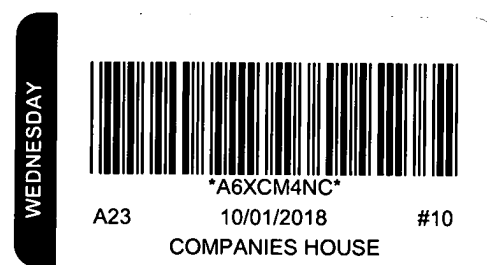


PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017



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

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PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members	S Double (resigned 8 September 2016) A Phillips P Sadler (resigned 3 March 2017) K Simkins I Taylor M Cooper
Trustees	D M J Parker, Chief Executive (resigned 31 August 2017) J K Barnard ¹ M Cooper, Chair K A Johns (resigned 3 October 2016) ¹ E M Knowles (resigned 31 August 2017) ¹ S Netherton ¹ K M Pearce, Vice Chair ¹ C D Price (resigned 10 October 2017) ¹ M Rudge (resigned 1 February 2017) J L Seyler R Van De Velde ¹ Audit Committee
Company registered number	07565242
Company name	Peninsula Learning Trust
Principal and registered office	Unit 18 St Austell Business Park Treverbyn Road St Austell Cornwall PL25 4FD
Company secretary	G Groves
Accounting officer	P F Towe (Interim)
Senior management team	D M J Parker, Chief Executive Officer (resigned 31 August 2017) R Baker, Principal (Penrice), Accounting Officer (from 1 September 2016 to 31 January 2017) P F Towe, Executive headteacher (St Mewan and Luxulyan), Interim CEO and Accounting Officer (appointed 21 July 2017) S Pollard, Headteacher (Carclaze) C N Bunting, Headteacher (Mount Charles) C Wathern, Headteacher (Fowey resigned 31 Aug 2017) K Sicolo, Headteacher (Fowey appointed 1 Sept 2017) S Gynn, Headteacher (Mevagissey) N Simmonds, Headteacher (Lostwithiel) C Bennett, Chief Estates and Facilities Officer B Bull, Chief Information Officer E Willcocks, Chief Financial Officer (resigned 31 August 2017) A McNamara, Accounting Officer (from 1 February 2017 to 20 July 2017)

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

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

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

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017**

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2017. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The trust operates seven primary academies and one secondary academy in the St Austell Bay area of Cornwall. Its academies have a combined pupil capacity of 3,210 and had a roll of 3,256 in the school census carried out on 6 October 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the trust.

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

Details of the trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

Members' Liability

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

Trustees' Indemnities

In accordance with normal commercial practice the trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business. The insurance provides cover up to £5 million on any one claim.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

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

Policies and Procedures Adopted for the Induction and Training of Trustees

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

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

Organisational Structure

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

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

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

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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

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

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

The CEO is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

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

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

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

Connected Organisations, including Related Party Relationships

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

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

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Objectives, Strategies and Activities

Key priorities for the 2017/18 year are to improve the experience and attainment at each academy. Improvement focuses identified for this year include:

Securing academy improvement – Uniformly Green and Uniformly Good

The trust's overarching priority is to secure the necessary improvements in the performance of all our academies so that every academy can demonstrate it is continually improving and that, by September 2018, the minimum standard being achieved is that:

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

This will be achieved by implementing the following goals:

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

Running the business effectively to support school improvement

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

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

Recruitment, retention, deployment and development of staff

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

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

Efficient deployment of our collective resources

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

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Governance, leadership and management

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

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

Shaping the future

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

- embedding a culture of continuous improvement that leads to all the trust's pupils gaining an excellent education, all the trust academies being judged outstanding and all aspects of the trust's business being exemplary;
- establishing strong links with partner organisations, including neighbouring trusts, the local authority and the Regional Schools Commissioner, to help create a collaborative infrastructure that serves the needs of local pupils, families and communities.

Public Benefit

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

STRATEGIC REPORT

Achievements and Performance

The trust is in its third year of operation. The total number of pupils at 31 August 2016 was 3,221 and this has increased to 3,256 in September 2017.

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

Achievements at Specific Schools

- Carclaze CP School received a Primary Science Mark Award – Silver level, and Ruth Riskin Read Write Inc. (RWI) badge school status.
- Fowey Primary School improved attainment in Early Years Foundation Stage (EYFS), Key Stage 1 (KS1) and Key Stage 2 (KS2) to ensure results above national attainment in all areas. Averaged across the school, Pupil Premium children made more than the benchmark 6 points progress in reading, writing and maths, making more progress than their non-Pupil Premium peers in writing and in maths. Fowey Primary School also achieved Ruth Miskin RWI badge status and saw its phonics screening results increase to 93% pass.
- Luxulyan School pupils achieved above national outcomes in (EYFS), Year 1 phonics and Year 2 Tests. For the first time, the Academy participated in the St Austell Festival of Speech and Music, achieving a third place in the Choral Speech category.
- Lostwithiel CP School successfully completed a large scales building project that included the construction

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

- of two new classrooms for our youngest pupils and the refurbishment of an old resources space that is now a beautiful new classroom. The percentage of pupils reaching good level of development in EYFS and phonics are all well above the national average as are the percentage of pupils reaching the expected standard in reading, writing and maths in KS1.
- Mevagissey CP School have achieved Ruth Miskin RWI badge status for the second year running and UNICEF UK Rights Respecting Schools Award. They reached the final of the Cornwall Schools Football A 'Tony Broad Shield'. The percentage of children in Year 6 achieving expected standard for reading, writing and maths combined increased from 44% to 64%.
 - St Mewan CP School pupils achieved outcomes well above national averages in all phases including Year 6. The pupils continued to excel in a wide range of curriculum activities, achieving great success at the St Austell Festival of Speech and Music as well as at county level.
 - Penrice recorded its best ever GCSE results in June 2017 with 74% of students attaining 4+ including English and Maths (4+EM) and 51% attaining 5+EM (June 2016: 73% of students achieving A*-C).
 - Mount Charles have achieved Ruth Miskin RWI badge status.

