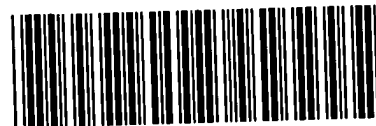

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

FRIDAY



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21/12/2018
COMPANIES HOUSE

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

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PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

J Roberts (resigned 18 July 2018)
H Thain (resigned 4 October 2017)
S Wise
W Beckett (appointed 4 October 2017)
J Gallagher (appointed 18 July 2018)

Trustees

W Beckett, Chair of Trustees
J Roberts (resigned 18 July 2018)
S Wise, Vice Chair
C Peden, Headteacher & Accounting Officer
J Gallagher
J Haigh, Staff Trustee (resigned 18 July 2018)
L Blackburn
C Hawkins, Staff Trustee
S Martin (appointed 12 September 2018)
C Ling (appointed 17 October 2017)
M Sunshine (appointed 12 September 2018)
R Kilbey (appointed 12 September 2018)

Company registered number

09141452

Company name

Pear Tree Mead Academy

Principal and registered office

Pear Tree Mead Academy
Trotters Road
Harlow
Essex
CM18 7BY

Chief executive officer

Mrs C Peden

Senior management team

Mrs C Peden, Headteacher
Mrs L Davies, Deputy Headteacher
Mrs R Arnould, Assistant Headteacher
Mrs J Haigh (resigned 18 July 2018), Inclusion Manager
Mrs S Martin (appointed 12 September 2018), SENDCo/EY Co-ordinator

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

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

Advisers (continued)

Independent auditors

Haslers
Chartered Accountants
Old Station Road
Loughton
Essex
IG10 4PL

Bankers

Lloyds Bank PLC
Harlow
Essex
CM20 1LD

Solicitors

Wilsons Law
4 Lincoln's Inn Field
London
WC2A 3AA

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2017 to 31 August 2018. The Trustees confirm that the annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) Accounting and Reporting charities issued in March 2005. The annual report serves the purpose of both a trustees' report and a directors report under company law.

The academy trust operates an academy for pupils 2 to 11 serving a catchment area in Harlow. It has a pupil capacity of 514 and had a roll of 462 in the school census on 23 May 2018.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by a guarantee and was set up by a Trust deed.

The charitable company's Memorandum and Articles of Association are the primary governing document of the academy trust.

The Trustees of Pear Tree Mead Academy Trust Limited are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Pear Tree Mead Academy.

Details of the Trustees who served during the are included in the Reference and administrative details on page 1.

The principal object of the academy is to provide education to boys and girls between the ages of 2 and 11, without prejudice, be establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum, as set down in the company's Memorandum and Articles of Association.

b. Members' liability

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

c. Trustees' indemnities

The Academy is covered by the Risk Protection Arrangement.

d. Method of recruitment and appointment or election of Trustees

The makeup of the governing body is outlined in the academy's articles of association and state the members may appoint up to 5 governors with the principal as an ex-officio governor.

- Staff governors, who are appointed through a ballot process, ensuring that the total number of staff governors does not exceed one third of the total number of governors.
- Parent governors, who are elected by the parent of registered pupils at the academy.

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

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

- In addition the academy trust may also co-opt governors from the community.

In certain circumstances the secretary of state may appoint additional governors.

All governors have a term to office of four years, excluding the principal. Any governor may be re-appointed or re-elected after this term, providing they remain under the terms set out in the articles

e. Policies and procedures adopted for the induction and training of Trustees

The school provides all new governors with an induction package covering a comprehensive range of issues and topics. This is to ensure they gain a better understanding of the role and responsibilities of being a school Governor so they can fulfil their role with confidence.

The Governing Body is committed to providing training for Governors specific to their roles and the requirements of the academy.

f. Organisational structure

The full governing body meets once a term to discuss the management and strategic running of the academy. It is their responsibility to ensure the academy is effectively managed and delivering the academy's aims and objectives as set out in the vision statement and school policies.

As well as the full governing body meeting, the governing body is split into two committees. The first committee is for discussing finance, premises and audit. This committee looks to make sure the resources and finances are being used in the most efficient ways and to promote the vision of the school. The second committee is for personnel, curriculum and community, and its role is to oversee that the standards of teaching and learning at the academy are effective and ensuring pupils are making the required progress and achievement. In addition to this the governing body are able to ensure that the academy is setting a useful and successful curriculum to support pupils' further learning. The governors also have other responsibilities such as safeguarding, health and safety, phase monitoring, pupil premium, SEND, pay committee etc.

