

The Pilgrim Multi Academy Trust



Learning is a Life's Journey; Children should Travel First Class!

REGISTERED COMPANY NUMBER: 10382748 (England and Wales)

**Trustees' Report
and Financial Statements
for the Year Ended 31
August 2018 for The Pilgrim
Multi Academy Trust**

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THE PILGRIM MULTI ACADEMY TRUST

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THE PILGRIM MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members:

J Aylward (End date 1st June 2018)
J Sellers (Start date 26th June 2018)
Y Poynter
J Faik
J Constanti (representing the Incorporated RDBE at Member level)
M Wilkes (Chair of Directors, ex-officio)

Trustees (Directors):

Rev'd A Bennett
K Bradley - Chair of Finance
E Gardiner (Appointed 1 September 2018)
Mike Smith
J Taylor - CEO - ex-officio
H Thorneloe (Appointed 22 September 2017)
M Wilkes - Chair
B Wood

Finance Committee:

All Trustees/Directors are members of Finance Committee for 2017-18

Clerk to the Trust Board:

J Perry

Interim Chief Finance Officer:

Kent Finance (SFS)

Finance Officer:

Elaine Callaghan

Academies Operated

The Pilgrim School
St Margaret's at Troy Town
St Mark's C of E Primary School

Senior Leadership Team at Pilgrim School:

Headteacher:	A Mepsted
Senior Leader Assessment	R Parry
Senior Leader Curriculum	A Loudon
SENCO:	J Dexter
ICT Lead:	J Sverha
Pastoral Care Manager:	L Everhurst

Senior Leadership Team at St Margaret's at Troy Town School (SMATT):

Headteacher:	L Jobling
Deputy Headteacher:	T Bell
KS1 and EYFS Lead:	K Willis
SENCO:	J Cousins
HSSW:	M.L. Townsend

THE PILGRIM MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Senior Leadership Team at St Mark's C of E Primary School:

Headteacher:	J Bassett
Assistant Headteacher:	S Roberts
SENCO:	K Jones

Registered Office:

The Pilgrim Multi Academy Trust
Warwick Crescent
Rochester
Kent
ME13LF

Company Number: 10382748

Independent Auditor:

Baxter & Co
Chartered Certified Accountants
Registered Auditors
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Solicitors:

Lee Coley, Stone King
Boundary House,
91 Charterhouse St,
Clerkenwell,
London
EC1M 6HR

Bankers:

NatWest plc
148 High Street
Chatham
Kent
ME4 4DB

THE PILGRIM MULTI ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable Company's Memorandum and Articles of Association, the Companies Act 2006, the Statement of Recommended Practice 2015, "Accounting and Reporting by Charities" and the Academies Accounts Direction 2017/18 issued by the ESFA.

The trust operated 3 primary phase academy in Kent and Medway: The Pilgrim School (a Church of England Primary with Nursery), St Margaret's at Troy Town Church of England Primary School with Nursery (SMATT) and St Mark's C of E Primary School. Its academies have pupil capacity of 210, 210, 140 with a total of 560. In the schools' census on 18th January 2018 pupil numbers were 209 at Pilgrim, 206 at SMATT and 127 at St Mark's totalling 542.

Structure, Governance and Management

Constitution

The Academy Trust was incorporated as a Company on 19 September 2016 and is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees act as the trustees for the charitable activities of The Pilgrim Multi Academy Trust and are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Pilgrim Multi Academy Trust.

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

Members' Liability

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

*As required in the academy trust's funding agreement/memorandum and Articles of Association.

Trustees' Indemnities

Cover for third party liability and all indemnities is provided through the Academies' purchase of membership of Risk Protection Arrangements from DfE. There were no claims during the year 1 September 2017 to 31 August 2018.

No third party indemnities have been provided by the Trust to any third parties on behalf of any of the trustees.

THE PILGRIM MULTI ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

Principal Activities

The Pilgrim Multi Academy Trust's Objects are to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum. These will include Church of England schools designated as such, which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education; and other Academies, whether with or without a designated religious character; but in relation to each of the Academies to recognise and support their individual ethos whether or not designated Church of England.

Method of Recruitment and Appointment or Election of trustees

The Pilgrim Multi Academy Trust has recruited Directors who have the experience and skills to be able to lead and manage the business of the Trust. Potential candidates complete a skills audit and are interviewed by the CEO/ Director/s of the Board. The Board then discuss the candidate and vote on whether to appoint. An invitation to join the Board is then made. The Board also writes to the Members to confirm that they agree with, and confirm the appointment.

The Board of Directors annually reviews its effectiveness and skills set and recommends the recruitment and appointment of directors as a result of this process. The Trust has recruited in line with its skills audit and is full, as of the 1 September 2018, in terms of the Articles of Association.

There are 3 first Directors who are named in the Articles of Association and were appointed by Members. The Chief Executive Officer is an ex-officio director for the period of their being in post.

As laid out in the Articles of Association:

The number of Directors shall be not less than three, but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

The Members appoint a minimum of five Directors. The Local Governing Bodies appoint Parent Governors, hence in accordance with the Articles of Association there is no requirement to appoint Parent Directors, although there may be Directors who are also parents of children in the Academy. Those Directors who are appointed by Members can, with the agreement of the Diocese, appoint co-opted Directors. Future Directors shall be appointed or elected, as the case may be, under the Articles of Association.

Appointment of Directors

The Members shall appoint a minimum of 5 Directors.

As a Church Trust the RDBE appoint 25% of Directors (2)

The Members shall ensure that the total number of Directors including the Chief Executive Officer who are employees of the Company does not exceed 25% of the total number of Directors.

Currently The Pilgrim Multi Academy Trust has 3 Local Governing Bodies which have two elected parent governors as part of its governing body. The parent governors are elected as detailed in the extract from the Articles of Association below:

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FOR THE YEAR ENDED 31 AUGUST 2018

Parent Directors

In circumstances where the Directors have not appointed Local Governing Bodies in respect of the Academies as envisaged in Article 101A there shall be a minimum of 2 Parent Directors and otherwise such number as the Members shall decide who shall be appointed or elected in accordance with Articles 54 - 56.

Parent Directors and Parent members of the Local Governing Bodies or Advisory Bodies shall be elected or appointed by the parents of registered pupils at one or more of the Academies and each must be a parent at the time when he is elected or appointed.

Notwithstanding Article 53, if no parents put themselves forward for election the number of Parent Directors and Parent members of the Local Governing Bodies or Advisory Bodies required shall be made up by Parent Directors and Parent members appointed by the Directors.

The Directors shall make all necessary arrangements for, and determine all other matters relating to, an election of the Parent Directors or Parent members of Local Governing Bodies or Advisory Bodies, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of the Parent Directors or Parent members of the Local Governing Bodies or Advisory Bodies which is contested shall be held by secret ballot.

In appointing a Parent Director or Parent member of a Local Governing Body or Advisory Body the Directors shall appoint a person who is the parent of a registered pupil at an Academy; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

Chief Executive Officer

The Chief Executive Officer shall be a Director for as long as s/he remains in office as such.

Co-opted Directors

The Directors appointed under Article 50 with the consent of the Diocesan Board of Education may appoint up to 2 Co-opted Directors for such term (not exceeding four years) and otherwise upon such conditions as they shall think fit. A 'Co-opted Director' means a person who is appointed to be a Director by being Co-opted by Directors who have not themselves been so appointed. In accordance with Article 50A, The Directors may not co-opt an employee of the Company as a Co-opted Director if thereby the number of Directors who are employees of the Company would exceed one third of the total number of Directors including the Chief Executive Officer.

Term of Office

The term of office for any Director (other than Co-opted Directors under Article 58) shall be four years, save that this time limit shall not apply to the Chief Executive Officer. Subject to remaining eligible to be a particular type of Director, any Director may be re-appointed or re-elected.

THE PILGRIM MULTI ACADEMY TRUST

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FOR THE YEAR ENDED 31 AUGUST 2018

Resignation and Removal

A Director shall cease to hold office if he resigns his office by notice to the Company (but only if at least three Directors will remain in office when the notice of resignation is to take effect).

A Director shall cease to hold office if he is removed by the person or persons who appointed him. This Article does not apply in respect of a Parent Director.

Where a Director resigns his office or is removed from office, the Director or, where he is removed from office, those removing him shall give written notice thereof to the Clerk.

Disqualification of Directors

No person shall be qualified to be a Director unless he is aged 18 or over at the date of his election or appointment. No current pupil or current student of any of the Academies shall be a Director.

A Director shall cease to hold office if he becomes incapable by reason of illness or injury of managing or administering his own affairs.

A Director shall cease to hold office if he is absent without the permission of the Directors from all their meetings held within a period of six months and the Directors resolve that his office be vacated.

A person shall be disqualified from holding or continuing to hold office as a Director if:

his estate has been sequestrated and the sequestration has not been discharged, annulled or reduced; or

he is the subject of a bankruptcy restrictions order or an interim order.

A person shall be disqualified from holding or continuing to hold office as a Director at any time when he is subject to a disqualification order or a disqualification undertaking under the Company Directors Disqualification Act 1986 or to an order made under section 429(2)(b) of the Insolvency Act 1986 (failure to pay under county court administration order).

A Director shall cease to hold office if he ceases to be a Director by virtue of any provision in the Companies Act 2006 or is disqualified from acting as a trustee by virtue of section 178 of the Charities Act 2011 (or any statutory re-enactment or modification of that provision).

A person shall be disqualified from holding or continuing to hold office as a Director if he has been removed from the office of charity trustee or trustee for a charity by an order made by the Charity Commission or the High Court on the grounds of any misconduct or mismanagement in the administration of the charity for which he was responsible or to which he was privy, or which he by his conduct contributed to or facilitated.

A person shall be disqualified from holding or continuing to hold office as a Director where he has, at any time, been convicted of any criminal offence, excluding any that have been spent under the Rehabilitation of Offenders Act 1974 as amended, and excluding any offence for which the maximum sentence is a fine or a lesser sentence except where a person has been convicted of any offence which falls under section 178 of the Charities Act 2011.

