£60,001 - £70,000	5	6
£70,001 - £80,000	1	1
£80,001 - £90,000	2	2
£100,001 - £110,000	1	1
£110,001 - £120,000	1	1
	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,877,357 (2018: £1,489,921).

9 Central services

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

- Human resources
- Financial services
- Payroll services
- Finance/HR/Payroll software maintenance
- Others as arising

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

- 5% levy (2018: no such charges).

The actual amounts charged during the year were as follows:

	2019/18 £ 000	2018/17 £ 000
Oldham Sixth Form College	495	-
The Hathershaw College	316	-
Werneth Primary School	57	-
	<u>868</u>	<u>-</u>

The Pinnacle Learning Trust

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

10 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The Executive Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Principal and 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:

D McEntee (Principal - Hathershaw College):

Remuneration: £105,000 - £110,000 (2018 - £105,000 - £110,000)

Employer's pension contributions: £15,000 - £20,000 (2018 - £15,000 - £20,000)

J Clarke (Executive Principal - Oldham Sixth Form College):

Remuneration: £115,000 - £120,000 (2018 - £110,000 - £115,000)

Employer's pension contributions: £15,000 - £20,000 (2018 - £15,000 - £20,000)

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

11 Trustees' and officers' insurance

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

The Pinnacle Learning Trust

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

12 Tangible fixed assets

	Freehold land and buildings £ 000	Leasehold land and buildings £ 000	Fixture, Fittings & Equipment £ 000	Assets under construction £ 000	Total £ 000
Cost					
At 1 September 2018	11,572	13,016	3,789	197	28,574
Transfer on conversion	-	3,788	64	-	3,852
Additions	54	314	422	-	790
Disposals	-	-	(38)	-	(38)
Transfers	197	-	-	(197)	-
At 31 August 2019	11,823	17,118	4,237	-	33,178
Depreciation					
At 1 September 2018	268	672	872	-	1,812
Charge for the year	398	298	565	-	1,261
Eliminated on disposals	-	-	(38)	-	(38)
At 31 August 2019	666	970	1,399	-	3,035
Net book value					
At 31 August 2019	11,157	16,148	2,838	-	30,143
At 31 August 2018	11,304	12,344	2,917	197	26,762

13 Debtors

	2019 £ 000	2018 £ 000
Trade debtors	26	33
VAT recoverable	183	223
Other debtors	-	64
Prepayments	145	141
Accrued grant and other income	152	73
	506	534

The Pinnacle Learning Trust

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

14 Creditors: amounts falling due within one year

	2019 £ 000	2018 £ 000
Trade creditors	422	583
Other taxation and social security	150	144
Loans	21	21
Other creditors	602	505
Accruals	78	31
Deferred income	67	185
	<u>1,340</u>	<u>1,469</u>
	2019 £ 000	2018 £ 000
Deferred income		
Deferred income at 1 September 2018	185	13
Resources deferred in the period	67	185
Amounts released from previous periods	<u>(185)</u>	<u>(13)</u>
Deferred income at 31 August 2019	<u>67</u>	<u>185</u>

Deferred income relates to essential life skills, opportunity area and opportunity funding grants.

Details of loans are in note 15.

15 Creditors: amounts falling due after one year

	2019 £ 000	2018 £ 000
Loans	<u>10</u>	<u>31</u>

Loans are from Salix. This is a 6 year loan ending 01/09/2020. The annual repayments amount to £21k, which is paid in twice yearly repayments.

The Pinnacle Learning Trust

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

16 Funds

	Balance at 1 September 2018 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2019 £ 000
Restricted general funds					
GAG restricted	(409)	16,878	(15,578)	-	891
Pupil Premium	-	535	(535)	-	-
Universal Infant FSM	-	60	(60)	-	-
Other DfE / ESFA grants	728	329	(883)	-	174
Other government grants	-	33	(33)	-	-
Local authority grants	-	343	(343)	-	-
Other non government grants	21	293	(314)	-	-
Teaching school	-	200	(200)	-	-
Other income	65	74	-	-	139
	<u>405</u>	<u>18,745</u>	<u>(17,946)</u>	<u>-</u>	<u>1,204</u>
Restricted fixed asset funds					
Fixed asset fund	26,458	4,266	(1,260)	854	30,318
Restricted pension funds					
Pension reserve	<u>(3,169)</u>	<u>(490)</u>	<u>(877)</u>	<u>(3,735)</u>	<u>(8,271)</u>
Total restricted funds	23,694	22,521	(20,083)	(2,881)	23,251
Unrestricted funds					
Unrestricted general funds	<u>2,638</u>	<u>190</u>	<u>-</u>	<u>(854)</u>	<u>1,974</u>
Total funds	<u><u>26,332</u></u>	<u><u>22,711</u></u>	<u><u>(20,083)</u></u>	<u><u>(3,735)</u></u>	<u><u>25,225</u></u>

