

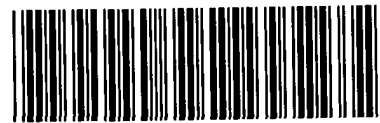
PEAK EDGE

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2019

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PEAK EDGE

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	David Cates (appointed 30 October 2018) Paul Houghton (appointed 30 October 2018) John Lovell (appointed 30 October 2018)
Trustees	David Cates, Chair (appointed 30 October 2018) Elizabeth Cutting (appointed 30 October 2018) <i>Dr Anthony Moody (appointed 30 October 2018, resigned 22 October 2019)</i> Dan Andrews (appointed 1 May 2019) Julie Vincent (appointed 1 May 2019) Martin Perryman (appointed 1 May 2019, resigned 5 November 2019)
Company registered number	11650747
Company name	Peak Edge
Principal and registered office	Oughtibridge Primary School Naylor Road Sheffield South Yorkshire S350HG
Chief executive officer and Accounting officer	Jim Dugmore
Senior management team	Naomi Pearson, Chief Financial Officer (resigned 9 December 2019)
Independent auditors	BHP LLP 2 Rutland Park Sheffield South Yorkshire S10 2PD

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TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 30 October 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The academy trust operates 6 primary schools serving catchment areas in North-West Sheffield which all converted to Academy status and joined the trust on 1 May 2019. They have a combined pupil capacity of 1,325 and had a roll of 1,318 in the school census at October 2019.

The trust became active on 1 May 2019 and so these financial statements include four months income and expenditure.

Structure, governance and management***a. Constitution***

The academy trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document of the academy trust.

The Trustees of Peak Edge are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Peak Edge.

Details of the Trustees who served during the period, and to the date of these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

The management of the academy trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

d. Policies adopted for the induction and training of Trustees

New Trustees are inducted by the Board through the support of experienced Trustees.

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TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Structure, governance and management (continued)***e. Organisational structure***

The Trustee Board is responsible for agreeing all policies covering Personnel, Health and Safety, Curriculum and Financial aspects of the work of all academies with Peak Edge although in practice some policies may be set at academy level depending on the Scheme of Delegation, which relates to individual school performance. Policies set at individual academy level are reviewed and agreed by Trustees periodically.

The full Trustee Board currently meets at least once every half term and is considered a full Board meeting at every occurrence. The Board's Finance and Audit committee meets on the same schedule. The Board has also constituted a Headteacher Board, which focusses on academy matters, which meets at least monthly. The day to day running of the academies is delegated by the Trustee Board to the respective Local Governing Board and Headteacher of each academy, as set out in the Trust Scheme of Delegation.

The Trustees also comprise the Finance and Audit committee:

Dan Andrews – Chair of the Finance and Audit committee
Jim Dugmore – Chief Executive Officer and Accounting Officer
Naomi Pearson – Chief Financial Officer (resigned 9 December 2019)
Sarah Binns – Headteacher, Stannington Infant School
David Cates
Elizabeth Cutting
Dr Anthony Moody (resigned 22 October 2019)
Julie Vincent
Martin Perryman (resigned 5 November 2019)

The Headteachers of the Academies comprise the Headteacher Board:

Jim Dugmore – Chief Executive Officer and Accounting Officer/Headteacher Oughtibridge Primary
Helen Adams – Headteacher, Bradfield Dungworth Primary
James Connolly – Headteacher, Loxley Primary
Steven Arbon-Davis – Headteacher, Nook Lane Junior
Sarah Binns, Headteacher, Stannington Infant
Matt Gaughan, Headteacher, Wharnccliffe Side Primary

The Headteacher Board bears the responsibilities to:

- Discuss and co-ordinate operational matters arising across the Academies
- Co-ordinate inter-academy support and challenge in line with School Improvement Plans
- Make recommendations about Trust Policies
- Act as liaisons between the Trustee Board and Local Governing Boards.
- Consider and advise upon safeguarding incidents, proceeding any areas of concern to Trustee level when required.
- Consider and advise upon staffing matters between academies

f. Arrangements for setting pay and remuneration of key management personnel

The Trust employs key management personnel to facilitate the work of the Trust. The key management personnel have an annual performance management review carried out by an expert in that particular field. The findings of these reviews are then used as a foundation for remuneration discussions within a prescribed pay banding. The remuneration proposals are

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TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Structure, governance and management (continued)

then agreed by the Local Governing Board. The CEO's remuneration package is agreed in consultation with the Trustee Board. The remuneration package was benchmarked against the salary of other CEOs within Multi Academy Trusts of a similar size and with the support of officers from Capita Human Resources. The salary of the Chief Financial Officer was benchmarked using the Sheffield Local Authority Pay and Grading system and adheres to the framework set out for Sheffield Schools. Final remuneration packages are agreed by Trustees. Performance management of these roles are undertaken on an annual basis.