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After the first Academy has opened, a person shall be disqualified from holding or continuing to hold office as a Director if he has not provided to the chairman of the Directors a criminal records certificate at an enhanced disclosure level under section 113B of the Police Act 1997. In the event that the certificate discloses any information which would in the opinion of either the chairperson or the Chief Executive Officer confirm their unsuitability to work with children that person shall be disqualified. If a dispute arises as to whether a person shall be disqualified, a referral shall be made to the Secretary of State to determine the matter. The determination of the Secretary of State shall be final.

Where, by virtue of these Articles a person becomes disqualified from holding, or continuing to hold office as a Director, and he is, or is proposed, to become such a Director, he shall upon becoming so disqualified give written notice of that fact to the Clerk.

Articles 68 to 74, Articles 77 to 79 and Articles 97 to 98 also apply to any member of any committee of the Directors, including a Local Governing Body, who is not a Director.

Policies and Procedures Adopted for the Induction and Training of Trustees

Trustees bring their key skills and experience to the Board, but may have limited experience of how Academy Trusts operate and the roles and responsibilities of the Trust Board and Local Governing Bodies.

Upon the offer of appointment being accepted, the Director is required to complete and submit a Disclosure and Barring Service form. Once the enhanced check is received and checked, the Director is formally appointed.

When a Director is appointed they undergo an induction programme which includes familiarisation with the Academies within The Pilgrim Multi Academy Trust and their individual characteristics. They receive an induction pack which includes key documents to read as listed:

- Articles of Association
- Schemes of Delegation
- Master Funding Agreement
- Supplemental Funding Agreement
- Trustee Code of Conduct
- Academies Financial Handbook
- The Pilgrim MAT Financial Procedures Manual
- Governance handbook
- Keeping Children Safe in Education II
- The Pilgrim MAT Structure Chart with Names
- Last year's Board minutes
- Last year's CEO reports
- Last 2 LGB minutes from trust schools

They are given; a Local Authority e-mail address for Trust communications; a log on for Governor Hub so that they can access up to date information and book onto training for Governors; training in safeguarding, including the Prevent Module, links to the Trust Academy websites; a list of Local Governing Body governors; copies of the Ofsted framework and safeguarding framework and the opportunity to meet with the Chief Executive Officer and to visit Academies in the Trust.

The new Director is mentored by an experienced Director who will support them in developing their skills and signpost training as needed.

THE PILGRIM MULTI ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

Organisational Structure

The Board of Directors is ultimately responsible to the Members and the Secretary of State for Education for the performance of The Pilgrim Multi Academy Trust and its academies. The directors are responsible for the strategic direction of the Trust and have the ultimate decision making authority. This is exercised by the directors through strategic planning which details the vision, purpose and objectives of the Trust and setting of policy. It is managed through business and financial planning, budget monitoring, performance management, the setting of standards and the implementation of quality management processes.

The Chief Executive Officer implements the decisions of the directors and is responsible for the day to day operations of the Trust. The Chief Executive Officer operates within the limits of the Trust's policies and procedures as approved by the Board of Directors and the powers delegated to them. The Chief Executive Officer is the Accounting Officer.

To ensure financial scrutiny and oversight, the Trust has a finance committee with the appropriate levels of delegation to undertake such scrutiny and oversight. For the purposes of internal control, review of systems and compliance with legislation and internal systems and policies, the finance committee acts as audit committee, with appropriate terms of reference. The committee monitors the systems and operations of the Trust and reviews the more detailed and independent internal audit work of a firm of accountants retained for these purposes as well as the work of the Trust's auditors. The membership of this committee is detailed in the Reference and Administrative section.

A local governing body under an agreed scheme of delegation operates the Trust's academy. The Local Governing Body is a committee of the Board of Directors. The directors have delegated to the Local Governing Body of each academy the powers and responsibilities detailed in their respective schemes of delegation, which were approved by the directors. Unless a matter is identified as strategic or specifically reserved to the directors, all power and responsibility for the academy in question is delegated to the Local Governing Body including the expenditure of funds allocated to the academy within the limits agreed in the scheme of delegation and financial handbook. The Local Governing Body is at liberty to delegate its powers to the Headteacher by means of a written scheme of delegation. This gives the Headteacher the responsibility and the commensurate powers to undertake the internal management of the academy so as to ensure that its day-to-day operations can be undertaken. The Headteacher carries out these responsibilities in conjunction with the leadership team. A copy of the scheme of delegation can be found in the Reference and Administrative section.

Although not part of the Trust's formal structure, the Chief Executive Officer chairs the Management Group which consists of all the Headteachers and the Finance Officer (as required). This operational group is the lynchpin in achieving the implementation of the Trust's strategy, policies and procedures.

In order to ensure cohesion and proper systems, the Local Governing Bodies are required to implement the policies and procedures laid down by the directors. The Trust monitors the activities of the academy through the provision of Local Governing Body minutes, educational data, financial information and internal systems reviews, which are reviewed by the Board of Directors, finance (including audit) committee as appropriate.

The Trust provides some central services; the academies must use the Trust's audited accounts and company secretarial services, including clerking and centrally procured consultants/contractors for human resources; payroll services and finance services via the interim Chief Finance Officer (a Business Manager has been appointed for September 2018). The Trust is a charity and all such services will be operated for the benefit of the academies on a cost basis. The Trust reserves the right to receive a contribution to these central costs from the academies.

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FOR THE YEAR ENDED 31 AUGUST 2018

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration for key management personnel is set using the school teachers pay and conditions document and guidance on school teachers pay and conditions. Each Headteacher has a pay scale range of 7 points linked to the group size of their school. The Chief Executive Officer pay point has been determined using the National Joint Council Recommendations for Local Government. All Headteachers and the Chief Executive Officer (CEO) are subject to performance management. The Trust may commission an experienced external assessor, who supports the process for the CEO and all Headteachers. This ensures that there are high expectations and consistent challenge across the Trust Academies throughout the performance management process. The Headteacher performance management is in line with their school's Scheme of Delegation; the CEO leads the process and provides independent advice for Local governors and Trustees. CEO performance management is delivered by a minimum of two Directors with the external assessor to support the process, if required. In all cases, there is a mid-year review. Following completion and full review of the performance management cycle, the panel members make a recommendation on pay awards and these are considered by the Trustees acting as a pay decisions committee. Deputy Headteachers and Assistant Headteachers who are also senior leaders are performance managed by the Headteachers who make a recommendation to the pay decisions committee on pay awards. All teachers and key management personnel complete their appraisal by 31 October and receive written confirmation of their salary 30 November.

The Trust is made up of:

The Pilgrim Church of England Primary School
St Margaret's at Troy Town C of E Primary School
St Mark's C of E Primary School

converted 1 December 2016
converted 1 September 2017
converted 1 November 2017

Trade Union Facility Time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total Cost of facility time	£0
Total Pay bill	£2,080k
Percentage of the total pay bill spent on facility time	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours.	0%
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THE PILGRIM MULTI ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

Related Parties and other Connected Charities and Organisations

The Trust is an educational establishment currently consisting of three academies, which operate independently in relation to the provision of education to the learners that attend the academies. The Trust provides access to certain central services such as a Church service level agreement human resources, payroll, finance, internal and external audit, central policies, company secretarial support including clerking, which the academies use and it also facilitates, shared expertise and development.

In furtherance of its religious objectives the academies within the Trust are also involved in the Rochester Diocesan Family of Schools and the Medway Anglican School Heads partnership. These are voluntary collaborations to promote the Church of England religious ethos within schools and do not of themselves impact on the operations of the Trust.

The academies are also members of a local consortia/collaboration groups who meet regularly to work in partnership to seek out and adopt best practice to raise standards and improve outcomes for pupils.

The Trust requires all its Members, Directors, Governors and Staff to complete a business interests form at least annually. This assists in identifying related parties either in or beyond the Trust. Mr John Constanti (Member) is an employee of Rochester Diocese, which is a connected party.

The Pilgrim Trust - Declarations of Interest 2017-18

Name	Governor Type	Term From	Term To	Declaration Of Interest
Julie Aylward	Member	19 Sep 2016	1 June 2018	Minister for Borstal/Trustee at Action for Borstal Community Spouse - Pilgrim School LGB/RESIGNED
Jennifer Faik	Member	19 Sep 2016		
Yvonne Poynter	Member	19 Sep 2016		
Incorporated Rochester Diocesan Board of Education	Member	19 Sep 2016		Mr John Constanti Director of Education for RDBE
Mr John Sellers	Member	26 June 2018		None
Rev'd Anne Bennett	Trustee	19 Sep 2016	18 Sep 2020	None
Dr Kate Bradley	Trustee	1 Jun 2017	31 May 2021	Governor at Meadows Pre-School
Mr Michael Smith	Trustee	6 Dec 2016	5 Dec 2020	Education Consultant
Mrs Janet Taylor	CEO	1 Dec 2016		None
Harriet Thorneioe	Trustee	22 Sep 2017	21 Sep 2021	Thorneioe & Co Solicitors (Partner) converted to Hallet & Co Solicitors from May 2018
Mr Mark Wilkes	Trustee	19 Sep 2016	18 Sep 2020	
Mrs Brenda Wood	Trustee	1 Jun 2017	31 May 2021	Andy Wood Handyman - Building Maintenance (Husband)

THE PILGRIM MULTI ACADEMY TRUST

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The Pilgrim School - Declarations of Interest 2017-18