The Pinnacle Learning Trust

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

16 Funds (continued)

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

	Balance at 1 September 2017 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Restricted general funds					
GAG restricted	212	15,576	(16,197)	-	(409)
Other DfE / ESFA grants	-	728	-	-	728
Other non government grants	-	21	-	-	21
Teaching school	-	60	(60)	-	-
Other income	-	65	-	-	65
	<u>212</u>	<u>16,450</u>	<u>(16,257)</u>	<u>-</u>	<u>405</u>
Restricted fixed asset funds					
Fixed asset fund	8,468	19,223	(1,233)	-	26,458
Restricted pension funds					
Pension reserve	<u>(2,470)</u>	<u>(1,927)</u>	<u>(783)</u>	<u>2,011</u>	<u>(3,169)</u>
Total restricted funds	6,210	33,746	(18,273)	2,011	23,694
Unrestricted funds					
Unrestricted general funds	<u>231</u>	<u>2,407</u>	<u>-</u>	<u>-</u>	<u>2,638</u>
Total funds	<u><u>6,441</u></u>	<u><u>36,153</u></u>	<u><u>(18,273)</u></u>	<u><u>2,011</u></u>	<u><u>26,332</u></u>

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

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

Restricted general fund:

This fund represents grants received for the Academy's operational activities and development. The academy trust is not subject to GAG carry forward limits,

Unrestricted funds:

The unrestricted funds can be used for any purpose as the trustees see fit within the charitable activities.

The transfer of £854,000 from unrestricted funds to the restricted fixed asset fund represents fixed asset acquisitions purchased using unrestricted funds.

The Pinnacle Learning Trust

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

16 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2019 were allocated as follows:

	2019 £ 000	2018 £ 000
The Hathershaw College	519	459
Oldham Sixth Form College	2,382	2,584
Werneth Primary School	262	-
Central services	15	-
Total before fixed assets and pension reserve	3,178	3,043
Fixed asset fund	30,318	26,458
Pension reserve	(8,271)	(3,169)
Total	<u>25,225</u>	<u>26,332</u>

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2019 £ 000
Oldham Sixth Form College	6,812	1,510	778	971	10,072
The Hathershaw College	4,988	565	539	647	6,739
Werneth Primary School	804	115	69	161	1,149
Central services	-	485	-	412	897
Academy Trust	<u>12,604</u>	<u>2,675</u>	<u>1,386</u>	<u>2,191</u>	<u>18,857</u>
					Total
					2018 £ 000
Oldham Sixth Form College					9,651
The Hathershaw College					6,605
Werneth Primary School					-
Central services					783
Academy Trust					<u>17,039</u>

The Pinnacle Learning Trust

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

17 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	30,143	30,143
Current assets	1,974	2,554	175	4,703
Current liabilities	-	(1,340)	-	(1,340)
Creditors over 1 year	-	(10)	-	(10)
Pension scheme liability	-	(8,271)	-	(8,271)
Total net assets	<u>1,974</u>	<u>(7,067)</u>	<u>30,318</u>	<u>25,225</u>

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	26,762	26,762
Current assets	2,638	1,603	-	4,241
Current liabilities	-	(1,166)	(305)	(1,471)
Creditors over 1 year	-	(31)	-	(31)
Pension scheme liability	-	(3,169)	-	(3,169)
Total net assets	<u>2,638</u>	<u>(2,763)</u>	<u>26,457</u>	<u>26,332</u>

18 Capital commitments

	2019 £ 000	2018 £ 000
Contracted for, but not provided in the financial statements	<u>-</u>	<u>82</u>

19 Commitments under operating leases

Operating leases

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

	2019 £ 000	2018 £ 000
Amounts due within one year	27	46
Amounts due between one and five years	<u>32</u>	<u>59</u>
	<u>59</u>	<u>105</u>

The Pinnacle Learning Trust

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

20 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2018/19 £ 000	2017/18 £ 000
Net income	2,628	17,879
Depreciation	1,261	1,109
Capital grants from DfE and other capital income	(414)	(932)
Interest receivable	(20)	(3)
Defined benefit pension scheme cost less contributions payable	774	665
Defined benefit pension scheme finance cost	103	118
Decrease/(increase) in debtors	28	(364)
(Decrease)/increase in creditors	(129)	1,437
Adjustment in respect of transfer in of existing academy trust	(3,363)	(16,313)
Net cash provided by Operating Activities	<u>868</u>	<u>3,596</u>

21 Cash flows from financing activities

	2018/19 £ 000	2017/18 £ 000
Repayments of borrowing	<u>(21)</u>	<u>(21)</u>
Net cash used in financing activities	<u>(21)</u>	<u>(21)</u>