The Headteacher working with the senior leadership team is responsible for overseeing the day to day operational procedures within the academy, under the instruction of the Governing Body. There is a clear delegation plan which is reviewed annually. This includes implementing the policies agreed and set by the Governing Body and ensuring high levels of teaching and learning are met to ensure that the academy is working to achieve the best possible results for pupils. Efficient management of resources round the school is shared between staff. Effective management of resources ensures that the academy is not wasteful and is making the most of everything that is owned and purchased by the academy.

g. Risk Structure

Trustees have assessed the major risks to which the academy is exposed, in particular those related to the operations and finances of the academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

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

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time **£**

Total cost of facility time	-
Total pay bill	1,666,016
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

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

i. Arrangements for Setting Pay and Remuneration for Key Management Personnel

The governors of the Academy have a Headteacher Performance Management Committee and they set the performance management targets with the Headteacher yearly with an external partner from HEP to support them with the process. They all oversee the targets for the year and review them at the end of the year. The Headteacher Performance Management Committee make a recommendation to the pay committee with regards to pay increases. The performance management target setting and cycle for the other senior management is delegated to the Headteacher. The pay committee meet once a year to review the pay and the Headteacher recommendation for pay increases for all staff. All performance management follows the schools performance management policy. All pay decisions follow the criteria set out in the schools pay policy.

Objectives and Activities

a. Objects and aims

The Principal object and aim of the academy is to provide education to boys and girls between the ages of 2 and 11, without prejudice, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum, as set down in the company's Memorandum and Articles of Association.

Our overarching priority is to raise standards and increase the rate of progress in English, Maths and Science to expected or better, with particular focus on vulnerable groups whilst ensuring a broad and balanced curriculum.

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

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

b. Objectives, strategies and activities

During the year the school has worked towards achieving these aims by:

- Raising the standard of educational achievement and progress of all pupils.
- Ensuring that every child enjoys the same high quality education in terms of resourcing, teaching and care.
- Providing value for money for expenditure.
- Complying with all statutory curriculum and child care requirements.
- Continuously reviewing procedures and policies to make sure that these are compliant and helping support the effectiveness of the school.
- Conducting the school's business in accordance with the highest standard of integrity.
- Looking at the effectiveness and training needs of the governing body.
- Maintaining relationships with outside agencies, services and parents to support our most vulnerable children.
- Monitoring data and groups of children to ensure that all children achieve their full potential.

At Pear Tree Mead we help all the children to grow so that they can reach the branches to their future.

c. Activities for achieving objectives

- Regular review of policies through our governing body.
- Performance Management targets set to help groups of children make expected progress and gaps to close.
- A robust school development plan with actions matched to school priorities helps the school keep focused on achieving its priorities.
- Professional development and training is given to all members of staff across the school.
- Support is bought in to help staff (e.g. HR, legal, finance, teaching and learning, assessment).
- All new government initiatives are implemented with training and policy changes (SEND, assessment, national curriculum, Universal free school meals).
- The governors receive regular information to enable them to monitor the performance of the school and the financial budgets. They also monitor the spending of the funding and how this supports the children's progress and narrowing the gap.

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

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

d. Public benefit

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Strategic report

Achievements and performance

a. Key performance indicators

School began as an Academy in September 2014.

A Summary of the school achievements since September 2015:

- Maintaining the schools Pre-school for FEEE2 children.
- Successful expansion continues from 1.5 FE to 2 FE.
- Gold School games Sainsbury's Award.
- Continued increasing numbers of children wanting to attend Pear Tree Mead. Record number of appeals and waiting lists numbers.
- Expansion building work for the school. Including 4 new classrooms, group rooms and a new library space has been completed.
- Increasing numbers on role for Nursery provision due to large waiting lists. 30 hour provision now being catered for.
- Letters from LA and RSC regarding excellent SATs results for both KS1 and KS2 2016.
- OFSTED continues to rate the school as good May 2017.
- Parent partnership award completed.
- Basic Skills award and EYFS Basic skills awards completed.
- Successful links by Supporting students with training providers – e.g. Harlow College, Hertfordshire University, SCITT, apprentices.
- Outdoor learning increased - Forest School run across the school, outdoor learning spaces increased, reflection spaces, new pond.
- Successful school council and wellbeing teams.
- Links with other HET schools across Harlow including cross school moderation.
- External Moderation across the school.
- Letter from LA regarding KS2 SATS results 2018.

PEAR TREE MEAD ACADEMY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

The school now has its achievement broadly in line or above national expectation at EYFS, Yr1 Phonics, KS1 and KS2 SATs. This looks like:

2018 KS2 SATS results

45 children	Teacher Assessment towards National Expectation.					Test Results				% of pupils achieved expected in Reading, writing and maths	Progress
	Has not met	Towards	At	Greater	At+	<100	100+	110+	Average		
										69	
Reading	11		89			27	73	20	104.1		0.5
Writing SPAG		16	71	13	84	18	82	31	106.2		1.6
Maths	11		89			18	82	22	104.3		1.4
Science	13		87								

PEAR TREE MEAD ACADEMY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Year 1 (60 Pupils) Phonics Score	90%
-------------------------------------	-----

Reception Results (60 Pupils)	
GLD	66%
Reading	70%
Writing	70%
Maths	78%
combined	68%

Year 2 60 Pupils	KS1 Results			
National Expectation	Towards	At	Greater	At+
Reading	12%	57%	27%	83%
Writing	13%	60%	15%	75%
Maths	13%	60%	23%	83%
RWM			13%	73%

The school has 60 children for Reception to Year 4 and 45 children from Year 5 to 6. Every class has a TA and every phase across the school has an intervention TA to help support the children to reach their full potential and to make the expected progress. Classes receive intervention and booster sessions as needed. Our SENDCo and Assistant SENDCo work with children and families that have special needs and need extra support.