Growing the Trust

The trust has remained the same size throughout this year focusing on consolidating the current structure and embedding the centralisation of the business support team.

The trust sees an additional secondary Academy as a priority for future growth.

Professional Support Services

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

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

Secondary - Penrice Academy	Penrice	National
Number of students at the end of KS4 2017	266	
Attainment 8	5.0	4.5
% Maths and English 4+	74%	62%
Progress 8	+0.13	0
EBacc 4+	18%	22%

The table above shows results for the Penrice Academy. The headline reporting has changed this year with the introduction of the new 9 -1 GCSE system. The results are compared to National results for comparison.

Results for attainment and Maths and English level 4+ are significantly above the national average and results for progress are in line with national averages.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Primary

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

	EYFSP	Y1	KS1	KS1	KS1	KS2	KS2	KS2	KS2
	% GLD	Phonics	Reading	Writing	Maths	RWM	Reading	Writing	Maths
National	71%	81%	76%	68%	75%	61%	71%	76%	75%
Carclaze	67%	88%	74%	74%	67%	45%	54%	71%	66%
Fowey	79%	93%	83%	78%	83%	76%	80%	80%	84%
Lostwithiel	79%	88%	94%	83%	89%	58%	79%	70%	64%
Luxulyan	79%	88%	83%	83%	83%	22%	44%	56%	44%
Mevagissey	71%	95%	82%	76%	94%	64%	64%	86%	86%
Mount Charles	59%	90%	70%	65%	73%	41%	67%	75%	52%
Se Mewan	76%	92%	86%	74%	79%	85%	90%	92%	89%
PLT Average	70%	91%	79%	74%	77%	58%	72%	78%	70%

Averaged across all academies, attainment in 2017 is typically in line with or above national results. Y1 Phonics results are particularly strong, and are above national in all seven academies. Headline KS2 reading, writing and maths results are above national in three academies.

Attainment for all children in 2017 is above national for all statutory assessments at Fowey and St Mewan, but below national at Carclaze and Mount Charles. KS2 Progress scores are above national for all three subjects at Mevagissey and St Mewan.

Averaged across all academies, attainment increased across all statutory assessments in 2017, and typically by more than the equivalent national results.

Averaged across all academies, attainment for Pupil Premium (disadvantaged) children is typically below national results for similar children. Carclaze and Mount Charles have the highest proportion of disadvantaged children in the trust.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention - the restriction has been removed in the year.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2017 were 3,256, an increase of 35 over 2016. It is anticipated that this number will continue to rise.

Going Concern

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

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

FINANCIAL REVIEW

Financial Review

The trust's accounting period is the year to 31 August 2017.

Most of the trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2017 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

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

During the year ended 31 August 2017, the trust received total income of £17,267,856 and incurred total expenditure of £17,312,550. The deficit of income over expenditure for the year was £44,694, excluding assets transferred on conversion.

At 31 August 2017 the net book value of fixed assets was £31,126,937 and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the trust.

The trust has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 25 to the financial statements.

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 take into consideration the future plans of the academy, the uncertainty over future income streams and other key risks identified during the risk review.

The trustees have determined that the appropriate level of free reserves should be 10% of annual GAG: £1,353,957. This is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

Total reserves of the trust amount to £31,134,441. Some £32,063,179 represents fixed assets or represents non GAG restricted funds. An additional deficit reserve of £3,562,000 is held in respect of the Local Government Pension Scheme. The remaining £2,633,262 is the balance that the trustees monitor in accordance with the board's reserves policy.

The amount currently held in the reserve is higher than 10% of GAG. This is to provide funds for future capital expenditure as the trust is now unable to apply for CIF bids due to its size. Specifically, a new science block is planned for Penrice over the next two academic years. The trust's reserves policy was reviewed throughout the year and revised.

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

Investment Policy

All funds surplus to immediate requirements are invested to optimal effect. On a daily basis this is achieved by automatic transfer of surplus funds a deposit account.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Principal Risks And Uncertainties

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

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

- Failing to improve or maintain standards of teaching and learning, specifically in the areas of:
 - KS1 outcomes: In 16/17 academic year, outcomes aggregated across all 7 PLT primary academies, were above national averages in all areas. There were particular strengths in Y1 phonics which was 10% above national and writing which was 6% above.
 - KS2 maths: Maths continues to be a focus area for the trust. Aggregated results for the 7 Primary schools were 5% below the national figure.
 - KS2 attainment: Attainment at the end of KS2, with the exception of maths, was generally in line with national figures, being slightly above in reading and writing. Progress measures in 5 of the 7 Primary academies were below national figures and improving this aspect is a key focus in 17-18.
 - KS4 progress
 - KS4 disadvantaged students (in receipt of Pupil Premium, Service Premium or in care)
 - KS4 for the more able
 - KS4 English
 - KS4 Science
- Failure to put in place appropriate safeguarding arrangements which leads to risk to the welfare or care of a pupil.
- The future sustainability of the trust, which includes:
 - the uncertainty over future funding and balancing the trust's budget while maintaining the quality of provision;
 - additional schools not joining the trust and falling rolls as a result of competition; and
 - ensuring sufficient leadership capacity to support schools requiring improvement

PLANS FOR FUTURE PERIODS

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

The main areas of focus for 2017/18 are:

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

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

The trust guarantees that an interview will be offered to all disabled applicants meeting the minimum criteria defined for the advertised roles. Consistency and fairness is a key factor in building and maintaining effective employee relations across the trust. It is therefore essential for the trust to provide a mechanism for staff to feedback/comment/raise issues. A working group was brought together in 2015/16 to represent staff in each school within the trust. The working group consisted of the CEO, elected staff governors, representing teaching and support staff, and an HR Advisor.