Objectives and activities***a. Objects and aims***

Peak Edge is based in North West Sheffield and was established in 2019 as a partnership between like-minded partner schools with excellence at the heart of all that we do. The schools in the family share the same intention of ensuring every pupil we serve reaches their full potential and have track records of not only working together but providing school to school support across the city and beyond.

We believe every young person has the right to an excellent education, to feel safe and enjoy stimulating learning that inspires them. We aim to fully prepare them for the next stage of their life.

We are committed to supporting the schools led system and are committed as a group to deeper collaboration. Peak Edge brings schools together and provide a foundation for further growth by sharing our strengths while maintaining our individual characteristics.

Peak Edge prides itself on having high expectations of our pupils, staff and academies. Everyone involved with Peak Edge subscribes to the same core values and moral purpose so that we can best support each other and help our adults to develop alongside our young people.

These are:

- Trust - We respect the individuality of schools and their communities and always act with integrity. By allowing high levels of autonomy wherever possible, we are able to nurture personalised approaches to learning and focus on developing holistic people.
- Collaboration - Our Trust is based on positive relationships and close working across settings. Stakeholders treat each other with respect and work in productive partnerships that work for the greater good of the children.
- Ambition - We aspire for all children and adults in our communities to be the best they can be. Inspiring curricula for our pupils, clear development pathways for our staff and sustainable Trust growth all combine to ensure we all reach our potential.
- Responsibility - A school understands its context better than anybody and should be supported to utilise that knowledge in order to remain improvement focussed. We account for our actions and are outward facing.
- Innovation - Enjoyment and excitement should be an entitlement for all children and adults working in our Trust. We develop cutting edge, research informed and highly engaging pedagogies that ensure high levels of progress for children and rapid development of staff.

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TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Objectives and activities (continued)***b. Objectives, strategies and activities***

At the heart of the Peak Edge offer is the goal of providing an excellent education for every child in every academy.

Peak Edge aims for children to make at least good progress in KS1 and KS2, considering their starting points from EYFS/ KS1. This will include comparing key areas from starting points with national data and comparing similar key areas at the end of KS1/ KS2. This will indicate good gains made across EYFS, KS1 and KS2 using this comparative data. The expectation is for children to make rapid progress that is sustained across their years in the primary school.

We seek to support the autonomy of our schools, under effective leadership, and to encourage them to flourish. In educational leadership terms, the trust is committed to the integrity of local governing bodies.

We aim to provide an effective combination of centrally driven improvement alongside effective monitoring to ensure that our schools demonstrate a high standard of provision

The trust seeks to secure a positive, effective and communicative relationship with each of its academies

Through working with school leadership and business support, the Trust seeks to foster the wellbeing and development of schools from within. We also aim, with agreement with our schools, to enable and facilitate working across the Trust. The Trust positively encourages schools to continue to work with those local structures that are effective and worthwhile; this includes maintaining good links with local authority provision.

c. Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

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TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Strategic report**Achievements and performance****a. Key performance indicators**

Trust Outcomes 2018/19

	Cohort	Percentage	National
EYFS			
A Good Level of Development	191	72%	72%
Phonics			
Phonics - Year 1	191	75%	82%
End of Key Stage 1			
% National Standard (or higher) Reading	192	81%	75%
% National Standard (or higher) Writing	192	81%	69%
% National Standard (or higher) Maths	192	81%	76%
End of Key Stage 2			
% National Standard (or higher) Reading	185	81%	73%
% National Standard (or higher) Writing	185	87%	78%
% National Standard (or higher) Maths	185	86%	79%
% National Standard (or higher) GPS	185	86%	78%
% National Standard (or higher) R, W & M combined	185	76%	65%

b. Going concern

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

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TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Strategic report (continued)***Financial review******a. Review of results***

The existing reserves of the individual schools were transferred in to the trust on conversion and these had a total value of £10,552,027. The restricted general funds (excluding pension reserve) plus unrestricted funds transferred within this balance were £598,729. The trust operated for four months to 31 August 2019 and the in year result on restricted general funds (excluding pension reserve) plus unrestricted funds was a surplus of £165,439. At 31 August 2019 the trust had free reserves of £668,858.

b. Reserves policy

Individual Academies within the trust are expected to hold contingency reserves from their annual GAG funding or other income. The Governors/Trustees require a revenue reserve to be created to fund future expenditure related to the Academy Development Plan's strategic long-term aims and developments.