The school uses pupil premium and sports funding to support children and this is having a year on year improvement. The impact of this is heavily monitored. There is a designated sports coach that works with the children. We have an onsite swimming pool which is used across the whole school.

We also use differentiated success criteria so that learning is not capped and children's marking and feedback supports children making progress and understanding and their next steps.

Rigorous pupil standards meetings discuss individual children and targets are set. Strategies to reach these targets are discussed and put in place. Targets and data are reviewed regularly.

PEAR TREE MEAD ACADEMY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

We have a designated Family Liaison Officer who supports families and organises parent workshops.

We have a member of the senior leadership team that oversees Mental Health and wellbeing.

b. Going concern

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

The academy applies going concern after taking the following in consideration:

- Essex County Council 5 year pupil forecast on a regular basis.
- Local knowledge of housing developments and the possible effects on pupil numbers.
- Premises Action Plan and CIF Bids to ensure school premises remain in good condition.
- The ability to maintain FEE2 and 30 hours funding pupils.
- Ofsted continues to rate the school as good
- Good SATS results ensure pupil numbers remain

c. Investment policy and performance

The academy has a policy of investing cash balances with a view to maximising returns, while ensuring that there is no risk to the capital, and that the funds are available when needed in line with cash flow projections.

Financial review

a. Reserves policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees are aware of the requirement to balance current and future needs of the Trust and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Finance Manager.

The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

At 31 August 2018, the Academy had funds in surplus of £6,983,545 (2017: £6,975,470). Reserves excluding the LGPS pension and restricted fixed asset funds totaled £327,570 (2017: £244,021).

b. Financial and Risk Management Objectives and Policies

The Companies Act 2006 requires disclosure of the principal risks and uncertainties facing a company. The academy is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the academy's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors with limited trade (and other) debtors. The academy's system of internal controls ensures risk is minimal in these areas.

PEAR TREE MEAD ACADEMY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

c. Principal risks and uncertainties

As an Academy school the level of financial risk is low. Cash flow can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and this relatively stable with contingencies in place to cover such items as sickness and maternity.

The governors assess the other principal risks and uncertainties facing the Trust as follows:

- The Academy has considerable reliance on continued Government funding through the ESFA and local authority and there is no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same term.
- Failures in governance and/or management. The risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation and statutory returns. The governors continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputational – the continuing success of the Academy is dependent on continuing to attract pupils in sufficient number of by maintaining the highest educational standards. To mitigate this risk Governors ensure that pupil success and achievement are closely monitored and reviewed.
- Staffing – the success of the Academy is reliant on the quality of its staff and so the governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- Fraud and mismanagement of funds – The Academy has appointed Essex County Council to carry out internal controls checks of the finance systems and records as required by the Academy Financial Handbook.

d. Material Investments Policy

The academy has a policy of investing cash balances with a view to maximising returns, while ensuring that there is no risk to the capital, and that the funds are available when needed in line with cash flow projections.

e. Principal funding

Pear Tree Mead Academy started operating as an Academy on 1 September 2014.

The majority of the Academy's income is derived from the Educational Funding Agency (ESFA). The income is in the form of recurrent grants, of which the use is restricted for particular purposes. These grants and associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants from the local authority for nursery funding, pre-school funding and SEN. All these grants are shown as restricted income.

Funding has continued to support key objectives of raising teaching and learning standards.

Plans for future periods

a. Future developments

The school is in the process of expanding from a 1.5 FE to a 2 FE. We have recently had completed a new building. The new building joins the old infant and junior building with a corridor and incorporates four new

PEAR TREE MEAD ACADEMY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

classrooms, a new library and 2 group rooms. This facility was ready in November 2016.

We have recently completed a CIF bid for a new roof for the school. A new roof has been fitted in most areas of the school. We are currently investigating our next CIF bid.

The Local Authority has asked us to take more Nursery children. We are now taking more children since January 2017. We now offer the 30 hours provision from September 2017.

We have recently put in new large play equipment in all 3 playgrounds and had the playground re tarmacked and marked. We have an outdoor gym.

The school is now looking at renovating the outdoor areas including the pond.

The school has a detailed plan of school improvements which is a 5 year rolling plan.