Name	Governor Type	Term From	Term To	Declaration Interest	Of
Mrs J Aguki Allotey-Pappoe	Parent governor	16 Dec 2013	14 Dec 2017	None	
Mr A Aylward	Trustee Appointed governor	1 Dec 2016	30 Nov 2020 (Resigned July 2018)	Spouse - Pilgrim Multi Academy Member	12 Trust
Mrs R Galea-Baker (Vice Chair)	Parent governor Trustee Appointed governor	16 Dec 2013 17 Dec 2017	14 Dec 2017 16 Dec 2021	Teacher at St Margaret's at Troy Town 1 Sept 2017	
Mr J Garvey (Chair)	Trustee Appointed governor	1 Dec 2016	30 Nov 2020	None	
Ms M Jeffreys	Trustee Appointed governor	1 Dec 2016	30 Nov 2020	Governor at St Margaret's at Troy Town	
Mrs J Larney	Trustee Appointed governor	1 Dec 2016	30 Nov 2020	None	
Mrs A Mepsted	Headteacher	1 Sept 2017		None	
Mr J Danielsen	Staff governor	29 Sept 2017	28 Sept 2021	None	
Mr M Fitchett	Parent governor	4 Jan 2018	3 Jan 2022	None	
Ms K Taylor	Parent governor	4 Jan 2018	3 Jan 2022	None	

THE PILGRIM MULTI ACADEMY TRUST

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St Margaret's at Troy Town – Declarations of Interests 2017-2018

Name	Governor Type	Term From	Term To	Declaration Of Interest
Sue Clarke	Trustee Appointed governor	1 Sep 2017	1 Sep 2021	None
Mr R Callanan	Trustee Appointed governor	3 Apr 2017	2 Apr 2022	None
Mrs Dispinseri	A Parent governor	4 Dec 2014	3 Dec 2018	None
Ms M Jeffreys	Trustee Appointed governor	1 Sep 2017	31 Aug 2021	Governor at St Margaret's at Troy Town
MS L Jobling	Headteacher	1 Apr 2017		None
Mrs R Lock	Staff governor	13 Jan 2017	12 Jan 2021	Teacher at school
Miss Mortimer	L Trustee Appointed governor	2 Mar 2017	2 Mar 2021	None
Ms C Napier (Chair)	Parent governor	21 Dec 2016	20 Dec 2020	I work at Strood Academy. I have 2 children at St Margaret's at Troy Town
Ms R Wells	Trustee Appointed governor	6 Dec 2016	18 Nov 2017	Local Authority Services (Resigned)

THE PILGRIM MULTI ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

St Mark's C of E Primary School - Declarations of Interest 2017-18

Name	Governor Type	Term From	Term To	Declaration Of Interest
Mrs F Ball	Parent governor	23 Mar 2015	22 Mar 2019	None
Mrs T Beadle	Staff governor	23 Mar 2015	22 Mar 2019	None
Mr J Bassett	Headteacher	1 Nov 2017		None
Mrs Haddaway	E Trustee Appointed governor	1 Nov 2017	31 Aug 2021	None
Mr C McGarry	Trustee Appointed governor	1 Nov 2017	31 Aug 2021	None
Mrs H Spain	Parent governor	16 Jul 2018	15 Jul 2022	None
Mr M Culver	Parent governor	23 Mar 2015	15 Jul 2018	None
Rev J Hall	Appointed governor	23 Mar 2015	15 Jul 2018	None

Objects and Aims

The Pilgrim Multi Academy Trust's Objects are to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum. These will include: Church of England schools designated as such, which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education; and other Academies, whether with or without a designated religious character, but in relation to The Pilgrim Multi Academy Trust to recognise and support their individual ethos whether or not designated Church of England.

Mission Statement:

To bring together the best people who are dedicated to enabling human flourishing within outstanding educational environments.

Vision:

To be recognised as a first class educational Trust built on outstanding Christian foundations.

Values:

Caring is our passion
Succeeding together
Driving excellence
Delivering our promises
Keeping it simply about children

THE PILGRIM MULTI ACADEMY TRUST

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FOR THE YEAR ENDED 31 AUGUST 2018

Aims:

- To improve outcomes for all pupils by promoting outstanding education across member schools to support and sustain high standards
- To support each school in its individual vision
- To share and implement best practice to face the challenges of the future in a local context
- To offer support to other primary schools facing challenge, within the capacity of the group

Objectives, Strategies and Activities

The core purpose of The Pilgrim MAT is to promote outstanding education for all our children in an increasingly changing and challenging educational landscape. It is essential that the strategic and operational function of the centre adds capacity to the individual schools, through:

- supporting school improvement, by providing open and transparent evaluation and feedback
- promoting openness and information sharing across the trust for the benefit and support of all
- promoting professional dialogue and support between all members of The Pilgrim MAT community
- promoting shared continuing professional development to address new skills needed as an Academy Trust including governance
- best value for money through economy of scale purchasing and procurement of services
- ensuring that statutory and legal duties are met through:
 - financial oversight
 - auditing including commissioning internal and external audits and audit of regulatory systems
 - leading Headteacher performance management
 - monitoring school performance and effectiveness and intervening where needed
 - up to date and fit for purpose HR/employment related policies
 - monitoring individual school's health and safety and safeguarding policies and procedures

Keeping focus on our core purpose and using the strategies above, during the period from 1 September 2017 -31 August 2018 our objectives were:

To Maintain high outcomes for our pupils so that the Trust's schools are a first choice for parents by

- Maintaining the unique character and ethos of each school so that pupils develop within a nurturing environment
- Ensuring that outcomes of attainment remaining above National figures in all Key Stages
- Ensuring progress levels remain above or significantly above National figures
- Promoting above 96% attendance so that pupils are in school and ready to learn at the start of the school day

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Continue to develop new leadership and management so that planned changes in structure ensure leadership remains outstanding by

- Develop collaborative Headteacher support systems across the Trust
- The recruitment and retention of talented individuals throughout the Trust, including Governors and Trustees
- Strengthen and develop Governance as the structure changes
- Restructuring the administration structure of the Trust and schools to ensure that it is effective and efficient
- Providing opportunities for career progression within the Trust so that talented individuals are retained

Raise the quality of teaching and learning by

- Recruitment and retention of high quality teachers
- Rigorous and robust quality assurance of teaching through joint lesson observations, book looks and moderation by senior leaders across the Trust
- Share best practice in teaching mathematics with partner schools
- High quality CPD to support teachers and teaching support staff to increase their skills and raise expectations
- Review Admissions Policies to ensure that the schools continue to serve their local communities

Establish management and financial systems and procedure across the Trust which meet the requirements of the law and the Academies Financial Handbook

- Reorganisation of existing financial systems and procedures to meet the demands of academisation
- Provide training and support in using the consolidated financial management system
- Provide CPD for Local Governors and Directors on the requirements for Academy Finance
- Write and adopt The Pilgrim MAT central policies and procedural documents to meet statutory requirements, which are understood by all

All aspects of the Trust's activities during the 2017-2018 year are linked to its charitable purposes namely the advancement of educational establishments for the public benefit.

The Trust has seen pupils in its Academies making good and sometimes outstanding progress during the year. As a combined Trust pupils have achieved 16% above their National peers.

Governance has been strengthened through quality succession planning and focused training; most governors and trustees attended multiple training opportunities in 2017-2018 to upskill them in delivering their responsibilities and to help them understand their role in delivering the scheme of delegation. A trust-wide governor conference promoted good communication links and collaborative opportunities across all levels of governance.

The quality of teaching has remained high, Senior Leaders have carried out triangulated, joint observations and quality assurance across the 3 schools. The schools have jointly written and delivered programmes to lead the improvement of teaching and learning in mathematics across the Trust. This has included visits to our outstanding school, inset and modelled practice. The Pilgrim School has also developed, presented and trained staff on the embedding of 'The Pilgrim Progress', a system for assessment to inform teachers, parents and pupils on their progress against the National Curriculum for each individual year group. All schools have seen an impact from adopting this approach to assessment.

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Management and finance systems are in place and support bought in from Schools Financial Services and deadlines for statutory returns have been met. There is an open and transparent sharing of both financial information and performance information so that all leaders and managers know and understand how the priorities for the Trust are determined, as well as knowing where we have performed well. A business plan was implemented to move to a centralised finance model for September 2018.

All aspects of the Trust's activities are linked to its charitable purposes namely the advancement of educational establishments for the public benefit.

Public Benefit

The directors confirm that the objectives and activities of the Trust provide identifiable benefits, namely educational, which are in pursuance of the aims of the Trust. This benefit is available to young people aged from 3 to 11. The admission criteria of the academies are not unduly restrictive and are in keeping with the religious aims of the Trust. Furthermore, the directors confirm that they have complied with their duty to have regard to the guidance on public benefit as published by the Charity Commission.

Strategic report

Achievements and Performance

The Trust's main objective is the advancement of education in the United Kingdom for the public benefit; consequently, the academic achievement of its learners are its primary focus. During the 2017-2018 academic year, overall there was an improvement in the academic achievement of all pupils in the Trust.

Early Years Foundation Stage

All 3 schools have significant proportions of children who enter the reception year below age expected development. The focus on rapidly increasing children's acquisition of spoken and receptive language together with strong provisions that provide a vast range of skill development for gross and fine motor skills with an exceptional Forest School – held up as a model to others at The Pilgrim School.

Pilgrim School

At the end of 2016/17, 77% achieved a good level of development from the 30% at 'typical' levels on-entry; therefore 47% of pupils made accelerated progress.

At the end of EYFS 2017/18, 83% of pupils achieved a good level of development – 46.7% of this cohort showed 'typical' levels when they started school. Therefore, 36.3% of pupils made accelerated progress to reach the expected level of development by the end of the year. Attainment is higher and above National for Early Years.

St Margaret's at Troy Town (SMATT)

At the end of EYFS 2017/18, 67% of pupils achieved a good level of development – 17% of this cohort showed 'typical' levels when they started school. Therefore, 50% of pupils made accelerated progress to reach the expected level of development by the end of the year. The attainment at the end of the year is on the low side of National although considered 'broadly in-line'.

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St Mark's

At the end of EYFS 2017/18, 65% of pupils achieved a good level of development – 25% of this cohort showed 'typical' levels when they started school. Therefore, 40% of pupils made accelerated progress to reach the expected level of development by the end of the year. The attainment at the end of the year is on the low side of National although considered 'broadly in line'.