The School Business Manager and/or Administration staff, in conjunction with the Headteacher, is responsible for ensuring compliance with Peak Edge Policies and Procedures.

The trust requires each academy to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the DfE.

The Trustees will consider and agree a reserves policy for the trust in the next few months.

c. Investment policy

The trust has no investments and retains funds in a central account.

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TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Strategic report (continued)**Financial review (continued)*****d. Principal risks and uncertainties***

As a new Trust, Peak Edge is developing and reviewing its risk register and business continuity plan to help mitigate the main risks and uncertainties it faces.

The principal risks and uncertainties facing the trust are as follows:

Strategic:

- An academy in the trust receiving a negative Ofsted outcome – mitigated by shared development between academies and monitoring arrangements for the trust.
- Uncontrollable events e.g. fire, flood – mitigated by renewal of insurance with RPA.
- Change in Government Policy – mitigated by links with the National Society and use of Sheffield LA Legal Team for advice and support.

Financial:

- Inaccurate or insufficient information – mitigated by partnership with Steel City Schools Partnership during the interim time between the CFO's resignation date and the appointment of the CFO Designate (due to start January 2020) to provide regular financial reporting to the trust and central support to complete budget monitoring returns.
- Poor cash flow or limited reserves – mitigated by monthly bank reconciliations, budget monitoring and production of cash flow forecasts and academy reserves.
- Unsuitable financial systems – mitigated by expert advice and training to ensure systems meet trust requirements.

Fundraising

Potential fundraising and external income generation opportunities are regularly discussed at the Headteacher Board meetings. The main sources of fundraising is from grant awarding bodies such as Awards for All. The CFO, Headteachers and Administration staff will share knowledge of available funding and share information of any new grants that are available to schools and that they have successfully applied for.

Plans for future periods

The Trust is still establishing, with all academies having converted on May 1st 2019. As such, there are no current plans for growth but rather consolidation while systems and processes are established for the six current member academies.

The trust will continue to review major purchase contracts in order to achieve best value for money for all schools within Peak Edge. The savings made on these areas will be reinvested in the front-line education of pupils. Internal cost benchmarking will aim to create a hypothetical 'model' school in terms of cost management. This will be used to assess and validate practices that are outside of the 'model'. During the next twelve months, it is anticipated that new payroll and human resources provider will be appointed. The driver behind this change is to reduce cost but also to improve service provision.

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TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

Auditors

The auditors, BHP LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 18 December 2019 and signed on its behalf by:

Dan Andrews
(Trustee)



PEAK EDGE

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GOVERNANCE STATEMENT

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Peak Edge 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. The board of Trustees has formally met 1 time during the period.

Attendance during the period at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
David Cates, Chair	1	1
Elizabeth Cutting	0	1
Dr Anthony Moody	1	1
Dan Andrews	0	1
Julie Vincent	1	1
Martin Perryman	1	1

While only formally meeting once following the conversion of the schools to academies on May 1st 2019, the Board supported the conversion processes of all schools and agreed the Scheme of Delegation and several key policies prior to conversion. The Finance and Audit committee meets on the same schedule as the Board of Trustees. Its purpose is to:

- Support the aims and ethos of the Trust, focussing on the quality and extent of the provision of premises and equipment.
- Advise the Local Governing Boards on strategic priorities for the maintenance and development of the academy's premises and grounds, security and Health and Safety, for inclusion in the School Improvement Plan
- Establish and implement a repairs and maintenance programme, within the budget established by the governing body, and in accordance with the priorities within the School Improvement Plan.
- Review on an annual basis the school's Health and Safety policy, and approve any amendments as necessary.
- Ensure that the school complies with Health and Safety regulations, in accordance with the Health and Safety policy.
- Review on an annual basis the school's Lettings policy for use of school premises outside school hours and determine the level of charges for such lettings.
- Establish, and keep under review, an Accessibility Plan, which meets the requirements of the Disability Discrimination Act 1995 to oversee the preparation and implementation of appropriate contracts, including the cleaning, grounds maintenance and school meals and ensure best value principles are applied.
- Monitor the quality of service provided by the above in accordance with the agreed contracts.
- Ensure that premises insurance arrangements are adequate.
- Oversee the trust's risk register and internal scrutiny procedures including internal audit.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Now that the Trust is established, and following two resignations from the Trustee Board, it will be necessary to recruit new Trustees to maintain the balance of skills and expertise on the Board.