The school is currently looking at the plans for when it is full at the full 2 FE. This will mean that all classrooms are full and so the current empty classroom which we are using as a music room will need to be rehoused.

Disclosure of information to auditors

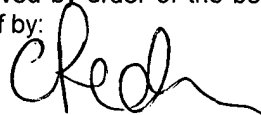
Each of the persons who are Trustees at the time when the Trustees' report is approved has confirmed that

- So far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware and
- That Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12 December 2018 and signed on its behalf by:



Mrs W Beckett
Chair of Trustees



Mrs C Peden
Accounting Officer

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive, 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 Pear Tree Mead Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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 4 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
W Beckett, Chair of Trustees	4	4
J Roberts	1	4
S Wise, Headteacher	3	4
C Peden, Headteacher & Accounting Officer	4	4
J Gallagher	3	4
J Haigh, Staff Trustee	4	4
L Blackburn	3	4
C Hawkins, Staff Trustee	4	4
C Ling	1	4
M Sunshine	0	0
R Kilbey	0	0

Mr J Roberts resigned as a trustee on 18 July 2018

Mrs J Haigh resigned as a trustee on 18 July 2018

Mrs L Blackburn was appointed as a trustee on 14 September 2017

Mrs C Ling was appointed a trustee on 17 October 2017

Governance review:

At every meeting the governors monitor and challenge the performance of the school against targets and measured performance. The Governors are constantly looking to improve the way the can be monitored and to help the school improve.

The Finance, Premises and Audit committee is a sub-committee of the main board of trustees. Its purpose is to oversee the Academy's financial matters, risk management and internal audit function and matters relating to the Statutory Audit. During the current year the Finance, Premises and Audit committee were responsible for the appointment of Essex County Council as internal auditors and Haslers as external auditors.

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Hewett	0	0
Mrs C Peden, Headteacher	3	3
Mrs L Blackburn	3	3
Mr J Roberts	2	3
Ms S Wise (Chair)	2	3
Mrs W Beckett, Chair of Trustees	3	3

Review of Value for Money

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

- The use of Higher Level Teaching Assistant to cover short-term staff absences. This ensures quality of provision and continuity for the pupils.
- The allocations of resources to best promote the aims and values of the school.
- The targeting of resources to best improve standards and the quality of provision.
- The use of resources to best support the various educational needs of all pupils.
- 3 quotes for work to be completed are gathered to get best value when needed.

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 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 Pear Tree Mead Academy for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy 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's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The academy'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;

PEAR TREE MEAD ACADEMY
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GOVERNANCE STATEMENT (continued)

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Essex County Council as internal auditor.

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

The reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

During the year under review, weaknesses have been observed and modified procedures have been implemented to address all of the weaknesses identified.

On a quarterly basis, the auditor reports to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of Effectiveness

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

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy 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 and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 12 December 2018 and signed on their behalf, by:



W Beckett
Chair of Trustees



C Peden
Accounting Officer

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Pear Tree Mead Academy 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 2017.

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 2017.

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



Mrs C Peden
Accounting Officer

Date: 12 December 2018

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

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

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

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

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

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

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

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

Approved by order of the members of the board of trustees on 12 December 2018 and signed on its behalf by:



Mrs W Beckett
Chair of Trustees

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PEAR TREE MEAD ACADEMY

Opinion

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

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

In our opinion the financial statements:

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

Basis of 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PEAR TREE MEAD ACADEMY

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 information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the 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's or to cease operations, or have no realistic alternative but to do so.

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PEAR TREE MEAD ACADEMY

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.

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



Laura Ambrose (Senior Statutory Auditor)

for and on behalf of

Haslers

Chartered Accountants
Statutory Auditor

Old Station Road
Loughton
Essex
IG10 4PL
12 December 2018

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO PEAR TREE MEAD ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 15 August 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Pear Tree Mead Academy during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Pear Tree Mead Academy's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Pear Tree Mead Academy's funding agreement with the Secretary of State for Education dated 7 May 2014, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

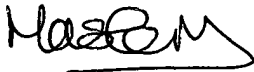
INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO PEAR TREE MEAD ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)

The work undertaken to draw our conclusion includes sample testing of the following:

- Review of governance procedures including inspection of Trustee and relevant Board minutes
- A review of internal auditor reports
- A review of Financial Controls Procedures and related records
- Discussions with the Accounting Officer and the Business Manager
- Reviewing the procedures for identifying and declaring related parties and other business interests
- Assessment and testing of a sample of the specific control activities over regularity of a particular activity
- Perform sample testing of expenditure ensuring items are for the Trust's purposes and are appropriately authorised
- Carrying out substantive testing to cover authorisation of expenditure within internal delegated authorities and externally imposed limits.
- Obtaining formal representation from the Trustees and accounting officer acknowledging their responsibilities
- Scrutinising journals, and other adjustments posted during the year for evidence of unusual entries