22 Cash flows from investing activities

	2018/19 £ 000	2017/18 £ 000
Dividends, interest and rents from investments	20	3
Purchase of tangible fixed assets	(789)	(1,235)
Loss on disposal of tangible fixed assets	-	126
Capital funding from DfE and other capital income	<u>414</u>	<u>932</u>
Net cash used in investing activities	<u>(355)</u>	<u>(174)</u>

23 Analysis of cash and cash equivalents

	2019 £ 000	2018 £ 000
Cash at bank and in hand	<u>4,197</u>	<u>3,705</u>
Total cash and cash equivalents	<u>4,197</u>	<u>3,705</u>

The Pinnacle Learning Trust

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

24 Members' liability

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

25 Pension and similar obligations

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

Teachers' Pension Budgeting and Valuation Account

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

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

The Pinnacle Learning Trust

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

25 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

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

The employer's pension costs paid to TPS in the period amounted to £1,208,418 (2018: £1,749,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £838,000 (2018 - £667,000), of which employer's contributions totalled £634,000 (2018 - £499,000) and employees' contributions totalled £204,000 (2018 - £168,000). The actuary has estimated that the Employer's contributions for the year to 31 August 2019 will be approximately £521,000.

The agreed contribution rates for future years are 20.6 per cent for employers and 5.8 to 9.9 per cent for employees.

As described in the notes the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

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

25 Pension and similar obligations (continued)

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.10	3.20
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	<u>1.80</u>	<u>2.80</u>

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

	2019	2018
Retiring today		
Males retiring today	20.60	21.50
Females retiring today	23.10	24.10
Retiring in 20 years		
Males retiring in 20 years	22.00	23.70
Females retiring in 20 years	<u>24.80</u>	<u>26.20</u>

Sensitivity analysis

	2019 £000	2018 £000
Discount rate -0.5%	3,766.00	2,596.00
Salary Increase +0.5%	616.00	461.00
CPI rate +0.5%	<u>3,065.00</u>	<u>2,095.00</u>

The academy trust's share of the assets in the scheme were:

	2019 £ 000	2018 £ 000
Equities	14,306	11,965
Government bonds	3,156	2,816
Property	1,683	1,232
Cash and other liquid assets	<u>1,893</u>	<u>1,584</u>
Total market value of assets	<u>21,038</u>	<u>17,597</u>

The actual return on scheme assets was £950,000 (2018 - £899,000).

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

25 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2018/19 £ 000	2017/18 £ 000
Current service cost	1,160	1,164
Past service cost	241	-
Interest income	(556)	(412)
Interest cost	658	530
Total amount recognized in the SOFA	<u>1,503</u>	<u>1,282</u>

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

	2018/19 £ 000	2017/18 £ 000
At start of period	20,766	7,593
Conversion of academy trusts	-	13,093
Transferred in on existing academies joining the trust	2,504	-
Current service cost	1,160	1,164
Interest cost	658	530
Employee contributions	204	168
Actuarial (gain)/loss	4,129	(1,524)
Benefits paid	(353)	(258)
Past service cost	241	-
At 31 August	<u>29,309</u>	<u>20,766</u>

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

	2018/19 £ 000	2017/18 £ 000
At start of period	17,596	5,123
Conversion of academy trusts	-	11,165
Transferred in on existing academies joining the trust	2,014	-
Interest income	556	412
Actuarial gain/(loss)	394	487
Employer contributions	627	499
Employee contributions	204	168
Benefits paid	(353)	(258)
At 31 August	<u>21,038</u>	<u>17,596</u>

The Pinnacle Learning Trust

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

26 Related party transactions

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

The Principal of The Hathershaw College is a director of the West Oldham Trust. During the year The Hathershaw College supplied goods and services to West Oldham Trust amount to £14,288 (2018: £10,431). West Oldham Trust did not supply any goods or services to The Hathershaw College (2018: Nil). At the balance sheet date no amounts were outstanding to The Hathershaw College (2018: Nil).

The spouse of the Deputy Principal at Oldham Sixth Form College and the spouse of the Principal of The Hathershaw College are employed by the trust as teachers. Their appointment was made in open competition and both the Principal and Deputy Principal were not involved in the decision making process regarding appointment. Both teachers are paid within the normal pay scale for their roles and receives no special treatment as a result of their relationship.