TRUSTEES' INDEMNITIES

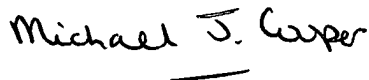
No third party indemnity provisions have been made during the year.

AUDITORS

In so far as the Trustees are aware:

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

Trustees' Report, incorporating a strategic report, approved by order of the board of trustees, as company directors, on 14 December 2017 and signed on the board's behalf by:



**M Cooper
Chair of Trustees**

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

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 8 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
D M J Parker, Chief Executive	0	0
J K Barnard	3	8
M Cooper, Chair	8	8
K A Johns	0	1
E M Knowles	7	8
S Netherton	8	8
K M Pearce, Vice Chair	8	8
C D Price	8	8
M Rudge	1	4
J L Seyler	4	8
R Van De Velde	8	8

The finance and operations committee was a committee of the main board of trustees. The committee was disbanded throughout the 2016/17 financial year as it was found that matters covered by this committee were later discussed in full board meetings. The committee responsibilities included:

- strategic overview of financial management including approving budgets, procurement and contracts, budget monitoring and capital planning;
- employment, pay and staff wellbeing;
- health and safety and premises; and
- information technology.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
David Parker	0	0
Kevin Pearce	1	1
Mark Rudge	1	1
Julie Seyler	1	1
Ramon Van de Velde	0	1

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

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

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT (continued)

- to appoint, receive reports and recommendations from internal audit and to agree the internal audit annual plan; and
- to appoint, receive reports and recommendations from external audit and to oversee the external audit annual plan.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Jeremy Barnard	1	3
Kevin Pearce	3	3
Kevin Johns	0	0
Emma Knowles	3	3
Shaun Netherton	0	0
Chris Price	2	3

Following a review of the boards strengths, the composition of the board changed in the year with an emphasis on ensuring the skill set of trustees offered a robust and fully skilled board able to support and challenge the senior management team within the trust. Additionally, a decision was made to reduce the number of trustees serving on Local Governing Boards within specific schools.

The following resignations were received throughout the year:

D M J Parker, (resigned 31/08/2017)
K A Johns (resigned 03/10/2016)
E M Knowles (resigned 31/08/2017)
M Rudge (resigned 01/02/2017)

The Board faced particular challenge this year following periods of absence in the key leadership posts of Chief Executive Officer and Chief Financial Officer. Both were absent for a number of months and the board made temporary appointments to cover the periods of absence, thus mitigating risk to the trust and ensuring a consistent approach to leadership and management in their absence. An extensive review of the central resource was undertaken together with the development of a revised Development Plan for the trust.

The number of board meetings per year have been increased to eight and agendas for the board, the executive leadership team and the LGB chairs have been aligned so the whole organization is focused on common goals at the same point in time. Communication between the various tiers of governance has also been improved including joint training sessions.

The board received financial data in the form of budget forecasts, prepared by a qualified accountant and reviewed in monthly meetings with the trustee for financial responsibility, also a qualified accountant.

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

REVIEW OF VALUE FOR MONEY

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

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

- procuring a number of new cross academy contracts which have improved the quality of service and returned savings, these include health and safety, compliance, payroll, catering and cleaning;
- centralising business support services which has generated savings as well as improving the quality and

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

GOVERNANCE STATEMENT (continued)

- effectiveness of the back office support areas; and
- using benchmarking data and financial analysis to focus on areas of high spend across the Trust and identifying target review areas for the next academic year.

During the period covered by the financial statements, a contract for catering at three of the schools within the trust came up for renewal. A tendering company, The Litmus Partnership, were used to run the tendering process. Four tenders were received and each company was invited to give a presentation to a panel from the trust where they outlined their offering detailing both the quality of the service as well as the expected return. The contract was awarded on the basis of the food they offered, student interaction, healthy eating options and the financial benefits.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Peninsula Learning Trust for the year 1 September 2016 to 31 August 2017 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 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 trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 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 trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the board of trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

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

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

The findings were reported to the audit committee and recommendations tracked. In particular the checks carried out in the current period included:

- Testing the control environment in respect of financial management including:
 - follow up of previous audit recommendations;
 - effective operation of payroll;
 - review of the scheme of delegation;

**PENINSULA LEARNING TRUST
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GOVERNANCE STATEMENT (continued)

- review cash handling systems;
- review voluntary funds;
- test income and expenditure;
- reviewing budget setting and budget monitoring arrangements; and
- reviewing regularity and propriety of spend.

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

- Review of the effectiveness of risk management arrangements at the trust and its academies including:
 - risk management framework;
 - risks and business objectives;
 - reporting mechanism; and
 - management activities relating to risk.
- Review of the quality of data with regards to key funding returns:
 - oversight over data submitted to ESFA;
 - compliance with funding criteria; and
 - data management processes.