Financial and audit matters were considered during the trustees meeting within the period to 31 August 2019. The Audit and Finance Committee started to meet from September 2019 onwards.

Review of value for money

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

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

- Appointing a new CFO who will provide bursar support for the schools alongside strategic financial planning services.
- Securing RPA insurance from 1/5/19, leading to savings on items such as governor liability insurance, buildings and contents insurance etc.
- Securing accountancy and responsible officer visits for all academies.
- Securing MIS systems, financial planning systems and budget planning systems for all academies.
- Securing data tracking systems via Tracker+ for all academies.
- Securing staff absence cover for academies where needed.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 Peak Edge for the period 30 October 2018 to 31 August 2019 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 period 30 October 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint BHP LLP as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trusts financial systems. 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.

On a periodic basis, the internal auditor reports to the board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities. Due to the late conversion of the trust, internal audits were not conducted during the period to 31 August 2019 but a full internal audit work programme will be scheduled for next year.

Review of effectiveness

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

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

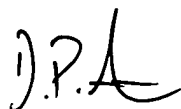
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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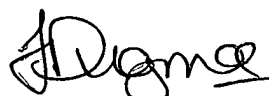
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GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the board of Trustees on 18 December 2019 and signed on their behalf by:



Dan Andrews
Trustee



Jim Dugmore
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Peak Edge I have considered my responsibility to notify the academy trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

I confirm the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA:

1. Risk register - an appropriate risk register has not been maintained in the current year, however a risk register will be drafted and adopted in 2019/20.



Jim Dugmore

Accounting Officer

Date: 18 December 2019

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PEAK EDGE

Opinion

We have audited the financial statements of Peak Edge (the 'academy trust') for the period ended 31 August 2019 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PEAK EDGE
(CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PEAK EDGE
(CONTINUED)**

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PEAK EDGE
(CONTINUED)**

Use of our report

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



Philip Allsop (senior statutory auditor)

for and on behalf of

BHP LLP

2 Rutland Park

Sheffield

South Yorkshire

S10 2PD

18 December 2019

PEAK EDGE

(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PEAK EDGE AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 20 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Peak Edge during the period 30 October 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Peak Edge's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Peak Edge's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 30 October 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

PEAK EDGE

(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PEAK EDGE AND THE
EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Approach

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

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

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

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

The work undertaken to draw our conclusions includes:

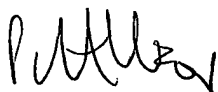
- Detailed testing on a sample basis to assess the nature of expenditure and whether funds have been used appropriately;
- Review of the academy trust's internal financial procedures to ensure that controls are in place to prevent or identify regularity issues;
- Ensure that ESFA approval has been obtained for relevant transactions;
- Discussions with Trustees, Senior Leadership Team and the Accounting Officer throughout the audit process to ensure that all regularity threats have been addressed.

Conclusion

In the course of our work, except for the matters listed below nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the period 30 October 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

As explained in the Statement of Regularity, Propriety and Compliance:

1. The trust did not have an adequate risk register in place in 2018/19 as required by the Academies Financial Handbook (2018).



Philip Allsop

BHP LLP

Date: 18 December 2019

PEAK EDGE**(A company limited by guarantee)****STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD ENDED 31 AUGUST 2019**

		Unrestricted funds Period ended 31 August 2019 £	Restricted funds Period ended 31 August 2019 £	Restricted fixed asset funds Period ended 31 August 2019 £	Total funds Period ended 31 August 2019 £
	Note				
Income from:					
Donations and capital grants	3	424,853	(3,098,403)	13,270,169	10,596,619
Charitable activities		-	2,165,048	-	2,165,048
Other trading activities		79,117	40,437	-	119,554
Investments	6	291	-	-	291
Total income		504,261	(892,918)	13,270,169	12,881,512
Expenditure on:					
Charitable activities		59,714	2,315,461	3,000	2,378,175
Total expenditure		59,714	2,315,461	3,000	2,378,175
Net movement in funds before other recognised gains/(losses)		444,547	(3,208,379)	13,267,169	10,503,337
Other recognised gains/(losses):					
Actuarial losses on defined benefit pension schemes	20	-	(494,000)	-	(494,000)
Net movement in funds		444,547	(3,702,379)	13,267,169	10,009,337
Reconciliation of funds:					
Net movement in funds		444,547	(3,702,379)	13,267,169	10,009,337
Total funds carried forward		444,547	(3,702,379)	13,267,169	10,009,337

The Statement of financial activities includes all gains and losses recognised in the period.