The Oldham Leadership in Education Partnership (OLEP) is a partnership of a number of Oldham's secondary schools and Oldham Sixth Form College. A charitable company has been established, with Directors being Jayne Clarke (Executive Principal) resigned March 2018, Hardial Hayer (Headteacher, The Radclyffe School) and Matthew Milburn (Headteacher, Saddleworth School). The Partnership focuses on school and college peer review and improvement and has received support in the form of funding from both the local authority and schools themselves. It is expected that a combination of school and college financial support, grant funding and potential commissioning by other external agencies will fund this ongoing work. OSFC provides finance and some company secretary support to this partnership. Total income in the year of £1,349 (2018: £1,276) in respect of accounting and company secretariat services provided by Oldham Sixth Form College. At the balance sheet date an amount of Nil is included within debtors due within one year (2018: £1,276).

The Executive Principal, Jayne Clarke, is also a Director of The Sixth Form Colleges' Association (appointed April 2018) and during the year Oldham Sixth Form College supplied services of £2,009 (2018: £1,159) and The Sixth Form College Association supplied goods and services amounting to £21,517 (2018: £20,607). At the balance sheet date no amounts were outstanding.

During the prior year the college incurred costs of £15,852 from Warburton Associates, a related party by virtue of spousal relationship between a member of the Senior Leadership Team and one of the directors of Warburton Associates. The payments were made in respect of a contract that had been agreed prior to the College joining the multi-academy trust under a competitive tender process but were not conducted in accordance with the 'at cost' requirement of the Academies Financial Handbook 2017 but represented value for money. The contract complied with the requirements of the Sixth Form Colleges Financial Handbook. The College incurred costs of £2,193 in 2018 for remedial works carried out following the year end.

The total expenses paid to or on behalf of the trustees during the year was £158 (2018: Nil). No trustee has received any remuneration or waived payments from the College or its subsidiaries during the year (2018: None).

The Pinnacle Learning Trust

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

27 Agency arrangements

The academy trust distributes 16-19 bursary funds and free meals funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the academy trust received £712,000 and disbursed £303,000 from the fund. An amount of £557,000 is included in other creditors relating to undistributed funds that is repayable to ESFA.

Comparatives for the accounting period ending 31 August 2018 are £86,701 received, £375,459 disbursed and £469,000 included in other creditors.

28 Transfer of existing academies into the Trust

Werneth Primary School

	Value reported by transferring academy trust £ 000	Fair value adjustments £ 000	Transfer in recognised £ 000
Tangible fixed assets			
Leasehold land and buildings	3,609	179	3,788
Plant and machinery	<u>64</u>	<u>-</u>	<u>64</u>
	3,673	179	3,852
Pensions			
Pensions – pension scheme liabilities	<u>(490)</u>	<u>-</u>	<u>(490)</u>
Net assets	<u><u>3,183</u></u>	<u><u>179</u></u>	<u><u>3,362</u></u>

The fair value adjustment to the land and buildings is based on a valuation undertaken by a RICS registered valuer, Edwards & Co. The valuation is on a depreciated replacement cost basis at the date the school joined the Academy Trust.

The Pinnacle Learning Trust

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

29 Teaching school trading account

	2018/19 £ 000	2017/18 £ 000
Income		
Direct Income		
Other income	200	60
Total Income	<u>200</u>	<u>60</u>
Expenditure		
Direct costs		
Direct staff costs	114	51
Other direct costs	86	2
Total direct costs	<u>200</u>	<u>53</u>
Other costs		
Support staff costs	-	5
Other support costs	-	2
Total other costs	<u>-</u>	<u>7</u>
Total Expenditure	<u>(200)</u>	<u>(60)</u>
Surplus/(Deficit) from all sources	<u>-</u>	<u>-</u>
Teaching school balances at 31 August 2019	<u>-</u>	<u>-</u>

The Pinnacle Learning Trust

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

30 Statement of Financial Activities for the Year Ended 31 August 2018

	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2017/18 Total £ 000
Income and endowments from:				
<i>Voluntary income</i>				
Donations and capital grants	33	-	932	965
Transfer from Oldham Sixth Form College on conversion	2,303	(1,928)	18,291	18,666
<i>Charitable activities:</i>				
Funding for the Academy trust's educational operations	-	16,326	-	16,326
Teaching schools	-	60	-	60
Other trading activities	68	65	-	133
Investments	3	-	-	3
Total	2,407	14,523	19,223	36,153
Expenditure on:				
<i>Charitable activities:</i>				
Academy trust educational operations	-	16,981	1,233	18,214
Teaching schools	-	60	-	60
Total	-	17,041	1,233	18,274
Net income/(expenditure)	2,407	(2,518)	17,990	17,879
Other recognised gains and losses				
Actuarial gains on defined benefit pension schemes	-	2,011	-	2,011
Net movement in funds/(deficit)	2,407	(507)	17,990	19,890
Reconciliation of funds				
Total funds/(deficit) brought forward at 1 September 2017	231	(2,257)	8,468	6,442
Total funds/(deficit) carried forward at 31 August 2018	2,638	(2,764)	26,458	26,332