The internal 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.

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

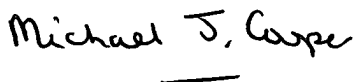
REVIEW OF EFFECTIVENESS

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

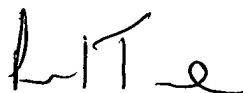
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 14 December 2017 and signed on their behalf, by:



M Cooper
Chair of Trustees



P F Towe
Acting Accounting Officer

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

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Peninsula Learning Trust I have considered my responsibility to notify the trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the 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 2016.

I confirm that I and the trust board of trustees are able to identify any material irregular or improper use of funds by the trust, or material non-compliance with the terms and conditions of funding under the trust's funding agreement and the Academies Financial Handbook 2016.

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



P F Towe
Acting Accounting Officer

Date: 14 December 2017

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017**

The trustees (who act as governors of Peninsula Learning Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and 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:

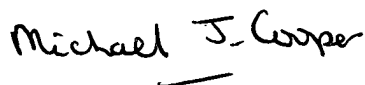
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



**M Cooper
Chair of Trustees**

Date: 14 December 2017

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

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

OPINION

We have audited the financial statements of Peninsula Learning Trust for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the trust's members those 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 trust and its members 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 trust's affairs as at 31 August 2017 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 2016 to 2017 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 trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report, other than the financial statements and our 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

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

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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 trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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.



Pamela Tuckett FCA DChA (Senior Statutory Auditor)
for and on behalf of

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

Date: 19-14-2017

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

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

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

This report is made solely to Peninsula Learning Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Peninsula Learning Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Peninsula Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of Peninsula Learning Trust's funding agreement with the Secretary of State for Education dated 31 March 2011, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Pamela Tuckett FCA DChA (Reporting Accountant)

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

Date: 19-12-2017

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations & capital grants:						
Transfers on conversion	2	-	-	-	-	8,934,373
Other donations and capital grants	2	94,513	30,361	1,140,584	1,265,458	1,152,842
Charitable activities	3	1,055,609	14,903,250	-	15,958,859	14,206,821
Other trading activities	4	34,866	-	-	34,866	63,217
Investments	5	8,673	-	-	8,673	15,880
TOTAL INCOME		1,193,661	14,933,611	1,140,584	17,267,856	24,373,133
EXPENDITURE ON:						
Raising funds		-	-	-	-	1,618
Charitable activities		993,967	15,498,270	820,313	17,312,550	14,976,295
TOTAL EXPENDITURE	8	993,967	15,498,270	820,313	17,312,550	14,977,913
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		199,694	(564,659)	320,271	(44,694)	9,395,220
Transfers between Funds	20	8,056	(83,960)	75,904	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		207,750	(648,619)	396,175	(44,694)	9,395,220
Actuarial gains/(losses) on defined benefit pension schemes	25	-	2,294,000	-	2,294,000	(2,513,000)
NET MOVEMENT IN FUNDS		207,750	1,645,381	396,175	2,249,306	6,882,220
RECONCILIATION OF FUNDS:						
Total funds brought forward		2,336,364	(5,118,233)	31,667,004	28,885,135	22,002,915
TOTAL FUNDS CARRIED FORWARD		2,544,114	(3,472,852)	32,063,179	31,134,441	28,885,135

The notes on pages 26 to 50 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	15		31,126,937		30,728,353
CURRENT ASSETS					
Debtors	16	510,549		1,166,086	
Cash at bank and in hand		4,337,501		3,391,647	
		<u>4,848,050</u>		<u>4,557,733</u>	
CREDITORS: amounts falling due within one year	17	<u>(1,276,965)</u>		<u>(964,914)</u>	
NET CURRENT ASSETS			<u>3,571,085</u>		<u>3,592,819</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>34,698,022</u>		<u>34,321,172</u>
CREDITORS: amounts falling due after more than one year	18		<u>(1,581)</u>		<u>(19,037)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>34,696,441</u>		<u>34,302,135</u>
Defined benefit pension scheme liability	25		<u>(3,562,000)</u>		<u>(5,417,000)</u>
NET ASSETS			<u><u>31,134,441</u></u>		<u><u>28,885,135</u></u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
Restricted income funds	20	89,148		298,767	
Fixed asset funds	20	32,063,179		31,667,004	
Restricted funds excluding pension liability		<u>32,152,327</u>		<u>31,965,771</u>	
Pension reserve		<u>(3,562,000)</u>		<u>(5,417,000)</u>	
Total restricted funds			<u>28,590,327</u>		<u>26,548,771</u>
Unrestricted funds	20		<u>2,544,114</u>		<u>2,336,364</u>
TOTAL FUNDS			<u><u>31,134,441</u></u>		<u><u>28,885,135</u></u>

The financial statements on pages 23 to 50 were approved by the trustees, and authorised for issue, on 14 December 2017 and are signed on their behalf, by:

Michael J. Cooper

M Cooper
Chair of Trustees

The notes on pages 26 to 50 form part of these financial statements.

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	22	1,204,689	362,129
Cash flows from investing activities:			
Proceeds from the sale of tangible fixed assets		-	51,933
Purchase of tangible fixed assets		(1,218,897)	(570,366)
Capital grants from DfE/ESFA		951,389	963,682
Cash funds transferred on conversion		-	175,917
Net cash (used in)/provided by investing activities		(267,508)	621,166
Interest		8,673	15,880
Net cash provided by financing activities		8,673	15,880
Change in cash and cash equivalents in the year		945,854	999,175
Cash and cash equivalents brought forward		3,391,647	2,392,472
Cash and cash equivalents carried forward		4,337,501	3,391,647

The notes on pages 26 to 50 form part of these financial statements.