Conclusion

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



Haslers

Chartered Accountants
Statutory Auditor

Old Station Road
Loughton
Essex
IG10 4PL

12 December 2018

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:						
Donations and capital grants	2	14,551	-	-	14,551	21,881
Charitable activities	5	-	2,044,389	(3,606)	2,040,783	2,228,825
Other trading activities	3	75,758	-	-	75,758	85,539
Investments	4	180	-	-	180	234
Total income		90,489	2,044,389	(3,606)	2,131,272	2,336,479
Expenditure on:						
Raising funds		20,883	-	-	20,883	13,717
Charitable activities		-	2,166,446	151,868	2,318,314	2,036,322
Total expenditure	6	20,883	2,166,446	151,868	2,339,197	2,050,039
Net income / (expenditure) before transfers		69,606	(122,057)	(155,474)	(207,925)	286,440
Transfers between Funds	15	(135,813)	-	135,813	-	-
Net income / (expenditure) before other recognised gains and losses		(66,207)	(122,057)	(19,661)	(207,925)	286,440
Actuarial gains on defined benefit pension schemes	19	-	216,000	-	216,000	111,000
Net movement in funds		(66,207)	93,943	(19,661)	8,075	397,440
Reconciliation of funds:						
Total funds brought forward		88,313	(1,034,292)	7,921,449	6,975,470	6,578,030
Total funds carried forward		22,106	(940,349)	7,901,788	6,983,545	6,975,470

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 09141452

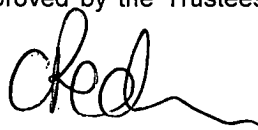
BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	12		7,982,244		8,004,208
Current assets					
Debtors	13	53,359		74,692	
Cash at bank and in hand		223,214		286,534	
		<u>276,573</u>		<u>361,226</u>	
Creditors: amounts falling due within one year	14	(165,272)		(199,964)	
Net current assets			111,301		161,262
Total assets less current liabilities			8,093,545		8,165,470
Defined benefit pension scheme liability	19	(1,110,000)			(1,190,000)
Net assets including pension scheme liabilities			<u>6,983,545</u>		<u>6,975,470</u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	15	169,651		155,708	
Restricted fixed asset funds	15	7,901,788		7,921,449	
Restricted income funds excluding pension liability		8,071,439		8,077,157	
Pension reserve		<u>(1,110,000)</u>		<u>(1,190,000)</u>	
Total restricted income funds			6,961,439		6,887,157
Unrestricted income funds	15		22,106		88,313
Total funds			<u>6,983,545</u>		<u>6,975,470</u>

The financial statements on pages 23 to 45 were approved by the Trustees, and authorised for issue, on 12 December 2018 and are signed on their behalf, by:



Mrs W Beckett
Chair of Trustees



Mrs C Peden
Accounting Officer

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	17	<u>70,011</u>	<u>206,360</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		180	234
Proceeds from the sale of tangible fixed assets		2,303	-
Purchase of tangible fixed assets		(132,208)	(658,875)
Capital grants from DfE Group		(3,606)	13,168
Capital funding received from sponsors and others		-	350,738
Net cash used in investing activities		<u>(133,331)</u>	<u>(294,735)</u>
Change in cash and cash equivalents in the year		<u>(63,320)</u>	<u>(88,375)</u>
Cash and cash equivalents brought forward		286,534	374,909
Cash and cash equivalents carried forward	18	<u><u>223,214</u></u>	<u><u>286,534</u></u>

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

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

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

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

Pear Tree Mead Academy constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy 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.

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

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

1. Accounting Policies (continued)

1.3 Income

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

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

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

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

1.4 Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

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

1. Accounting Policies (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold property	-	2% straight line / 10% straight line
Furniture and fixtures	-	20% straight line
Computer equipment	-	33% straight line

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 incorporating Income and Expenditure Account.

1.6 Debtors

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

1.7 Cash at Bank and in hand

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

1.8 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

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

1. Accounting Policies (continued)

1.9 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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 academy'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 costs as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.10 Taxation

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

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

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

1. Accounting Policies (continued)

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

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

1.12 Fund accounting

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

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

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

1.13 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

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

2. Income from donations and capital grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	14,551	-	-	14,551	11,881
Grants	-	-	-	-	10,000
	<u>14,551</u>	<u>-</u>	<u>-</u>	<u>14,551</u>	<u>21,881</u>
<i>Total 2017</i>	<u>11,881</u>	<u>-</u>	<u>10,000</u>	<u>21,881</u>	

3. Other trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Catering income	21,237	-	21,237	20,236
Trip income	18,315	-	18,315	15,294
Hire of facilities	3,456	-	3,456	2,542
Other income self generated	32,750	-	32,750	47,467
	<u>75,758</u>	<u>-</u>	<u>75,758</u>	<u>85,539</u>
<i>Total 2017</i>	<u>85,539</u>	<u>-</u>	<u>85,539</u>	

4. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	180	-	180	234
	<u>180</u>	<u>-</u>	<u>180</u>	
<i>Total 2017</i>	<u>234</u>	<u>-</u>	<u>234</u>	

PEAR TREE MEAD ACADEMY
(A Company Limited by Guarantee)

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

5. Funding for Academy's educational operations

	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants			
General annual grant (GAG)	1,440,065	1,440,065	1,436,745
Capital grants	(3,606)	(3,606)	8,796
Other DfE/ESFA grants	314,698	314,698	230,287
	<u>1,751,157</u>	<u>1,751,157</u>	<u>1,675,828</u>
Other government grants			
Local Authority grants	289,626	289,626	552,997
	<u>289,626</u>	<u>289,626</u>	<u>552,997</u>
	<u>2,040,783</u>	<u>2,040,783</u>	<u>2,228,825</u>
<i>Total 2017</i>	<u>2,228,825</u>	<u>2,228,825</u>	

6. Expenditure

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income					
Direct costs	-	-	20,883	20,883	13,717
Support costs	-	-	-	-	-
Educational operations:					
Direct costs	1,275,601	44,979	64,533	1,385,113	1,210,454
Support costs	402,025	256,432	274,744	933,201	825,868
	<u>1,677,626</u>	<u>301,411</u>	<u>360,160</u>	<u>2,339,197</u>	<u>2,050,039</u>
<i>Total 2017</i>	<u>1,461,591</u>	<u>247,402</u>	<u>341,046</u>	<u>2,050,039</u>	

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FOR THE YEAR ENDED 31 AUGUST 2018**

7. Charitable activities

	Total funds 2018 £	<i>Total funds 2017 £</i>
Direct costs - educational operations		
Wages and salaries	1,080,099	945,662
National insurance	84,510	72,056
Pension cost	99,382	98,902
Depreciation	44,979	30,098
Educational supplies	10,756	6,263
Technology costs	19,525	19,918
Staff development	13,610	16,804
Education support staff costs	11,620	1,310
Other direct costs	1,018	521
Educational consultancy	19,614	18,920
	<u>1,385,113</u>	<u>1,210,454</u>
Support costs - educational operations		
Wages and salaries	193,217	172,368
National insurance	10,808	9,294
Pension cost	198,000	162,000
Depreciation	106,889	95,681
Pension finance expense	30,000	25,000
Technology costs	22,268	17,290
Catering costs	79,795	78,750
Maintenance of premises and equipment	109,420	89,087
Cleaning costs	12,309	10,857
Energy costs	26,289	36,580
Transport costs	826	1,114
Rates	40,123	32,670
Other costs	15,500	17,754
Legal and professional fees	27,413	28,893
Insurances	30,135	31,092
Recruitment and support	3,809	3,662
Printing and photocopying	14,965	2,388
Governance Costs	11,435	11,388
	<u>933,201</u>	<u>825,868</u>
	<u><u>2,318,314</u></u>	<u><u>2,036,322</u></u>

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FOR THE YEAR ENDED 31 AUGUST 2018

8. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	151,868	125,778
Auditors' remuneration - audit	7,375	7,775
Auditors' remuneration - other services	3,400	3,613
Operating lease rentals	18,923	19,174

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FOR THE YEAR ENDED 31 AUGUST 2018

9. Staff costs

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,273,316	1,118,030
Social security costs	95,318	81,349
Operating costs of defined benefit pension schemes	297,382	260,902
	<u>1,666,016</u>	<u>1,460,281</u>
Supply teacher costs	11,610	1,310
	<u>1,677,626</u>	<u>1,461,591</u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	17	17
Admin and Support Staff	65	64
Management	5	4
	<u>87</u>	<u>85</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	1

d. Key management personnel

The key management personnel of the academy trust comprise of the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by the key management personnel for their services to the academy trust was £214,025 (2017: £207,814).

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NOTES TO THE FINANCIAL STATEMENTS
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10. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018 £	2017 £
Mrs C Peden (Headteacher and trustee)	Remuneration	65,000-70,000	60,000-65,000
	Pension contributions paid	10,000-15,000	5,000-10,000
Mr C Hawkins (Staff trustee)	Remuneration	20,000-25,000	20,000-25,000
	Pension contributions paid	0-5,000	0-5,000
Mrs J Haigh (Inclusion Manager and trustee, resigned 18 July 2018)	Remuneration	35,000-40,000	40,000-45,000
	Pension contributions paid	5,000-10,000	0-5,000

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year ended 31 August 2018, expenses totalling £814 (2017: £726) were reimbursed to 3 (2017: 1) trustees.

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.