Key Stage 1

Year 1 Phonics

Phonics is a strength at The Pilgrim School and St Mark's; SMATT

School	School 2016/17	National 2016/17	School 2017/18	National 2017/18
Pilgrim	87%	81%	87%	82.5%
SMATT	N/A	N/A	64%	82.5%
St Mark's	N/A	N/A	86%	82.5%

Year 2 Phonics

School	School 2016/17	National 2016/17	School 2017/18	National 2017/18
Pilgrim	97%	91%	97%	92%
SMATT	N/A	N/A	100%	92%
St Mark's	N/A	N/A	90%	92%

The schools carry out regular monitoring of phonics and, as is Trust practice, through lesson observations and moderation of writing to assess the impact of phonics teaching. In all 3 schools, pupils achieve well in phonics by the end of Key Stage 1.

End of Key Stage 1 Results

Figures in the table below show the percentage of pupils at The Pilgrim School meeting expected or better standards and the percentage at greater depth achievers.

Group KS1	% National 2016 -17		% The Pilgrim School 2016 -17	
	Expected+	Greater Depth	Expected standard+	Greater Depth
All Pupils Reading	76	25	90	23
All Pupils Writing	68	16	87	16
All Pupils Mathematics	75	21	90	23
Boys Reading	71	22	89	33
Boys Writing	61	11	78	22
Boys Mathematics	74	22	89	44
Girls Reading	80	29	91	18
Girls Writing	75	20	91	14
Girls Mathematics	76	19	91	14
Disadvantaged Reading	79	28	83	0
Disadvantaged Writing	72	18	83	0
Disadvantaged Mathematics	79	23	83	0
Other Pupils Reading	79	28	92	28
Other Pupils Writing	72	18	88	20
Other Pupils Mathematics	79	23	92	28

(Cohort sizes cause the variance in percentages)

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For The Pilgrim School, during 2016-2017 and 2017-2018 attainment for 'Expected' standards remain above National whilst those achieving 'Greater Depth' remain broadly in line with their National peers. This is considered a strong position given their low starting points.

Key Stage 1 2017 – 18 Attainment

Key Stage 1 is considered a strength for all 3 schools in 2017-18 with results being either above or well above 2016 – 17 National figures (2017 – 18 figures not released at time of reporting).

Groups	Pilgrim School		SMATT		St Mark's	
	Expected standard+	Greater Depth	Expected standard+	Greater Depth	Expected standard+	Greater Depth
All Pupils Reading	90	27	83	35	82	18
All Pupils Writing	87	27	79	17	77	18
All Pupils Mathematics	87	27	83	24	82	18
Boys Reading	87	27	79	21	78	22
Boys Writing	80	27	66	10	66	22
Boys Mathematics	93	27	75	24	78	22
Girls Reading	93	27	87	47	88	13
Girls Writing	93	27	87	47	88	13
Girls Mathematics	93	27	87	20	88	13

Key Stage 2

The Pilgrim School progress for 2016 – 17 received a letter from the Secretary of State for Education congratulating them for progress data in the top 2% of schools Nationally.

KS1 – KS2 Progress for All Pupils 2016-2017

(Progress figures for all pupils are given below and should be compared to a National value of zero.)

School	Reading Progress 2016/17	Writing Progress 2016/17	Mathematics Progress 2016/17
Pilgrim School	+5.37	+3.21	+4.58
Progress confidence interval	+3.11 to +7.64	+1.01 to +5.41	+2.54 to +6.63
Significance	Well above national average	Above national average	Well above national average

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KS1 – KS2 Progress for All Pupils 2017-2018

School	Reading Progress 2017/18	Writing Progress 2017/18	Mathematics Progress 2017/18
Pilgrim School	+3.09	+2.33	+2.32
Progress confidence interval	+1.0 to +5.2	+0.2 to +4.4	+0.4 to +4.2
Significance	Well above national average	Above national average	Above national average
SMATT	-2.01	-3.92	-4.09
Progress confidence interval	-4.3 to +0.3	-6.1 to -1.7	-6.2 to -2.0
Significance	Average	Well below national average	Well below national average
St Marks	+1.56	+0.69	+1.32
Progress confidence interval	-1.0 to +4.2	-1.8 to +3.2	-1.0 to +3.6
Significance	Average	Average	Average

Progress remains well above National in reading and above National in writing and mathematics for The Pilgrim School - progress is considered strong.

At St Mark's C of E Primary School progress-scores have improved in all subjects since conversion; all scores are positive against National and fall within the average range.

St Margaret's at Troy Town (SMATT) has improved progress score in all subjects since joining the Trust; reading is now considered average whilst writing and mathematics remain well below average.

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Attainment at the End of Key Stage 2

During 2016- 17 The Pilgrim School performed strongly against National for all groups. For disadvantaged pupils, numbers were very small. Greater Depth was a strength at individual subject level with combined being considered 'broadly in line' with National.

Group KS2	% National 2016 -17		% The Pilgrim School 2016 -17	
	Expected standard+	Greater Depth	Expected standard+	Greater Depth
All Pupils R,W,M Combined	61	9	73	7
All Pupils Reading	71	25	97	45
All Pupils Writing	76	18	90	31
All Pupils Mathematics	75	23	90	48
Boys Reading	68	21	100	50
Boys Writing	70	13	79	36
Boys Mathematics	75	24	79	57
Girls Reading	75	28	93	40
Girls Writing	83	23	100	27
Girls Mathematics	75	21	100	40
Disadvantaged Reading	77	29	100	33
Disadvantaged Writing	81	21	50	0
Disadvantaged Mathematics	80	27	50	33
Other Pupils Reading	77	29	96	48
Other Pupils Writing	81	21	100	39
Other Pupils Mathematics	80	27	100	52

End of Key Stage 2 data for 2017 - 18

Attainment at the end of key stage 2 has improved at all 3 schools from their 2016 17 results (SMATT and St Mark's from their maintained school data).

2017/18 Grammar Punctuation and Spelling results at the end of KS2

GPS	National	National	Pilgrim	Pilgrim	SMATT	SMATT	St Marks	St Marks
2017-18	Expected+	G/ Depth	Expected+	G/ Depth	Expected+	G/ Depth	Expected+	G/ Depth
All pupils	77%	34%	90%	63%	64%	18%	90%	38%

The Pilgrim School and St Mark's performed strongly against National whilst SMATT is below National. SMATT 11% progress on the previous 2 years as a maintained school.

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End of Key Stage 2 2017 – 18 Data for Individual groups

'Expected' attainment for pupils at the end of the primary phase is in line with National figures at SMATT and exceeding at both Pilgrim and St Mark's. Therefore, the Attainment of pupils at the end of this phase of education is considered strong with percentages for combined subjects across the Trust standing at 80% - 16% above that of National.

(National Data for Disadvantaged pupils is currently provisional)

Group KS2	% National 2017-18		% The Pilgrim School 2017 -18		% SMATT 2017 -18		% St Mark's 2017 -18	
	Expected standard +	Greater Depth	Expected standard +	Greater Depth	Expected standard +	Greater Depth	Expected standard +	Greater Depth
All Pupils R.W.M Combined	64	10	90	7	68	7	81	10
All Pupils Reading	75	28	90	30	75	29	86	33
All Pupils Writing	78	20	93	20	75	7	91	19
All Pupils Mathematics	75	24	93	27	71	11	95	24
Boys Reading	71	24	82	27	71	21	75	33
Boys Writing	72	15	91	9	71	7	83	17
Boys Mathematics	75	25	91	27	71	7	92	25
Girls Reading	79	32	95	32	79	36	100	33
Girls Writing	84	25	95	26	79	7	100	22
Girls Mathematics	76	21	95	26	71	14	100	22
Disadvantaged Reading	80	32	80	10	40	0	83	0
Disadvantage Writing	83	23	80	10	40	0	67	0
Disadvantaged Mathematics	80	28	90	20	40	0	83	0
Other Pupils Reading	80	33	95	40	81	31	87	47
Other Pupils Writing	83	24	95	25	73	8	100	27
Other Pupils Mathematics	81	28	96	28	77	12	100	33

*Some groups reflect very small numbers within different cohort sizes and therefore distort percentages

Attendance

Overall attendance at The Pilgrim School for 2016-17 was 97%. For 2017-18, The Pilgrim School maintained high attendance with a second year of 97%; St Margaret's at Troy Town was 96.1% and St Mark's C of E Primary School, 96%, meaning that attendance was consistently high across the Trust compared to National.

All 3 schools also have lower than National proportions of persistent absentees despite the reduction of the threshold. The work of the fulltime Pastoral Care Manager, Home School Support Worker and office staff together with robust systems to improve attendance should be credited for this success.

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Key Performance Indicators

The Trust undertakes monitoring of both a financial and non-financial nature, as follows:

Financial:

- Budget: income and expenditure to actual performance - budgets are reviewed monthly in each school by the Finance Officer and Headteacher; by governors 3 times in meetings and at 3 drop in visits to complete finance trails. Management accounts are reviewed 3 times during the year by the Board finance committee who raise questions and Local Governing Body meeting minutes relating to finance scrutiny. All budgetary issues were dealt with for the year.
- Budget three-year forecasting - this is undertaken on a rolling annual basis and it was noted that budgets in forthcoming years will be under extreme pressure due to government policy on grant income as well as the increase in pension contributions and the minimum wage pay scales.
- Staff pay as a proportion of income - this is regularly reviewed and for the year represented 76% of total income, excluding conversion income.
- Specific income and expenditure to targets - is reviewed regularly and monitored by the Financial support from Schools Financial Services who prepare management accounts for the Local Governing Bodies and the Trust Board.
- The Trust maintains a detailed Risk Register, which is a live document and is reviewed at least termly and as necessary by the CEO and Headteachers. Actions are put in place to mitigate both financial and reputational risks.
- Benchmarking against other similar academies - Local Governing Bodies reviewed benchmarking against DfE finance benchmarks and will develop as a continuing process as relevant data for the academies becomes available.