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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 trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 FUND ACCOUNTING

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

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

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

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

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

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

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

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

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

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

1.4 EXPENDITURE

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

Expenditure on raising funds includes all expenditure incurred by the trust 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 trust's educational operations, including support costs and those costs relating to the governance of the trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

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NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.5 GOING CONCERN

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

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

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

Long-term leasehold property	-	Land over term of lease and property 2% straight line
Motor vehicles	-	20% straight line
Fixtures and fittings	-	25% 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.

1.7 OPERATING LEASES

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

1.8 DEBTORS

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

1.9 CASH AT BANK AND IN HAND

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

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NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.10 LIABILITIES AND PROVISIONS

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

1.11 FINANCIAL INSTRUMENTS

The trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the 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 16. Prepayments are not financial instruments. Amounts due to the trust'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 notes 17 and 18. 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 trust's wholly owned subsidiary are held at face value less any impairment.

1.12 TAXATION

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

1.13 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, 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.

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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 and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.14 AGENCY ARRANGEMENTS

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

1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

The 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 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Transfers on conversion	-	-	-	-	8,934,373
Donations	94,513	30,361	-	124,874	189,160
Capital Grants	-	-	1,140,584	1,140,584	963,682
Subtotal	94,513	30,361	1,140,584	1,265,458	1,152,842
	94,513	30,361	1,140,584	1,265,458	10,087,215
<i>Total 2016</i>	842,342	(521,426)	9,766,299	10,087,215	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Education	968,976	14,902,040	15,871,016	14,121,952
Nursery	86,633	1,210	87,843	84,869
	1,055,609	14,903,250	15,958,859	14,206,821
<i>Total 2016</i>	722,687	13,484,134	14,206,821	

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FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant	-	13,539,570	13,539,570	12,051,860
Pupil Premium	-	761,704	761,704	664,250
Other DfE/ESFA grants	-	347,738	347,738	322,980
Start up grants	-	-	-	25,000
	-	14,649,012	14,649,012	13,064,090
Other Government grants				
High Needs	-	144,364	144,364	81,614
Other Local Authority grants	-	81,014	81,014	30,903
BIG Lottery	-	7,650	7,650	-
	-	233,028	233,028	112,517
Other funding				
Catering	60,078	-	60,078	158,922
SCITT income	389,250	-	389,250	408,080
Other income	519,648	20,000	539,648	378,343
	968,976	20,000	988,976	945,345
	968,976	14,902,040	15,871,016	14,121,952
Total 2016	637,818	13,484,134	14,121,952	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings	34,022	-	34,022	40,569
Other	844	-	844	22,648
	34,866	-	34,866	63,217
Total 2016	47,581	15,636	63,217	

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NOTES TO THE FINANCIAL STATEMENTS
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5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	8,673	-	8,673	15,880
<i>Total 2016</i>	15,880	-	15,880	

6. DIRECT COSTS

	Education £	Nursery £	Total 2017 £	Total 2016 £
Pension costs	83,000	-	83,000	57,000
Curriculum resources	482,169	1,636	483,805	597,274
Exam fees	120,764	-	120,764	123,557
Staff development	93,685	-	93,685	64,953
Other costs	455,378	59	455,437	263,468
Supply teachers	275,334	-	275,334	117,928
Technology costs	259,402	-	259,402	165,039
Wages and salaries	8,634,655	40,078	8,674,733	7,684,505
National insurance	755,854	1,668	757,522	559,056
Pension cost	1,860,119	7,550	1,867,669	1,479,722
Depreciation	716,940	-	716,940	588,027
	13,737,300	50,991	13,788,291	11,700,529
<i>Total 2016</i>	11,641,174	59,355	11,700,529	

PENINSULA LEARNING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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7. SUPPORT COSTS

	Education £	Nursery £	Total 2017 £	Total 2016 £
Pension costs	29,000	-	29,000	36,000
Teaching school support costs	98,278	-	98,278	120,677
Recruitment and support	41,467	-	41,467	72,548
Maintenance of premises and equipment	399,806	1,973	401,779	299,250
Cleaning	289,225	1,479	290,704	223,145
Rent and rates	137,795	705	138,500	117,435
Energy costs	189,903	971	190,874	160,244
Insurance	83,047	425	83,472	90,561
Security and transport	39,250	-	39,250	13,736
Catering	318,559	1,564	320,123	380,270
Technology costs	25,256	-	25,256	69,716
Other support costs	405,018	2,071	407,089	367,874
Bank charges	5,582	-	5,582	3,769
Loss on disposal of assets	23,033	-	23,033	18,549
Governance	11,604	-	11,604	22,328
Wages and salaries	999,928	-	999,928	951,866
National insurance	61,308	-	61,308	45,167
Pension cost	276,672	-	276,672	210,112
Depreciation	80,340	-	80,340	72,519
	3,515,071	9,188	3,524,259	3,275,766
<i>Total 2016</i>	<i>3,266,651</i>	<i>9,115</i>	<i>3,275,766</i>	

During the year ended 31 August 2017, the trust incurred the following Governance costs £11,604 (2016: £22,328). Included within governance costs are any costs associated with the strategic as opposed to day-to-day management of the charity's activities. These costs will include any employee benefits for trusteeship, the cost of charity employees involved in meetings with trustees, the cost of any administrative support provided to the trustees, and costs relating to constitutional and statutory requirements including audit and preparation of statutory accounts.

8. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Fundraising	-	-	-	-	1,618
Education					
Direct costs	11,537,504	539,362	1,660,434	13,737,300	11,705,529
Support costs	1,326,348	996,302	1,192,421	3,515,071	3,270,766
Nursery					
Direct costs	49,316	-	1,675	50,991	-
Support costs	-	4,157	5,031	9,188	-
	12,913,168	1,539,821	2,859,561	17,312,550	14,977,913
<i>Total 2016</i>	<i>11,048,355</i>	<i>1,309,652</i>	<i>2,619,906</i>	<i>14,977,913</i>	

PENINSULA LEARNING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

9. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	9,539,174	8,546,771
Social security costs	818,831	604,222
Operating costs of defined benefit pension schemes	2,144,342	1,689,834
	<u>12,502,347</u>	<u>10,840,827</u>
Apprenticeship levy	13,712	-
Supply teacher costs	275,334	117,928
Staff restructuring costs	121,775	89,600
	<u><u>12,913,168</u></u>	<u><u>11,048,355</u></u>

Staff restructuring costs comprise:

	2017 £	2016 £
Redundancy payments	24,725	-
Other restructuring costs	97,050	89,600
	<u><u>121,775</u></u>	<u><u>89,600</u></u>

Included in staff restructuring costs were non-statutory/non-contractual restructuring payments totalling £97,050 (2016: £89,600). Individual payments were: £2,500, £6,000, £8,000, £8,300, £9,750, £9,750, £10,750, £12,000 and £30,000.

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

	2017 No.	2016 No.
Management	11	14
Teachers	186	167
Administration and support - including teaching assistants	269	226
	<u><u>466</u></u>	<u><u>407</u></u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Management	11	14
Teachers	168	144
Administration and support - including teaching assistants	157	141
	<u><u>336</u></u>	<u><u>299</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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9. STAFF COSTS (continued)

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

	2017	2016
	No.	No.
In the band £60,001 - £70,000	2	3
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	0	1
In the band £90,001 - £100,000	1	0
In the band £110,001 - £120,000	0	1
In the band £130,001 - £140,000	1	0

Contributions to pension schemes in relation to the above staff members during the year were £98,801 (2016: £85,005)

The key management personnel of the trust comprise trustees (who do not receive remuneration for their role as trustees) and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the trust was £808,734 (2016: £800,226).

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	797,280	660,546
Loss on disposal of fixed assets	23,033	18,549
Auditors' remuneration - audit	8,150	7,150
Auditors' remuneration - other services	4,950	9,843
Governance Internal audit costs	8,320	10,608
Operating lease rentals	66,414	118,998
	<u>66,414</u>	<u>118,998</u>

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NOTES TO THE FINANCIAL STATEMENTS
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11. TRUSTEES' REMUNERATION AND EXPENSES

One trustee has been paid remuneration or has received other benefits from an employment with the trust. The CEO only receives remuneration in respect of services they provide undertaking the role of CEO under their contracts of employment, and not in respect of their role as trustee. The value of trustee's remuneration and other benefits was as follows:

		2017 £	2016 £
D M J Parker, (CEO and trustee) - resigned	Remuneration	130,000-135,000	110,000-115,000
	Pension contributions paid	15,000-20,000	15,000-20,000

During the year ended 31 August 2017, expenses totalling £617 (2016: £230) were reimbursed to 1 trustee (2016: 1).

12. CENTRAL SERVICES

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

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

The trust charges for these services on the following basis:

The full costs of the provision of central services, net of income received centrally, is recharged to the academies proportionally at a flat rate of 6% (2016: 5%) of GAG income.

The actual amounts charged during the year were as follows:

	2017 £	2016 £
Carclaze	90,016	61,028
Fowey	39,427	24,655
Lostwithiel	39,012	27,855
Luxulyan	25,140	8,691
Mevagissey	28,856	17,734
Mount Charles	97,517	20,149
Penrice	409,853	267,527
St Mewan	86,287	59,183
Total	<u>816,108</u>	<u>486,822</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £1,215 (2016: £4,593).

14. OTHER FINANCE INCOME

	2017 £	2016 £
Interest income on pension scheme assets	139,000	193,000
Interest on pension scheme liabilities	(251,000)	(286,000)
	<u>(112,000)</u>	<u>(93,000)</u>

15. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
COST					
At 1 September 2016	32,262,683	3,520	497,170	870,238	33,633,611
Additions	1,067,980	-	11,685	139,232	1,218,897
Disposals	(23,503)	-	(257,729)	(254,728)	(535,960)
At 31 August 2017	<u>33,307,160</u>	<u>3,520</u>	<u>251,126</u>	<u>754,742</u>	<u>34,316,548</u>
DEPRECIATION					
At 1 September 2016	1,840,021	3,520	414,413	647,304	2,905,258
Charge for the year	599,293	-	31,564	166,423	797,280
On disposals	(470)	-	(257,729)	(254,728)	(512,927)
At 31 August 2017	<u>2,438,844</u>	<u>3,520</u>	<u>188,248</u>	<u>558,999</u>	<u>3,189,611</u>
NET BOOK VALUE					
At 31 August 2017	<u>30,868,316</u>	<u>-</u>	<u>62,878</u>	<u>195,743</u>	<u>31,126,937</u>
At 31 August 2016	<u>30,422,662</u>	<u>-</u>	<u>82,757</u>	<u>222,934</u>	<u>30,728,353</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