The notes on pages 23 to 45 form part of these financial statements.

PEAK EDGE**(A company limited by guarantee)****REGISTERED NUMBER: 11650747**

BALANCE SHEET**AS AT 31 AUGUST 2019**

	Note	2019 £
Fixed assets		
Tangible assets	14	13,198,129
		<u>13,198,129</u>
Current assets		
Debtors	15	630,058
Cash at bank and in hand		779,057
		<u>1,409,115</u>
Creditors: amounts falling due within one year	16	(575,907)
		<u>833,208</u>
Net current assets		<u>833,208</u>
Total assets less current liabilities		<u>14,031,337</u>
Net assets excluding pension liability		<u>14,031,337</u>
Defined benefit pension scheme liability	20	(4,022,000)
		<u>10,009,337</u>
Total net assets		<u><u>10,009,337</u></u>
 Funds of the academy trust		
Restricted funds:		
Fixed asset funds	17	13,267,169
Restricted income funds	17	319,621
		<u>13,586,790</u>
Restricted funds excluding pension asset	17	13,586,790
Pension reserve	17	(4,022,000)
		<u>9,564,790</u>
Total restricted funds	17	<u>9,564,790</u>
Unrestricted income funds	17	<u>444,547</u>
Total funds		<u><u>10,009,337</u></u>

The financial statements on pages 21 to 45 were approved by the Trustees, and authorised for issue on 18 December 2019 and are signed on their behalf, by:



Dan Andrews
(Trustee)

PEAK EDGE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.3 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.

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.

- **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.

- **Transfer on conversion**

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

1.4 Expenditure

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

- **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.

All resources expended are inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.5 *Tangible fixed assets*

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

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

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

Depreciation is provided on the following basis:

Long-term leasehold property	-	2%	Straight line
Computer equipment	-	20%	Straight line

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

1.6 *Debtors*

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

1.7 *Cash at bank and in hand*

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

1.8 *Liabilities*

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

1. Accounting policies (continued)

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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

1.10 Pensions

1.11 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 on conversion from [name of predecessor 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 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 19.

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 the funders where the asset acquired or created is held for a specific purpose.

Investment income, gains and losses are allocated to the appropriate fund.

PEAK EDGE**(A company limited by guarantee)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds Period ended 31 August 2019 £	Restricted funds Period ended 31 August 2019 £	Restricted fixed asset funds Period ended 31 August 2019 £	Total funds Period ended 31 August 2019 £
Donations	5,721	-	-	5,721
Capital grants	-	-	38,871	38,871
Transfer on conversion (note 19)	419,132	(3,098,403)	13,231,298	10,552,027
Total 2019	424,853	(3,098,403)	13,270,169	10,596,619

PEAK EDGE**(A company limited by guarantee)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

4. Income from charitable activities

	Restricted funds Period ended 31 August 2019 £	Total funds Period ended 31 August 2019 £
<i>DfE/ESFA grants</i>		
General Annual Grant (GAG)	1,707,475	1,707,475
Other DfE Group grants	119,979	119,979
Other ESFA Grant	78,955	78,955
<i>Other Government grants</i>	1,906,409	1,906,409
Universal Infant Free School Meals	74,144	74,144
Early Years Funding	39,993	39,993
Other LA Income	33,887	33,887
SEN	110,615	110,615
<i>Total 2019</i>	2,165,048	2,165,048

5. Income from other trading activities

	Unrestricted funds Period ended 31 August 2019 £	Restricted funds Period ended 31 August 2019 £	Total funds Period ended 31 August 2019 £
Other trading activities	79,117	40,437	119,554

PEAK EDGE**(A company limited by guarantee)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

6. Investment income

	Unrestricted funds Period ended 31 August 2019 £	Total funds Period ended 31 August 2019 £
Investment income	291	291