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FOR THE YEAR ENDED 31 AUGUST 2018**

12. Tangible fixed assets

	Long term leasehold property £	Furniture and fixtures £	Plant and equipment £	Total £
Cost				
At 1 September 2017	8,125,758	95,107	53,381	8,274,246
Additions	-	124,066	8,141	132,207
Disposals	(2,303)	-	-	(2,303)
At 31 August 2018	8,123,455	219,173	61,522	8,404,150
Depreciation				
At 1 September 2017	222,618	22,359	25,061	270,038
Charge for the year	106,889	24,900	20,079	151,868
At 31 August 2018	329,507	47,259	45,140	421,906
Net book value				
At 31 August 2018	7,793,948	171,914	16,382	7,982,244
At 31 August 2017	7,903,140	72,748	28,320	8,004,208

Included in land and buildings is leasehold land at valuation of £3,397,000 (2017: £3,397,000) which is not depreciated.

13. Debtors

	2018 £	2017 £
Trade debtors	23	-
VAT recoverable	23,693	26,036
Prepayments and accrued income	29,643	48,656
	53,359	74,692

14. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	13,300	305
Other taxation and social security	25,245	19,849
Other creditors	24,224	21,029
Accruals and deferred income	102,503	158,781
	165,272	199,964

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14. Creditors: Amounts falling due within one year (continued)

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	52,479	27,363
Resources deferred during the year	44,569	52,479
Amounts released from previous years	(52,479)	(27,363)
Deferred income at 31 August 2018	<u>44,569</u>	<u>52,479</u>

At the balance sheet date the academy trust was holding funds received in advance for UIFSM and LEA nursery funding.

15. Statement of funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds - all funds	88,313	90,489	(20,883)	(135,813)	-	22,106
Restricted funds						
General Annual Grant (GAG)	129,088	1,440,065	(1,427,825)	-	-	141,328
Pupil Premium	26,620	163,978	(162,275)	-	-	28,323
Other DfE/ESFA grants	-	150,719	(150,719)	-	-	-
Local authority	-	289,627	(289,627)	-	-	-
Pension reserve	(1,190,000)	-	(136,000)	-	216,000	(1,110,000)
	<u>(1,034,292)</u>	<u>2,044,389</u>	<u>(2,166,446)</u>	<u>-</u>	<u>216,000</u>	<u>(940,349)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Statement of funds (continued)

Restricted fixed asset funds

Assets donated on conversion	5,722,427	-	(151,868)	135,813	-	5,706,372
Capital expenditure from GAG	255,218	-	-	-	-	255,218
DfE/ESFA capital grants	332,127	(3,606)	-	-	-	328,521
Local authority capital grants	1,611,677	-	-	-	-	1,611,677
	<u>7,921,449</u>	<u>(3,606)</u>	<u>(151,868)</u>	<u>135,813</u>	<u>-</u>	<u>7,901,788</u>
Total restricted funds	<u>6,887,157</u>	<u>2,040,783</u>	<u>(2,318,314)</u>	<u>135,813</u>	<u>216,000</u>	<u>6,961,439</u>
Total of funds	<u>6,975,470</u>	<u>2,131,272</u>	<u>(2,339,197)</u>	<u>-</u>	<u>216,000</u>	<u>6,983,545</u>

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

General Annual Grant (GAG) grant fund - Funds received from the ESFA under the General Annual Grant arrangements for the recurrent expenditure of the school as defined in the Funding Agreement.

Pupil premium - Funds received from the ESFA under the Pupil Premium grant arrangements for the recurrent expenditure of the school as defined in the Funding Agreement.

Other DfE/ ESFA grants - Other government grants received for restricted educational purposes not forming part of General Annual Grant.

Local authority grants - Grants received from the local authority received for restricted educational purposes.

Pension reserve - The pension reserve recognises the deficit of the local government pension scheme.

Restricted Fixed Asset Fund - The purpose of the Restricted Fixed Asset Fund is to hold the Academy's fixed assets recorded net or depreciation.

Statement of funds - prior year

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Funds - all funds	4,376	97,654	(13,717)	-	-	88,313

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15. Statement of funds (continued)

Restricted funds

General Annual Grant (GAG)	53,690	1,445,639	(1,370,241)	-	-	129,088
Pupil Premium	27,500	162,800	(163,680)	-	-	26,620
Other DfE/ESFA grants	-	58,593	(58,593)	-	-	-
Local authority	771	202,259	(203,030)	-	-	-
Pension reserve	(1,186,000)	-	(115,000)	-	111,000	(1,190,000)
	<u>(1,104,039)</u>	<u>1,869,291</u>	<u>(1,910,544)</u>	<u>-</u>	<u>111,000</u>	<u>(1,034,292)</u>