16. DEBTORS

	2017 £	2016 £
Trade debtors	13,914	3,148
Other debtors	123,351	70,803
Prepayments and accrued income	373,284	1,092,135
	<u>510,549</u>	<u>1,166,086</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	249,122	349,183
Salix and local authority loans	17,457	9,123
Tax and social security	207,471	203,891
Other creditors	190,493	85,831
Accruals and deferred income	612,422	316,886
	<u>1,276,965</u>	<u>964,914</u>

	2017 £	2016 £
DEFERRED INCOME		
Deferred income at 1 September 2016	144,009	113,142
Resources deferred during the year	161,657	144,009
Amounts released from previous years	(144,009)	(113,142)
Deferred income at 31 August 2017	<u>161,657</u>	<u>144,009</u>

Deferred income in 2017 and 2016 represents UIFSM grants, school trip and other payments received in advance.

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

	2017 £	2016 £
Other loans	<u>1,581</u>	<u>19,037</u>

Included within the above are amounts falling due as follows:

	2017 £	2016 £
BETWEEN TWO AND FIVE YEARS		
Other loans	<u>1,581</u>	<u>19,037</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

19. FINANCIAL INSTRUMENTS

	2017 £	2016 £
Financial assets measured at amortised cost	<u>240,302</u>	<u>1,019,678</u>
Financial liabilities measured at amortised cost	<u>907,357</u>	<u>725,952</u>

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS

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

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20. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
UNRESTRICTED FUNDS						
General Funds	1,439,044	1,561,869	(459,731)	(204,818)	-	2,336,364
	<u>1,439,044</u>	<u>1,561,869</u>	<u>(459,731)</u>	<u>(204,818)</u>	<u>-</u>	<u>2,336,364</u>
RESTRICTED FUNDS						
General Annual Grant (GAG)	188,374	12,051,860	(12,055,347)	24,419	-	209,306
Other DfE/ESFA grants	191,100	1,012,230	(1,116,267)	-	-	87,063
Other government grants	15,545	179,137	(192,284)	-	-	2,398
Other restricted funds	1,000	326,738	(327,738)	-	-	-
Pension reserve	(2,213,000)	(525,000)	(166,000)	-	(2,513,000)	(5,417,000)
	<u>(1,816,981)</u>	<u>13,044,965</u>	<u>(13,857,636)</u>	<u>24,419</u>	<u>(2,513,000)</u>	<u>(5,118,233)</u>
RESTRICTED FIXED ASSET FUNDS						
Inherited fixed asset fund	19,106,647	8,734,179	(496,291)	-	-	27,344,535
Assets purchased from GAG	914,627	-	(80,749)	180,399	-	1,014,277
DfE/ESFA Capital grant funded assets	2,310,639	124,508	(81,006)	9,359	-	2,363,500
DFC on conversion upspent	-	68,438	-	(9,359)	-	59,079
DfE/ESFA grant funds unspent	-	831,174	-	-	-	831,174
Private sector capital sponsorship	48,939	8,000	(2,500)	-	-	54,439
	<u>22,380,852</u>	<u>9,766,299</u>	<u>(660,546)</u>	<u>180,399</u>	<u>-</u>	<u>31,667,004</u>
Total restricted funds	<u>20,563,871</u>	<u>22,811,264</u>	<u>(14,518,182)</u>	<u>204,818</u>	<u>(2,513,000)</u>	<u>26,548,771</u>
Total of funds	<u>22,002,915</u>	<u>24,373,133</u>	<u>(14,977,913)</u>	<u>-</u>	<u>(2,513,000)</u>	<u>28,885,135</u>

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

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

Other DfE/ESFA grants - includes: Pupil Premium funding received from the ESFA for children that qualify

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FOR THE YEAR ENDED 31 AUGUST 2017

20. STATEMENT OF FUNDS (continued)

for free school meals to enable the trust to address the current underlying inequalities between its disadvantaged pupils; and PE and sport funding - The PE and sport funding is designed to help primary schools improve the quality of the PE and sport activities they offer their pupils.

Pension reserve – This represents the trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy. The trust is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

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

Fixed assets purchased from GAG and other restricted funds

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

Private sector capital sponsorship - This fund represents the net book value of assets funded by private sector capital and the balance of unspent funds, totalling £23,771 as at 31 August 2017.

During the year, transfers totalling £180,399 were made from GAG to restricted fixed assets and £204,818 has been transferred from unrestricted funds to cover GAG expenditure.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Central	12,994	65,183
Penrice Academy	1,502,046	1,247,517
St Mewan	225,451	225,641
Carclaze	270,197	322,804
Mevagissey	146,571	171,785
Fowey	36,824	31,112
Lostwithiel	52,550	93,477
Luxulyan	182,677	189,966
Mount Charles	203,952	287,646
Total before fixed asset fund and pension reserve	2,633,262	2,635,131
Restricted fixed asset fund	32,063,179	31,667,004
Pension reserve	(3,562,000)	(5,417,000)
Total	31,134,441	28,885,135

Penrice Academy has retained additional surplus during the year for proposed future capital expenditure on science blocks.