7. Expenditure

	Staff Costs Period ended 31 August 2019 £	Premises Period ended 31 August 2019 £	Other Period ended 31 August 2019 £	Total Period ended 31 August 2019 £
Direct costs	1,691,168	-	137,399	1,828,567
Allocated support costs	251,427	91,279	206,902	549,608
Total 2019	1,942,595	91,279	344,301	2,378,175

PEAK EDGE**(A company limited by guarantee)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

8. Analysis of expenditure by activities

	Activities undertaken directly Period ended 31 August 2019 £	Support costs Period ended 31 August 2019 £	Total funds Period ended 31 August 2019 £
Expenditure	1,828,567	549,608	2,378,175

Analysis of support costs

	Activities Period ended 31 August 2019 £	Total funds Period ended 31 August 2019 £
Staff costs	251,427	251,427
Depreciation	3,000	3,000
Technology	16,752	16,752
Premises	91,279	91,279
Governance	42,175	42,175
Other	144,975	144,975
	549,608	549,608

9. Net income/(expenditure)

Net income/(expenditure) for the period includes:

	2019 £
Depreciation of tangible fixed assets	3,000
Fees paid to auditors for:	
- audit	13,000

PEAK EDGE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

10. Staff costs**a. Staff costs**

Staff costs during the period were as follows:

	Period ended 31 August 2019 £
Wages and salaries	1,307,376
Social security costs	105,749
Pension costs	482,073
	<hr/> 1,895,198
Agency staff costs	47,397
	<hr/> <hr/> 1,942,595

b. Staff numbers

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

	Period ended No. 2019 No.
Teachers	66
Admin and support	138
Management	18
	<hr/> 222

c. Higher paid staff

No employee received remuneration amounting to more than £60,000 in either year.

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior leadership team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £162,472.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

11. Central services

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

- Bursar and strategic financial services
- Legal support
- Statutory HR
- Pupil data tracking software
- Financial software access
- School improvement support

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

1.9% of GAG

The actual amounts charged during the period were as follows:

	2019 £
Bradfield Dungworth Primary	3,083
Loxley Primary	5,118
Nook Lane Junior	6,132
Oughtibridge Primary	9,436
Stannington Infant	4,536
Wharnccliffe Side Primary	4,136
Total	32,441

12. Trustees' remuneration and expenses

During the period, no Trustees received any remuneration or other benefits.

During the period ended 31 August 2019, no Trustee expenses have been incurred.

13. 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 membership.

PEAK EDGE**(A company limited by guarantee)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

14. Tangible fixed assets

	Long-term leasehold property £	Computer equipment £	Total £
<i>Cost or valuation</i>			
Additions	13,111,154	89,975	13,201,129
At 31 August 2019	13,111,154	89,975	13,201,129
<i>Depreciation</i>			
Charge for the period	-	3,000	3,000
At 31 August 2019	-	3,000	3,000
<i>Net book value</i>			
At 31 August 2019	13,111,154	86,975	13,198,129

Included within additions in the year are assets transferred in on conversion totalling £13,118,639. These are split between freehold property £13,066,138 and computer equipment of £52,321. The long-term leasehold properties have been introduced at cost figures provided by the local authority. Valuations are being obtained and these will be adopted in the 2020 financial statements.

15. Debtors

	2019 £
<i>Due within one year</i>	
Trade debtors	31,921
Prepayments and accrued income	530,381
Tax recoverable	67,756
	<u>630,058</u>

PEAK EDGE**(A company limited by guarantee)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

16. Creditors: Amounts falling due within one year

	2019
	£
Trade creditors	102,669
Other taxation and social security	101,390
Accruals and deferred income	371,848
	<hr/> 575,907 <hr/>

At the financial year end £222,891 was recognised in deferred income in relation to income received which relates to the following financial year for pupil premium, UIFM and SEN.

PEAK EDGE**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019**

17. Statement of funds

	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2019 £
<i>Unrestricted funds</i>				
General Funds - all funds	504,261	(59,714)	-	444,547
<i>Restricted general funds</i>				
GAG	1,707,475	(1,483,164)	-	224,311
Pupil premium	119,979	(119,979)	-	-
SEN	110,615	(110,615)	-	-
UIFSM	74,144	(74,144)	-	-
School fund	91,821	(8,872)	-	82,949
Growth fund	78,955	(78,955)	-	-
Early Years Funding	39,993	(39,993)	-	-
Other	162,100	(149,739)	-	12,361
Pension reserve	(3,278,000)	(250,000)	(494,000)	(4,022,000)
	(892,918)	(2,315,461)	(494,000)	(3,702,379)
<i>Restricted fixed asset funds</i>				
Conversion	13,231,298	(3,000)	-	13,228,298
DFC	38,871	-	-	38,871
	13,270,169	(3,000)	-	13,267,169
<i>Total Restricted funds</i>	12,377,251	(2,318,461)	(494,000)	9,564,790
<i>Total funds</i>	12,881,512	(2,378,175)	(494,000)	10,009,337

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

General Annual Grant (GAG): The GAG income must be used for the normal running costs of the Academy.