Non-Financial:

- The Pilgrim School is currently judged as 'Outstanding' by both Ofsted (2015) and SIAMs (2015). St Margaret's at Troy Town is currently judged as 'Good' by Ofsted (2013) and as 'Satisfactory' by SIAMs (2017). St Mark's C of E Primary School is currently judged as 'Good' by both Ofsted (2015) and SIAMs (2017).
- Pupil numbers - The Pilgrim School and St Margaret's at Troy Town are full on PAN at 210 each; St Mark's C of E Primary School has 132 pupils 8 below their PAN of 140; these vacancies are in KS2; whilst Early Years and KS1 are over PAN by 2 pupils gaining places on appeal.
- Curriculum - is rich and varied with a focus on creative curriculum approach. Learning outside with a particular focus on forest school is a strength. The Pilgrim School has developed its own assessment procedures for monitoring progress and coverage against the National Curriculum known as 'The Pilgrim Progress', which is being implemented across all 3 schools - the impact can be seen in improving attainment results in all 3 schools.
- End of EYFS and key stage results are reviewed against Local and National statistics published by the Department for Education together with data provided through ASP.
- Pupil Premium and value for money is reviewed against Local and National statistics published by the Department for Education together with data provided through ASP. Achievement of the pupil premium cohorts are shown in the performance and achievement section.
- For 2017-18 pupil premium pupils overall achieved in excess or 'broadly in line' with their National peers (where numbers within the cohort do not distort percentages).
- Disadvantaged Pupils that have no secondary need outperform their peers demonstrating the impact of Pupil Premium spending in each school.

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- Sports Premium and value for money – is reviewed regularly by the Local Governing Bodies and annually by the Board. Pupils have access to a wide range of sports both through the curriculum during the school day and after school and lunchtime clubs. Our schools are competitive at inter-school tournaments.
- Facilities – the condition of premises are monitored with and through the Local Governing Bodies and any necessary bids for funding will be made as appropriate.
- Health and safety is reviewed regularly by the Local Governing Bodies and external reviews are commissioned for all Trust schools.
- Energy consumption and efficiency – this is monitored by reference to the available commercial rates. The School boilers are all over 9 years old and beginning to require greater maintenance; evidence being collected – these will be monitored closely and a bid for CfF funding made when necessary.
- Staff Performance – this is monitored through annual staff appraisal based on a single central policy, the Trust ensures that staff performance is monitored and rewarded consistently and effectively. Challenge for underperformance is robust and change is linked into Appraisal. The Headteachers and CEO performance management is carried out by the Trust Board and or an appointed external advisor, again this ensures rigour for the process.

Going concern

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

The Trust's primary source of funding is pursuant to the master funding agreement and the academies' supplemental funding agreements. In addition, the academies receive funds through breakfast and after school's clubs, funds raised by parents and donations. The budgets for the Academies and the Trust are approved by the Trustees. The budgets reflect the priorities of the Academies and the Trust. The financial position of the Academies and Trust are monitored by the Board Finance Committee as well as the Local Governing Bodies. The financial policies and procedures which have been approved by the Board of Trustees comply with the Academies Financial Handbook and are implemented by the Trust and the Academies.

When the accounts are consolidated, there is an overall deficit of £364k. This is following a full actuarial valuation of pension deficit figure for the Local Government Pension Scheme of £1,137k. The premises where the Academies are located, plus the land at SMATT are owned (but not maintained) by the Rochester Diocese cannot be used to offset deficit. This position may worsen should pension contributions increase further.

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TRUSTEES' REPORT

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Financial review

We receive our income from a number of different sources. The majority of our income comes from central government via the Education and Skills Funding Agency who provide us with grant, based largely on our student numbers to cover our staffing and other general running costs (General Annual Grant - GAG). The ESFA may provide us with additional grants which are earmarked for specific purposes (such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils). These appear in the accounts as DfE/ESFA grants. Where we receive grant or other funding from the Local Authority (such as where we undertake responsibilities on their behalf in respect of our students) this appears in the accounts as Other government grants. Such income is collectively referred to as "Restricted Funds". Other income is received from parents (for example as contributions to trip or other costs) and from third parties (for example from our bank for interest on our account balances or from others who are charged for their use of our facilities). Such other income may be restricted or unrestricted, depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the trustees.

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending.

Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of trustees ("Unrestricted Funds") and those which are subject to condition or restriction, ("Restricted Funds").

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are therefore included as assets in the accounts but clearly, we cannot spend this value. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in our accounts and as this is not a conventional liability, it does not need to be deducted from spendable funds. We meet our obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries. The following balances held were held at 31 August:

Fund	Category	2018	2017
			£'000
GAG	Restricted General Funds	(29)	12
Other DfE/ESFA Grants	Restricted General Funds	<u>129</u>	<u>50</u>
Sub-total	General Restricted Funds	100	62
Unspent Capital Grants	Restricted Fixed Asset Fund	1	0
Other Income	Unrestricted General Fund	<u>86</u>	<u>0</u>
Sub-total	Spendable Funds	187	62
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	586	268
Share of LGPS Deficit	Restricted Pension Reserve	<u>(1,137)</u>	<u>(744)</u>
Total	All Funds	<u>(364)</u>	<u>(414)</u>

During the year under review and after transfers, there was a surplus of £38k on general restricted funds, a surplus of £86k on unrestricted funds and after LGPS valuation adjustments, depreciation and capital income and expenditure, an overall surplus/deficit of £50k.

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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 determine the appropriate level of reserves on an annual basis. The reason for 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. The Trust's level of free reserves (total funds less the amount held in fixed assets and restricted funds) at the year-end 31 August 2018 is £15,000 and is retained to enable the Trust to pursue projects at the Trustees' discretion. The Trustees confirm that they consider the level of reserves to be adequate bearing in mind this is the first year of having more than one academy.

Investment policy

The Trust shall not undertake any form of investment in stocks, shares, bonds or any other similar investment vehicle or in property or buildings other than those related to the establishment, maintenance, carrying on, managing and developing of educational establishments. The suitability of the banking arrangements is reviewed every academic year.

Principal Risks and Uncertainties

The Trust's principal risk and uncertainty concerns the provision of funding from central Government which is the major source of income for the academies and hence funding for the Trust. The current economic climate will see a reduction funding, which may result in the Trust having a deficit budget in the future. Although the Trust and the Academy have taken steps to make savings, these alone will not compensate for a reduction in central funding. In addition, further economies within the Academy might impact on educational standards. This together with the recent increase in the minimum wage and pension contribution changes may further reduce flexibility to maintain current staffing levels.

The succession planning for the Trust in relation to key Trustees and senior leaders, who to date, have played a pivotal role in the development of the Trust. All posts are currently filled but monitoring and preparation for the future continues to be a focus.

The Trust and its Academies also acknowledge the continued importance of up-to-date, suitable and secure IT systems both central and at the Academies and the potential issues that can be experienced by staff and students as a result of any failures.

The Trust has had its 5-year growth plan agreed by the Regional Schools Commissioner. Currently there is capacity in the existing members to support this expansion, which is planned to be measured and so sustainable. However, expansion also exposes the Trust and its academies to potentially risky alliances both financial and educational. The Trust conducts thorough due diligence checks when a school applies to join us, to mitigate risk.

Recruitment and retention of a high quality teaching staff is a concern; the school was fully staffed during the 2017-2018 academic year, but the Trust is aware that it is becoming increasingly difficult to recruit to teacher vacancies. The Trust is mitigating risk by developing career pathways within the Trust so that we are employers of choice. For example, through restructuring and a future possible sharing of roles across the Trust's academies. In addition, the Trust works closely with teacher training organisations such as the University of Greenwich, to attract high calibre trainee teachers into post.

The Trust also acknowledges that negative public relations with stakeholders and the wider community as a result of a poor Ofsted or SIAMS inspection or safeguarding issues may damage the reputation of the Trust and affect pupil numbers. At the current time, all academies are rated either 'Good' or 'Outstanding' by Ofsted and are considered full in terms of PAN.

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The Trust maintains a live risk register which is reviewed regularly to assess changes and emerging risks. This register is available for review at Local Governing Body and Board meetings. The Trustees are responsible for identifying risks faced by the Trust, establishing procedures to mitigate these risks, and ensuring that employees are aware of these procedures and of the implications of failing to implement them. The Trustees have delegated the more detailed scrutiny of the risks faced by the Trust to the CEO who also reviews the mitigation put in place to combat the risk. The CEO advises the Trustees on the significant risks faced by the Trust and its academies. The Trustees confirm that the major risks, to which the Trust is exposed, as identified in the risk register, have been reviewed and systems and procedures are in place to manage these potential risks. Furthermore, the Trustees are satisfied that each academy has undertaken a detailed review of those risks specific to the Academy and procedures have been put in place to manage those risks. The Trustees are satisfied that these procedures are consistent with the guidelines issued by the Charities Commission.

The Trustees acknowledge that they have overall responsibility for ensuring that the Trust has effective and appropriate systems of control, both financial and non-financial.

Our fundraising practices

The individual academies within the trust organise fundraising events and appeals and co-ordinate the activities of our supporters both in the academies and in the wider community. The trust does not use or allow the use of professional fundraisers or involve commercial participators. There have been no complaints about fundraising activity this year. The trust ensures that its academies comply with the Fundraising Regulator's Code of Fundraising Practice.

All fundraising is undertaken by the academies within the trust in a manner that seeks to ensure that it is not unreasonably intrusive or persistent. Contact is made through email, app, academy newsletters, letters home, our websites and via students. The trust did not hold mailing lists for the purpose of fundraising during the period being reported.

Plans for Future Periods

The Trust's key objective is the advancement of education in the United Kingdom for the public benefit. The Trust has developed a strategic plan to expand the Trust and intend to make 'best endeavours' to attract another academy to join the Trust. This has been approved by the Regional Schools' Commissioner and in the 2018-2019 year we will make best endeavours to welcome one more school into the Trust.