Restricted fixed asset funds

Assets donated on conversion	5,772,040	-	(49,613)	-	-	5,722,427
Capital expenditure from GAG	271,265	-	(16,047)	-	-	255,218
DfE/ESFA capital grants	344,488	8,796	(21,157)	-	-	332,127
Local authority capital grants	1,289,900	350,738	(28,961)	-	-	1,611,677
Lottery fund	-	10,000	(10,000)	-	-	-
	<u>7,677,693</u>	<u>369,534</u>	<u>(125,778)</u>	<u>-</u>	<u>-</u>	<u>7,921,449</u>
Total restricted funds	<u>6,573,654</u>	<u>2,238,825</u>	<u>(2,036,322)</u>	<u>-</u>	<u>111,000</u>	<u>6,887,157</u>
Total of funds	<u>6,578,030</u>	<u>2,336,479</u>	<u>(2,050,039)</u>	<u>-</u>	<u>111,000</u>	<u>6,975,470</u>

16. Analysis of net assets between funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	7,982,244	7,982,244
Current assets	106,921	169,651	-	276,572
Creditors due within one year	(84,815)	-	(80,456)	(165,271)
Provisions for liabilities and charges	-	(1,110,000)	-	(1,110,000)
	<u>22,106</u>	<u>(940,349)</u>	<u>7,901,788</u>	<u>6,983,545</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	2017	2017	2017	2017
	£	£	£	£
Tangible fixed assets	6,436	-	7,997,770	8,004,206
Current assets	82,833	278,393	-	361,226
Creditors due within one year	(956)	(122,685)	(76,321)	(199,962)
Provisions for liabilities and charges	-	(1,190,000)	-	(1,190,000)
	<u>88,313</u>	<u>(1,034,292)</u>	<u>7,921,449</u>	<u>6,975,470</u>

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(207,925)	286,440
Adjustment for:		
Depreciation charges	151,868	125,777
Dividends, interest and rents from investments	(180)	(234)
Decrease in debtors	21,334	90,376
Decrease in creditors	(34,692)	(47,093)
Capital grants from DfE and other capital income	3,606	(363,906)
Defined benefit pension scheme cost less contributions payable	106,000	90,000
Defined benefit pension scheme finance cost	30,000	25,000
Net cash provided by operating activities	<u>70,011</u>	<u>206,360</u>

18. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	223,214	286,534
Total	<u>223,214</u>	<u>286,534</u>

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NOTES TO THE FINANCIAL STATEMENTS
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19. Pension commitments

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

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

Contributions amounting to £23,775 were payable to the schemes at 31 August 2018 (2017 - 20,971) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £99,383 (2017 - £98,902).

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19. Pension commitments (continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £119,000 (2017 - £95,000), of which employer's contributions totalled £92,000 (2017 - £72,000) and employees' contributions totalled £27,000 (2017 - £23,000). The agreed contribution rates for future years are 12% for employers and 5.5-7.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
RPI increases	3.30 %	3.60 %

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

	2018	2017
Retiring today		
Males	22.3	22.2
Females	24.8	24.7
Retiring in 20 years		
Males	24.5	24.3
Females	27.1	27.0

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate +0.1%	1,615,000	1,550,000
Discount rate -0.1%	1,698,000	1,629,000
Mortality assumption - 1 year increase	1,709,000	1,640,000
Mortality assumption - 1 year decrease	1,605,000	1,540,000

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19. Pension commitments (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	347,000	260,000
Gilts	29,000	25,000
Corporate bonds	32,000	16,000
Property	49,000	39,000
Cash and other liquid assets	19,000	12,000
Alternative assets	49,000	30,000
Other managed funds	21,000	17,000
Total market value of assets	<u>546,000</u>	<u>399,000</u>

The actual return on scheme assets was £29,000 (2017 - £39,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018 £	2017 £
Current service cost	(198,000)	(162,000)
Interest income	12,000	6,000
Interest cost	(42,000)	(31,000)
Total	<u>(228,000)</u>	<u>(187,000)</u>
Actual return on scheme assets	<u>29,000</u>	<u>39,000</u>

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

	2018 £	2017 £
Opening defined benefit obligation	1,589,000	1,410,000
Current service cost	198,000	162,000
Interest cost	42,000	31,000
Employee contributions	27,000	23,000
Change in financial/demographic assumptions & actuarial (gains)/losses	(199,000)	(35,000)
Benefits paid	(1,000)	(2,000)
Closing defined benefit obligation	<u>1,656,000</u>	<u>1,589,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Pension commitments (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	399,000	224,000
Interest income	12,000	6,000
Return on assets less interest & other actuarial gains	17,000	76,000
Employer contributions	92,000	72,000
Employee contributions	27,000	23,000
Benefits paid	(1,000)	(2,000)
	<u>546,000</u>	<u>399,000</u>
Closing fair value of scheme assets	<u>546,000</u>	<u>399,000</u>

20. Operating lease commitments

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	17,212	18,045
Between 1 and 5 years	14,944	9,301
Total	<u>32,156</u>	<u>27,346</u>

21. 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.

22. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.