Pupil Premium: DfE funding to address the current underlying inequalities between children eligible for free school meals (FSM) and their wealthier peers by ensuring that funding to tackle the disadvantage reaches the pupils who need it most.

SEN: Specific funding for high needs pupils.

UIFSM: To support schools in delivering the legal requirement to offer free school meals to all pupils in reception, year 1 and year 2.

PEAK EDGE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

17. Statement of funds (continued)

School Fund: Funds raised by schools for specific projects or purposes including balances on school funds transferred in by the schools on conversion.

Growth Fund: ESFA funding for the conversion to a Multi Academy Trust to provide capacity to manage the Multi Academy Trust in the early years.

Early years funding: To deliver early education.

Pension reserve: The deficit on the Local Government Pension Scheme has been recognised against restricted funds in order to match it against GAG as recommended by the EFA Accounts Direction.

Restricted fixed asset funds: Restricted funds set aside for capital items.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £
Peak Edge	31,342
Bradfield Dungworth Primary	82,731
Loxley Primary	143,092
Nook Lane Junior	46,121
Oughtibridge Primary	193,750
Stannington Infant	106,371
Wharncliffe Side Primary	160,761
	<hr/>
Total before fixed asset funds and pension reserve	764,168
Restricted fixed asset fund	13,267,169
Pension reserve	(4,022,000)
	<hr/>
Total	10,009,337

PEAK EDGE**(A company limited by guarantee)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

17. Statement of funds (continued)**Total cost analysis by academy**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
Peak Edge	-	13,657	-	1,132	14,789
Bradfield Dungworth Primary	146,286	25,256	4,053	45,229	220,824
Loxley Primary	230,837	23,523	2,904	60,982	318,246
Nook Lane Junior	328,551	26,567	9,825	55,260	420,203
Oughtibridge Primary	441,996	94,139	7,783	115,336	659,254
Stannington Infant	208,625	27,487	7,827	68,520	312,459
Wharnccliffe Side Primary	334,873	40,798	1,202	52,527	429,400
Academy trust	1,691,168	251,427	33,594	398,986	2,375,175

PEAK EDGE**(A company limited by guarantee)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

18. Analysis of net assets between funds**Analysis of net assets between funds - current period**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	13,198,129	13,198,129
Current assets	444,547	895,528	69,040	1,409,115
Creditors due within one year	-	(575,907)	-	(575,907)
Provisions for liabilities and charges	-	(4,022,000)	-	(4,022,000)
Total	444,547	(3,702,379)	13,267,169	10,009,337

PEAK EDGE**(A company limited by guarantee)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

19. Conversion to an academy trust

On 1 May 2019 Bradfield Dungworth Primary, Loxley Primary, Nook Lane Junior, Oughtibridge Primary, Stannington Infant and Wharnccliffe Side Primary all converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Peak Edge from Sheffield City Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
<i>Tangible fixed assets</i>				
Leasehold land and buildings - Bradfield Dungworth Primary	-	-	1,137,007	1,137,007
Leasehold land and buildings - Loxley Primary	-	-	2,084,638	2,084,638
Leasehold land and buildings - Nook Lane Junior	-	-	2,780,248	2,780,248
Leasehold land and buildings - Oughtibridge Primary	-	-	3,325,009	3,325,009
Leasehold land and buildings - Stannington Infant	-	-	1,866,873	1,866,873
Leasehold land and buildings - Wharnccliffe Side Primary	-	-	1,872,543	1,872,543
Other tangible fixed assets	-	-	52,321	52,321
<i>Current assets</i>				
Cash - representing budget surplus on LA funds - Bradfield Dungworth Primary	52,729	16,045	-	68,774
Cash - representing budget surplus on LA funds - Loxley Primary	68,512	19,433	-	87,945
Cash - representing budget surplus on LA funds - Nook Lane Junior	(7,739)	24,217	-	16,478
Cash - representing budget surplus on LA funds - Oughtibridge Primary	116,289	1,927	-	118,216
Cash - representing budget surplus on LA funds - Stannington Infant	82,866	20,131	-	102,997