The Trust's strategic objectives support this key purpose by aiming to:

- Build a strong community of schools with a shared purpose and for faith schools a Christian ethos.
- Achieve the highest standards of learning and achievement for all children and adults which allows human flourishing.
- Achieve outstanding teaching and learning.
- Develop an engaging and exciting curriculum for the 21st Century
- Build a reputation for excellence in the community.
- Ensure that every child leaving our Academies is well equipped for the next stage of their education.
- Use innovative approaches to joint procurement to achieve Trust efficiencies and value for money.
- Nurture and develop School leadership including governance across the Trust empowering leaders to work beyond good and at an outstanding level.

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During 2016-2017 the Trust was established and will be built around its outstanding lead school; The Pilgrim School. Due diligence and decisions were made regarding two Church of England primary schools joining the Trust in 2017-18. The Trust also prepared and presented a successful Free School bid for a two-form-entry Church of England primary school as part of the Rochester Riverside housing development. The school is due to open in 2021. 2017-18 will see the move towards a shared ethos and practice between schools to strengthen the outcomes of all its pupils and schools. Support will be prioritised and organised in order to have the maximum impact. This will be evaluated and reported to LGBs and Trustees by the CEO 3 times per year.

Employees and disabled persons

The Trust has a policy to eliminate unlawful discrimination and harassment on the grounds of disability and to promote equal opportunities and a positive attitude towards disabled employees.

The Trust has management systems in place to provide information to and to consult staff on matters affecting them.

Political donations

No political donations were made by the Trust during the academic year 2017-2018.

Provision of information to auditor

In so far as the Trustees are aware:

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

This report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company's directors, on 18 December 2018 and signed on its behalf by:

m wilkes

M Wilkes
Chair of Board of Trustees for The Pilgrim Multi Academy Trust

THE PILGRIM MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Pilgrim Multi Academy 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 4 times during the period. The Board of Trustees also fulfils the role of Finance and Audit Committee.

Attendance during the year at meetings of the Board of Trustees was as follows:

Y = Attended, N = Apologies Accepted, NA = Apologies not Accepted, NS = No Apologies sent

Trustee		03 Nov 2017	19 Jan 2018	23 Mar 2018	20 Jul 2018
Rev'd Anne Bennett	Trustee	Y	Y	N	N
Dr Kate Bradley	Trustee	Y	Y	Y	Y
Janette Perry	Other	Y	Y	Y	Y
Mr Michael Smith	Trustee	Y	Y	N	N
Mrs Jan Taylor	Ceo	Y	Y	Y	Y
Harriet Thorneloe	Trustee	Y	Y	Y	Y
Mr Mark Wilkes	Trustee	Y	Y	Y	Y
Mrs Brenda Wood	Trustee	Y	Y	Y	Y

The Pilgrim Multi Academy Trust's Board of Trustees has developed during this period; in both experience and skills with the recruitment of a trustee who brings legal expertise to the Board. It has also been successful in recruiting a financial director who will join the Board for September 2018. This appointment will mean the Trust Board is full in terms of capacity and skills.

THE PILGRIM MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Governance reviews

During this year the Board has reviewed the strategic direction of the Trust and checked that management systems and key policies are in place to so that the Trust meets the requirements of the law and the Education Funding Agency's Financial Handbook. The Board has monitored the work of the Local Governing Bodies of its 3 academies to ensure that they are effective and follow the policies and procedures of the Trust. It has worked effectively to promote good communication between Local Governing Bodies to the Board and vice versa. The Board has set up an annual 'Governor Conference' which gives all levels of governance an opportunity to network and establish collaborations. It provided the opportunity to share the Boards Christian vision which forms the basis for school vision development.

The Board asks challenging questions which holds the Chief Executive Officer to account for the performance of the Trust. In addition to continually reflecting on, and reviewing effectiveness of governance it has reflected on the capacity and support for the CEO and has recruited a School Business to start in September 2018 which will allow the CEO to focus more directly on school improvement.

Review of Value for Money

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

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

- Pupil attainment at the end of Key Stage 2 has increased in all 3 academies from their 2016 -17 results.
- The Trust successfully grew to 3 academies during this year.
- Leadership collaboration has provided strong mentorship and professional development for all Headteachers.
- Cross-academy teacher collaboration has helped clarify expectations resulting in accurate assessments and improved standards at Key Stage 1 and 2.
- As a Trust the financial challenges of academisation have been overcome.
- The Trust has been successful in its financial ventures which has allowed the recruitment of a central business manager and teaching staff to allow an outreach approach to interventions for 2018-19.

THE PILGRIM MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Pilgrim Multi Academy Trust for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2018 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Directors.

The risk and control framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- Regular reviews by the finance and premises committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

Trustees have considered the need for a specific internal audit function and undertook an internal review of all 3 academies – this was carried out by a finance governor sitting at LGB level.

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

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/bank reconciliations

On a planned and diarised basis, the reviewer reports at local governing body level, and provides a written report for the Trust Board and auditors on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

Trustees are satisfied that the role has been delivered effectively.

THE PILGRIM MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

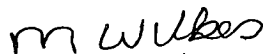
Review of effectiveness

As Accounting Officer, the CEO 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 review procedures;
- The work of the external auditor;
- The financial management and governance self-assessment process;
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised on the implications of the result of the review of the system of internal control by auditors 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 18 December 2018 and signed on its behalf by:



M Wilkes
Chair of Trustees



J Taylor
Accounting Officer

THE PILGRIM MULTI ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of The Pilgrim Multi Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Academy Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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



J Taylor
Accounting Officer

18 December 2018

THE PILGRIM MULTI ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

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

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

In preparing these Financial Statements, the Trustees are required to:

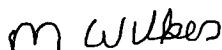
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 18 December 2018 and signed on its behalf by:



M Wilkes
Chair of Trustees

THE PILGRIM MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PILGRIM MULTI ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the Financial Statements of The Pilgrim Multi Academy Trust for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the Financial Statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report, other than the Financial Statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

THE PILGRIM MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PILGRIM MULTI ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the incorporated strategic report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Trustees' report including the incorporated 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 the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report, including the incorporated strategic report.

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

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Trustees are responsible for assessing the Academy 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 charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

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

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE PILGRIM MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PILGRIM MULTI ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

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

David John Walsh FCCA (Senior Statutory Auditor)

For and on behalf of Baxter & Co

Statutory Auditor

Chartered Certified Accountants

Lynwood House

Crofton Road

Orpington

Kent

BR6 8QE

Dated: 18 December 2018

THE PILGRIM MULTI ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE PILGRIM MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 16 November 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Pilgrim Multi Academy Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Pilgrim Multi Academy Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The Pilgrim Multi Academy Trust's funding agreement with the Secretary of State for Education dated 29 November 2016 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
 - Review of payments to suppliers and other third parties;
 - Review of grant and other income streams;
 - Review of some key financial control procedures;
 - Discussions with finance staff;
 - Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
 - Consideration of the programme of risk review and checking of financial controls implemented by the trust in order to comply with its obligations under 2.4.9 of the Academies Financial Handbook 2017, issued by the ESFA.
-

THE PILGRIM MULTI ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE PILGRIM MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Conclusion

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

Baxter & Co
Independent Reporting Accountants
Chartered Certified Accountants
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Dated: 18 December 2018

THE PILGRIM MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2018 £'000	Total 2017 £'000
Income and endowments from:						
Donations and capital grants	3	11	5	20	36	9
Charitable activities:						
- Funding for educational operations	4	121	2,659	-	2,780	873
Total		132	2,664	20	2,816	882
Expenditure on:						
Charitable activities:						
- Educational operations	7	116	2,802	147	3,065	985
Charitable expenditure - transfer from local authority on conversion	22	(70)	619	(441)	108	232
Total	5	46	3,421	(294)	3,173	1,217
Net income/(expenditure)		86	(757)	314	(357)	(335)
Transfers between funds	15	-	(5)	5	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	17	-	407	-	407	(79)
Net movement in funds		86	(355)	319	50	(414)
Reconciliation of funds						
Total funds brought forward		-	(682)	268	(414)	-
Total funds carried forward		86	(1,037)	587	(364)	(414)

THE PILGRIM MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

SUPPLEMENTARY NOTE: COMPARATIVE INFORMATION FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2017 £'000
Income and endowments from:					
Donations and capital grants	3	2	-	7	9
Charitable activities:					
- Funding for educational operations	4	35	838	-	873
Total		<u>37</u>	<u>838</u>	<u>7</u>	<u>882</u>
Expenditure on:					
Charitable activities:					
- Educational operations	7	91	830	64	985
Charitable expenditure - transfer from local authority on conversion	22	(54)	611	(325)	232
Total	5	<u>37</u>	<u>1,441</u>	<u>(261)</u>	<u>1,217</u>
Net income/(expenditure)		-	(603)	268	(335)
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	17	-	(79)	-	(79)
Net movement in funds		-	(682)	268	(414)
Reconciliation of funds					
Total funds brought forward		-	-	-	-
Total funds carried forward		<u>-</u>	<u>(682)</u>	<u>268</u>	<u>(414)</u>

THE PILGRIM MULTI ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

		2018	2017
	Notes	£'000	£'000
Fixed assets			
Tangible assets	11	586	268
Current assets			
Debtors	12	56	15
Cash at bank and in hand		218	112
		274	127
Current liabilities			
Creditors: amounts falling due within one year	13	(87)	(65)
Net current assets		187	62
Net assets excluding pension liability		773	330
Defined benefit pension scheme liability	17	(1,137)	(744)
Total net assets		(364)	(414)
Funds of the Academy Trust:			
Restricted funds	15		
- Fixed asset funds		587	268
- Restricted income funds		100	62
- Pension reserve		(1,137)	(744)
Total restricted funds		(450)	(414)
Unrestricted income funds	15	86	-
Total funds		(364)	(414)

The Financial Statements on pages 39 to 65 were approved by the Trustees and authorised for issue on 18 December 2018 and are signed on their behalf by:

M Wilkes

M Wilkes
Chair of Trustees

Company Number 10382748

THE PILGRIM MULTI ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

		2018		2017	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash provided by operating activities	18		37		51
Cash funds transferred on conversion			70		54
			<u>107</u>		<u>105</u>
Cash flows from investing activities					
Capital grants from DfE Group		20		7	
Purchase of tangible fixed assets		(21)		-	
		<u></u>		<u></u>	
Net cash (used in)/provided by investing activities			<u>(1)</u>		<u>7</u>
Net increase in cash and cash equivalents in the reporting period			106		112
Cash and cash equivalents at beginning of the year			<u>112</u>		<u>-</u>
Cash and cash equivalents at end of the year			<u><u>218</u></u>		<u><u>112</u></u>

THE PILGRIM MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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

1.1 Basis of preparation

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

The Pilgrim Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the Financial Statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

1.3 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred from St Margaret's at Troy Town C of E Primary School and St Mark's of E Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Charitable activities – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 22.