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NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2017 £	Total 2016 £
Central	281,721	395,967	-	412,144	1,089,832	611,320
Penrice Academy	4,914,358	311,396	202,651	1,354,336	6,782,741	7,408,135
St Mewan	1,281,538	99,213	45,298	270,509	1,696,558	1,696,527
Carclaze	1,286,340	166,359	52,035	271,757	1,776,491	1,793,589
Mevagissey	297,615	46,092	15,911	153,042	512,660	551,278
Fowey	503,755	89,603	26,387	148,727	768,472	766,729
Lostwithiel	485,702	51,481	22,946	236,695	796,824	794,471
Luxulyan	264,530	25,679	23,204	100,430	413,843	193,015
Mount Charles	1,418,816	96,124	65,789	368,617	1,949,346	502,303
	<u>10,734,375</u>	<u>1,281,914</u>	<u>454,221</u>	<u>3,316,257</u>	<u>15,786,767</u>	<u>14,317,367</u>

PENINSULA LEARNING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset fund 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	30,728,353	30,728,353
Current assets	2,363,395	1,255,687	938,651	4,557,733
Creditors due within one year	(7,994)	(956,920)	-	(964,914)
Creditors due in more than one year	(19,037)	-	-	(19,037)
Provisions for liabilities and charges	-	(5,417,000)	-	(5,417,000)
	<u>2,336,364</u>	<u>(5,118,233)</u>	<u>31,667,004</u>	<u>28,885,135</u>

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

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(44,694)	9,395,220
Adjustment for:		
Depreciation charges	797,280	660,547
Dividends, interest and rents from investments	(8,673)	(15,880)
Loss on the sale of fixed assets	23,033	18,549
Decrease/(increase) in debtors	655,540	(866,672)
Increase in creditors	294,591	353,142
Capital grants from DfE and other capital income	(951,388)	(963,682)
Defined benefit pension scheme cost less contributions payable	327,000	73,000
Defined benefit pension scheme finance cost	112,000	93,000
Net assets and liabilities from local authority on conversion	-	(8,385,095)
Net cash provided by operating activities	<u>1,204,689</u>	<u>362,129</u>

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NOTES TO THE FINANCIAL STATEMENTS
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23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank and in hand	3,401,259	2,630,737
Capital funding unspent	936,242	760,910
	<u>4,337,501</u>	<u>3,391,647</u>

24. CAPITAL COMMITMENTS

At 31 August 2017 the trust had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	-	181,139

25. PENSION COMMITMENTS

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

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

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) 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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

25. PENSION COMMITMENTS (continued)

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

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

The employer's pension costs paid to TPS in the period amounted to £1,058,729 (2016: £942,576).

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

Local Government Pension Scheme

The 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 2017 was £918,000 (2016: £748,000), of which employer's contributions totalled £757,000 (2016: £674,000) and employees' contributions totalled £161,000 (2016: £143,000). The agreed contribution rates for future years are 16.7% for employers and 5.5% to 12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	2.50 %	4.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2017	2016
Retiring today		
Males	22.1	22.2
Females	24.5	24.4
Retiring in 20 years		
Males	24.0	24.4
Females	26.4	26.8

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

25. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	3,594,000	3,150,000
Bonds	3,288,000	2,821,000
Property	535,000	459,000
Cash	229,000	131,000
	<u>7,646,000</u>	<u>6,561,000</u>
Total market value of assets	<u>7,646,000</u>	<u>6,561,000</u>

The actual return on scheme assets was £115,000 (2016: £422,000).

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

	2017 £	2016 £
Current service cost	(1,084,000)	(691,000)
Interest income	139,000	193,000
Interest cost	(251,000)	(286,000)
	<u>(1,196,000)</u>	<u>(784,000)</u>
Total	<u>(1,196,000)</u>	<u>(784,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	11,905,000	6,686,000
Upon conversion	-	1,242,000
Current service cost	1,084,000	691,000
Interest cost	251,000	286,000
Employee contributions	161,000	130,000
Actuarial (gains)/losses	(2,179,000)	2,935,000
Benefits paid	(87,000)	(65,000)
Prior year actuarial changes	73,000	-
	<u>11,208,000</u>	<u>11,905,000</u>
Closing defined benefit obligation	<u>11,208,000</u>	<u>11,905,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	6,488,000	4,473,000
Upon conversion	-	717,000
Interest income	139,000	193,000
Actuarial gains	115,000	422,000
Employer contributions	757,000	618,000
Employee contributions	161,000	130,000
Benefits paid	(87,000)	(65,000)
Prior year actuarial changes	73,000	-
Closing fair value of scheme assets	<u>7,646,000</u>	<u>6,488,000</u>

26. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
AMOUNTS PAYABLE:		
Within 1 year	38,006	56,536
Between 1 and 5 years	73,802	81,738
Total	<u>111,808</u>	<u>138,274</u>

27. 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.

28. GENERAL INFORMATION

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

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NOTES TO THE FINANCIAL STATEMENTS
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29. RELATED PARTY TRANSACTIONS

Owing to the nature of the trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

The following related party transactions took place in the period of account:

J Johns - wife of K Johns, a trustee. Transactions totalling £1,119 (2016: £13,295) relating to employment as a teaching assistant (including employer's pension contributions) took place in the year. There were no amounts outstanding at 31 August 2017.

30. AGENCY ARRANGEMENTS

The trust distributes bursary funds to students as an agent for NCTL. In the year ending 31 August 2017 the trust received £482,648 (2016: £300,030) and disbursed £456,376 (2016: £264,430) from the fund. An amount of £65,582 (2016: £35,600) remained unspent and is included in accruals and deferred income.

31. CONTROLLING PARTY

There are no controlling parties.