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

19. Conversion to an academy trust (continued)

Cash - representing budget surplus on LA funds - Wharnccliffe Side Primary	106,475	11,811	-	118,286
Cash - representing budget surplus on other school funds - Bradfield Dungworth Primary	-	8,620	11,676	20,296
Cash - representing budget surplus on other school funds - Loxley Primary	-	37,142	28,274	65,416
Cash - representing budget surplus on other school funds - Nook Lane Junior	-	11,217	12,496	23,713
Cash - representing budget surplus on other school funds - Oughtibridge Primary	-	9,751	27,755	37,506
Cash - representing budget surplus on other school funds - Stannington Infant	-	-	10,420	10,420
Cash - representing budget surplus on other school funds - Wharnccliffe Side Primary	-	19,303	22,038	41,341
Non-current liabilities				
LGPS pension deficit - Bradfield Dungworth Primary	-	(406,000)	-	(406,000)
LGPS pension deficit- Loxley Primary	-	(237,000)	-	(237,000)
LGPS pension deficit - Nook Lane Junior	-	(330,000)	-	(330,000)
LGPS pension deficit - Oughtibridge Primary	-	(829,000)	-	(829,000)
LGPS pension deficit - Stannington Infant	-	(403,000)	-	(403,000)
LGPS pension deficit - Wharnccliffe Side Primary	-	(1,073,000)	-	(1,073,000)
Net assets/(liabilities)	419,132	(3,098,403)	13,231,298	10,552,027

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

20. Pension commitments

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

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

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

Teachers' Pension Scheme

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.

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 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended). The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% 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 £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

NOTES TO THE FINANCIAL STATEMENTS
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20. Pension commitments (continued)

The TPS valuation for 2012 determined an employer rate of 16.48%, which was payable from September 2015. As a result of the latest valuation based on membership data as at 31 March 2016, TPS employees will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.08%).

The employer's pension costs paid to TPS in the period amounted to £126,000.

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2019 was £112,000, of which employer's contributions totalled £86,000 and employees' contributions totalled £26,000. The agreed contribution rates for future years are 12.0 - 17.0 per cent for employers and 5.5 - 12.5 per cent for employees.

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

The valuation allows for the estimated impact of the recent McCloud judgement as a past service cost. The estimated impact on the total liabilities as at 31 August 2019 is £159,000.

Principal actuarial assumptions

	2019
	%
Rate of increase in salaries	3.25
Rate of increase for pensions in payment/inflation	2.1
Discount rate for scheme liabilities	1.8
Inflation assumption (CPI)	2.0

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2019

20. Pension commitments (continued)

	2019 Years
<i>Retiring today</i>	
Males	23.1
Females	25.9
<i>Retiring in 20 years</i>	
Males	25.3
Females	28.3

Sensitivity analysis

	2019 £000
Discount rate +0.1%	(119)
Discount rate -0.1%	121
Mortality assumption - 1 year increase	100
Mortality assumption - 1 year decrease	(99)
CPI rate +0.1%	121
CPI rate -0.1%	(119)

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

	At 31 August 2019 £
Equities	844,645
Gilts	230,945
Corporate bonds	117,895
Property	140,505
Cash and other liquid assets	51,680
Other	229,330
Total market value of assets	1,615,000

The actual return on scheme assets was £79,000.

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NOTES TO THE FINANCIAL STATEMENTS
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20. Pension commitments (continued)

The amounts recognised in the Statement of financial activities are as follows:

	Period ended 2019 £
Current service cost	152,000
Past service cost	159,000
Interest cost	25,000
Total amount recognised in the Statement of financial activities	336,000

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

	2019 £
Conversion of academy trusts	4,707,000
Current service cost	152,000
Interest cost	39,000
Employee contributions	26,000
Actuarial losses/(gains)	554,000
Past service costs	159,000
At 31 August	5,637,000

Changes in the fair value of the academy trust's share of scheme assets were as follows:

	2019 £
Conversion of academy trusts	1,429,000
Interest income	14,000
Actuarial gains	60,000
Employer contributions	86,000
Employee contributions	26,000
At 31 August	1,615,000

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NOTES TO THE FINANCIAL STATEMENTS
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21. Members' liability

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

22. Related party transactions

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