1.4 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

THE PILGRIM MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

1.5 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

THE PILGRIM MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

Charitable activities

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

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management, Trustees' meetings and reimbursed expenses.

1.6 Tangible fixed assets and depreciation

Assets costing £1,000 or are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require 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. Where tangible fixed assets have been acquired / funded by other income, the fixed asset fund is also credited. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold land and buildings	0.8% Straight Line
Computer equipment	33% Straight Line
Fixtures, fittings & equipment	20% Straight Line
Motor vehicles	10% Straight Line

Fixed Asset Transfer from Predecessor School

The main land and buildings used by the Academy Trust, being the school sites at The Pilgrim School, St Mark's C of E Primary School and St Margaret's at Troytown C of E Primary School are owned by the Incorporated Rochester Diocesan Board of Education. The Academy Trust occupies these rent free under a licence to occupy contained in a supplemental agreement with The Secretary of State. The Trustees of the Academy Trust have considered carefully the requirements of and guidance notes within the Academies Accounts Direction issued by the ESFA. They have concluded that, taking into account the rights and obligations placed upon the Academy Trust by the licence to occupy, the substance of the arrangement is that this right to occupy does not confer benefits that constitute a fixed asset. Accordingly they have concluded that the Academy Trust's right to occupy its buildings should not be recognised as a fixed asset on its balance sheet.

Playing fields are occupied on a leasehold basis under 125 year leases with Medway Council and Kent County Council. The land values have been estimated by the trustees, taking into account the legal restrictions as to usage.

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.

THE PILGRIM MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

1.7 Liabilities

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

1.8 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.9 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Taxation

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

1.11 Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

THE PILGRIM MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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

1.12 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The fair value of inherited leasehold land and the right to occupy the main site of The Pilgrim School have been estimated by the trustees on the basis described more fully in the accounting policies and in note 10 to the financial statements.

Critical areas of judgement

In preparing these Financial Statements, the Trustees have not needed to exercise any subjective judgements that would be critical to the Academy Trust's Financial Statements.

THE PILGRIM MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Capital grants	-	20	20	7
Other donations	11	5	16	2
	<u>11</u>	<u>25</u>	<u>36</u>	<u>9</u>

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	2,127	2,127	670
Other DfE group grants	-	389	389	122
	<u>-</u>	<u>2,516</u>	<u>2,516</u>	<u>792</u>
Other government grants				
Local authority grants	-	143	143	46
	<u>-</u>	<u>143</u>	<u>143</u>	<u>46</u>
Other funding				
Other incoming resources	121	-	121	35
	<u>121</u>	<u>-</u>	<u>121</u>	<u>35</u>
Total funding	<u>121</u>	<u>2,659</u>	<u>2,780</u>	<u>873</u>

5 Expenditure

	Staff costs £'000	Non Pay Expenditure		Total 2018 £'000	Total 2017 £'000
		Premises £'000	Other £'000		
Academy's educational operations					
- Direct costs	1,878	116	137	2,131	677
- Allocated support costs	395	191	348	934	308
	<u>2,273</u>	<u>307</u>	<u>485</u>	<u>3,065</u>	<u>985</u>

THE PILGRIM MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

5 Expenditure

Net income/(expenditure) for the year includes:	2018 £'000	2017 £'000
Fees payable to auditor for:		
- Audit	8	4
- Other services	10	4
Operating lease rentals	3	2
Depreciation of tangible fixed assets	144	57
Net interest on defined benefit pension liability	33	14
	<u> </u>	<u> </u>

Included within expenditure are the following transactions:

	2018 £
Gifts made by the Academy Trust - total	<u>27</u>

Clarification note : While most of the disclosures in these accounts are rounded to £'000, the disclosure of gifts above is not. The value of gifts during the year was £27 (and not £27k).

6 Central services

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

- CEO
- School Business Manager
- Audit and accountancy fees

The Academy Trust charges for these services on the following basis:

- flat percentage of income

The amounts charged during the year were as follows:	2018 £'000	2017 £'000
St Margaret's at Troy Town C of E Primary School	54	-
St Mark's C of E Primary School	22	-
The Pilgrim School	44	-
	<u>120</u>	<u> </u>

THE PILGRIM MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Direct costs				
Educational operations	103	2,028	2,131	677
Support costs				
Educational operations	13	921	934	308
	<u>116</u>	<u>2,949</u>	<u>3,065</u>	<u>985</u>
Analysis of costs			2018 £'000	2017 £'000
Direct costs				
Teaching and educational support staff costs			1,878	596
Staff development			13	-
Depreciation			116	46
Technology costs			21	1
Educational supplies and services			103	33
Educational consultancy			-	1
			<u>2,131</u>	<u>677</u>
Support costs				
Support staff costs			247	110
Defined benefit pension scheme - staff costs (FRS102 adjustment)			148	40
Depreciation			28	11
Maintenance of premises and equipment			39	13
Cleaning			34	1
Energy costs			37	11
Rent, rates and other occupancy costs			39	20
Insurance			11	-
Security and transport			4	-
Catering			66	26
Defined benefit pension scheme - finance costs (FRS102 adjustment)			33	14
Other support costs			103	13
Governance costs			145	49
			<u>934</u>	<u>308</u>

THE PILGRIM MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

8 Staff

Staff costs

Staff costs during the year were:

	2018 £'000	2017 £'000
Wages and salaries	1,657	560
Social security costs	139	47
Pension costs	284	99
Defined benefit pension scheme - staff costs (FRS102 adjustment)	148	40
Staff costs	2,228	746
Agency staff costs	45	-
Total staff expenditure	2,273	746

Staff numbers

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

	2018 Number	2017 Number
Teachers	36	8
Administration and support	65	20
Management	6	5
	107	33

The number of persons employed, expressed as a full time equivalent, was as follows:

	2018 Number	2017 Number
Teachers	22	7
Administration and support	33	14
Management	6	4
	61	25

Higher paid staff

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

	2018 Number	2017 Number
£70,001 - £80,000	1	-

THE PILGRIM MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

8 Staff

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £279,511.

9 Trustees' remuneration and expenses

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Chief Executive Officer and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and staff members under their contracts of employment, and not in respect of their services as Trustees.

The value of Trustees' remuneration and other benefits was as follows:

J Taylor (Chief Executive Officer):

- Remuneration £75,000 - £80,000 (2017: £50,000 - £55,000)
- Employer's pension contributions £10,000-£15,000 (2017: £5,000 - £10,000)

During the year, travel and subsistence payments totalling £Nil (2017: £10) were reimbursed or paid directly to No Trustees (2017: 1 Trustee).

Other related party transactions involving the Trustees are set out within the related parties note.

10 Trustees and officers insurance

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

THE PILGRIM MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

11 Tangible fixed assets

	Leasehold Land	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2017	100	87	138	-	325
Transfer on conversion	110	104	225	2	441
Additions	-	18	3	-	21
At 31 August 2018	210	209	366	2	787
Depreciation					
At 1 September 2017	1	28	28	-	57
Charge for the year	2	69	73	-	144
At 31 August 2018	3	97	101	-	201
Net book value					
At 31 August 2018	207	112	265	2	586
At 31 August 2017	99	59	110	-	268

The main land and buildings used by the Academy Trust, being the school sites at The Pilgrim School, St Mark's C of E Primary School and St Margaret's at Troytown C of E Primary School are owned by the Incorporated Rochester Diocesan Board of Education. The Academy Trust occupies these rent free under a licence to occupy contained in a supplemental agreement with The Secretary of State. The Trustees of the Academy Trust have considered carefully the requirements of and guidance notes within the Academies Accounts Direction issued by the ESFA. They have concluded that, taking into account the rights and obligations placed upon the Academy Trust by the licence to occupy, the substance of the arrangement is that this right to occupy does not confer benefits that constitute a fixed asset. Accordingly they have concluded that the Academy Trust's right to occupy its buildings should not be recognised as a fixed asset on its balance sheet.

Playing fields are occupied on a leasehold basis under 125 year leases with Medway Council and Kent County Council. The land values have been estimated by the trustees, taking into account the legal restrictions as to usage.

12 Debtors

	2018 £'000	2017 £'000
Trade debtors	1	-
VAT recoverable	19	2
Prepayments and accrued income	36	13
	<u>56</u>	<u>15</u>

THE PILGRIM MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

13	Creditors: amounts falling due within one year	2018	2017
		£'000	£'000
	Trade creditors	8	-
	Other taxation and social security	-	16
	Other creditors	-	15
	Accruals and deferred income	79	34
		<u>87</u>	<u>65</u>
14	Deferred income	2018	2017
		£'000	£'000
	Deferred income is included within:		
	Creditors due within one year	53	18
		<u>53</u>	<u>18</u>
	Deferred income at 1 September 2017	18	-
	Released from previous years	(18)	-
	Resources deferred in the year	53	18
		<u>53</u>	<u>18</u>
	Deferred income at 31 August 2018	53	18

Deferred income relates to £40k (2017: £18k) of Universal Infant Free School Meals income received in the current period that relates to 2018/19, £11k (2017: £Nil) of Devolved Formula Capital and £2k (2017: £Nil) of other income in advance.

THE PILGRIM MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

15 Funds

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	12	2,127	(2,168)	-	(29)
Other DfE / ESFA grants	40	228	(149)	-	119
Pupil Premium	10	181	(161)	-	10
Other government grants	-	143	(143)	-	-
Other restricted funds	-	5	-	(5)	-
Pension reserve	(744)	-	(800)	407	(1,137)
	<u>(682)</u>	<u>2,664</u>	<u>(3,421)</u>	<u>402</u>	<u>(1,037)</u>
Restricted fixed asset funds					
Transfer on conversion	242	-	329	-	571
DfE group capital grants	26	20	(33)	-	13
Capital expenditure from GAG and other funds	-	-	(2)	5	3
	<u>268</u>	<u>20</u>	<u>294</u>	<u>5</u>	<u>587</u>
Total restricted funds	<u>(414)</u>	<u>2,684</u>	<u>(3,127)</u>	<u>407</u>	<u>(450)</u>
Unrestricted funds					
General funds	-	132	(46)	-	86
Total funds	<u>(414)</u>	<u>2,816</u>	<u>(3,173)</u>	<u>407</u>	<u>(364)</u>

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

The Restricted General Funds are used to fund the general operating costs of the Academy Trust.

The Restricted LGPS Fund represents the Academy Trust's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents investment in fixed assets, net of related depreciation. Unspent capital grants are also held in this fund and their use is restricted to the capital projects for which the grant was paid.

THE PILGRIM MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

15 Funds

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

	Balance at 19 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant (GAG)	-	670	(658)	-	12
Other DfE / ESFA grants	-	92	(52)	-	40
Pupil Premium	-	30	(20)	-	10
Other government grants	-	48	(46)	-	-
Pension reserve	-	-	(665)	(79)	(744)
	-	838	(1,441)	(79)	(682)
Restricted fixed asset funds					
Transfer on conversion	-	-	242	-	242
DfE group capital grants	-	7	19	-	26
	-	7	261	-	268
Total restricted funds	-	845	(1,180)	(79)	(414)
Unrestricted funds					
General funds	-	37	(37)	-	-
Total funds	-	882	(1,217)	(79)	(414)

THE PILGRIM MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

15 Funds

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 19 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	-	2,797	(2,826)	-	(29)
Other DfE / ESFA grants	-	320	(201)	-	119
Pupil Premium	-	191	(181)	-	10
Other government grants	-	189	(189)	-	-
Other restricted funds	-	5	-	(5)	-
Pension reserve	-	-	(1,465)	328	(1,137)
	<u>-</u>	<u>3,502</u>	<u>(4,862)</u>	<u>323</u>	<u>(1,037)</u>
Restricted fixed asset funds					
Transfer on conversion	-	-	571	-	571
DfE group capital grants	-	27	(14)	-	13
Capital expenditure from GAG and other funds	-	-	(2)	5	3
	<u>-</u>	<u>27</u>	<u>555</u>	<u>5</u>	<u>587</u>
Total restricted funds	<u>-</u>	<u>3,529</u>	<u>(4,307)</u>	<u>328</u>	<u>(450)</u>
Unrestricted funds					
General funds	-	169	(83)	-	86
Total funds	<u>-</u>	<u>3,698</u>	<u>(4,390)</u>	<u>328</u>	<u>(364)</u>

THE PILGRIM MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

15 Funds

Total funds analysis by academy

	2018 £'000	2017 £'000
Fund balances at 31 August 2018 were allocated as follows:		
St Margaret's at Troy Town C of E Primary School	(34)	-
St Mark's C of E Primary School	43	
The Pilgrim School	35	
Central services	142	62
Total before fixed assets fund and pension reserve	186	62
Restricted fixed asset fund	587	268
Pension reserve	(1,137)	(744)
Total funds	(364)	(414)

St Margaret's at Troy Town C of E Primary School had a net deficit of £34k on revenue funds because of the £15k local authority clawback relating to historic invoices, as part of reconciliation; the loss of the Sure Start centre income through relocation; investment made in school improvement, supported by the Academy Trust. The Academy Trust is taking the following actions to return the academy to surplus:

- Regular monitoring and oversight of budgets and performance against budgets at central Trust level;
- Staffing restructures;
- Continued investment in school improvement and focus on pupil recruitment and retention;
- Ongoing cost control measures to manage and reduce the deficit.

Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total £'000
St Margaret's at Troy Town C of E Primary School	697	147	57	178	1,079
St Mark's C of E Primary School	367	66	29	108	568
The Pilgrim School	726	161	48	203	1,138
Central services	88	21	3	24	136
	1,878	395	137	511	2,921

THE PILGRIM MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	586	586
Current assets	86	187	1	274
Creditors falling due within one year	-	(87)	-	(87)
Defined benefit pension liability	-	(1,137)	-	(1,137)
Total net assets	86	(1,037)	587	(364)
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	268	268
Current assets	-	127	-	127
Creditors falling due within one year	-	(65)	-	(65)
Defined benefit pension liability	-	(744)	-	(744)
Total net assets	-	(682)	268	(414)

17 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Kent County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £35k (2017: £15k) were payable to the schemes at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' 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.

THE PILGRIM MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Pension and similar obligations

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £168k (2017: £56k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 20.0% for employers and 5.5% to 12.5% for employees.

The LGPS obligation relates to the employees of the Academy Trust who were employees transferred as part of the conversion from the maintained school (as described in note 22) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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.

THE PILGRIM MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Pension and similar obligations

Total contributions made	2018 £'000	2017 £'000
Employer's contributions	117	43
Employees' contributions	33	12
Total contributions	150	55

Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	3.8	4.2
Rate of increase for pensions in payment/inflation	2.3	2.7
Discount rate for scheme liabilities	2.7	2.6

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

	2018 Years	2017 Years
Retiring today		
- Males	23.1	23.0
- Females	25.2	25.1
Retiring in 20 years		
- Males	25.3	25.2
- Females	27.5	27.4

Scheme liabilities have been measured at £2,599k. In the event that certain key assumptions were to change as described, the scheme liabilities would have been measured as follows:

	2018 £'000	2017 £'000
Discount rate + 0.1%	2,528	1,326
Discount rate - 0.1%	2,672	1,403
Mortality assumption + 1 year	2,882	1,408
Mortality assumption - 1 year	2,519	1,322
Salary rate + 0.1%	2,613	1,374
Salary rate - 0.1%	2,585	1,355
Pensions rate + 0.1%	2,659	1,393
Pensions rate - 0.1%	2,541	1,336

THE PILGRIM MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Pension and similar obligations

Defined benefit pension scheme net liability

Scheme assets	1,462	620
Scheme obligations	(2,599)	(1,364)
Net liability	(1,137)	(744)

The Academy Trust's share of the assets in the scheme

	2018 Fair value £'000	2017 Fair value £'000
Equities	996	436
Bonds	130	60
Gilts	11	4
Cash	45	20
Property	181	76
Other assets	99	24
Total market value of assets	1,462	620

The actual return on scheme assets was £57,000 (2017: £81,000).

Amount recognised in the Statement of Financial Activities

	2018 £'000	2017 £'000
Current service cost	265	83
Interest income	(34)	(12)
Interest cost	67	26
Total operating charge	298	97

Changes in the present value of defined benefit obligations

	2018 £'000
At 1 September 2017	1,364
Obligations acquired on conversion	1,257
Current service cost	265
Interest cost	67
Employee contributions	33
Actuarial (gain)/loss	(384)
Benefits paid	(3)
At 31 August 2018	2,599

THE PILGRIM MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Pension and similar obligations

Changes in the fair value of the Academy Trust's share of scheme assets

	2018 £'000
At 1 September 2017	620
Assets acquired on conversion	638
Interest income	34
Actuarial gain	23
Employer contributions	117
Employee contributions	33
Benefits paid	(3)
At 31 August 2018	1,462

18 Reconciliation of net expenditure to net cash flow from operating activities

	2018 £'000	2017 £'000
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(357)	(335)
Adjusted for:		
Net deficit on conversion to academy	108	232
Capital grants from DfE/ESFA and other capital income	(20)	(7)
Defined benefit pension costs less contributions payable	148	40
Defined benefit pension net finance cost	33	14
Depreciation of tangible fixed assets	144	57
(Increase) in debtors	(41)	(15)
Increase in creditors	22	65
Net cash provided by operating activities	37	51

19 Commitments under operating leases

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

	2018 £'000	2017 £'000
Amounts due within one year	3	2
Amounts due in two and five years	4	1
	7	3

THE PILGRIM MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Related party transactions

No related party transactions took place in the period of account other than certain Trustees' remuneration and expenses already disclosed in note 9.

21 Members' liability

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

22 Conversion to an academy

On 01 September 2017 and 01 November 2017 the St Margaret's at Troy Town C of E Primary School and St Mark's C of E Primary School joined the Academy Trust under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Pilgrim Multi Academy Trust from the Medway and Kent Local Authorities for £nil consideration.

The transfers have been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding amount recognised in Charitable activities – transfer from local authority on conversion in the Statement of Financial Activities.

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

Academy	Location	Date of conversion
St Margaret's at Troy Town C of E Primary School	Medway	1 September 2017
St Mark's C of E Primary School	Kent	1 November 2017

Net assets transferred:	2018
	£'000
Leasehold land and buildings	110
Other tangible fixed assets	331
Cash	70
LGPS pension surplus/(deficit)	(619)
	<u>(108)</u>

THE PILGRIM MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

22 Conversion to an academy

Funds surplus/(deficit) transferred:	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2018
	£'000	£'000	£'000	£'000
Fixed assets funds	-	-	441	441
LGPS pension funds	-	(619)	-	(619)
Other funds	70	-	-	70
	<u>70</u>	<u>(619)</u>	<u>441</u>	<u>(108)</u>