

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016



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

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 10
Governance statement	11 - 14
Statement on regularity, propriety and compliance	15
Statement of Trustees' responsibilities	16
Independent auditors' report on the financial statements	17 - 18
Independent reporting accountant's assurance report on regularity	19 - 20
Statement of financial activities incorporating income and expenditure account	21
Balance sheet	22
Statement of cash flows	23
Notes to the financial statements	24 - 49

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016

Members	S Double (resigned 8 September 2016) P Marshall (resigned 15 January 2016) A Phillips P Sadler K Simkins I Taylor M Cooper (appointed 17 March 2016)
Trustees	P G Marshall, Chair (resigned 14 January 2016) ¹ D M J Parker, Accounting Officer ¹ J K Barnard ² C N Bunting (resigned 2 October 2015) M Cooper, Chair (appointed 17 March 2016) K A Johns ² E M Knowles ² S Netherton ² K M Pearce, Vice Chair (acting Chair 14/01/2016 to 17/03/2016) ¹ S Pollard (resigned 2 October 2015) C D Price (appointed 1 October 2015) ² M Rudge ¹ J L Seyler ¹ P F Towe (resigned 2 October 2015) R Van De Velde (appointed 1 October 2015) ¹ ¹ Finance and Operations Committee ² Audit Committee
Company registered number	07565242
Company name	Peninsula Learning Trust
Principal and registered office	Penrice Academy Charlestown Road St Austell Cornwall PL25 3NR

**PENINSULA LEARNING TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Advisers (continued)

Company secretary J Alder

Accounting officer R Baker (Acting)

**Senior management
team**

D M J Parker, Chief Executive Officer (appointed 1 February 2016)
Principal (Penrice - resigned 31 January 2016)
R Baker, Associate Principal (Penrice to 31 January 2016)
Principal (Penrice from 1 February 2016)
C Bennett, Director of Estates and Facilities
S Pollard, Headteacher (Carclaze)
C N Bunting, Headteacher (Mevagissey)
Headteacher (Mount Charles from 1 September 2016)
B Bull, Director of IT
S Gynn, Acting Headteacher (Mevagissey from 1 September 2016)
B McCaldin, Headteacher (Luxulyan resigned 31 August 2016)
N Simmonds, Headteacher (Lostwithiel)
P F Towe, Headteacher (St Mewan)
Executive headteacher (Luxulyan from 1 September 2016)
C Wathern, Headteacher (Fowey)
E Willcocks, Chief Financial Officer
P Willetts, Headteacher (Mount Charles resigned 31 August 2016)

Independent auditors Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Chy Nyverow
Newham Road
Truro
Cornwall
TR1 2DP

Bankers Lloyds Bank
St Austell
Cornwall
PL25 5AZ

Solicitors Browne Jacobson
1 Manor Court
Dix's Field
Exeter
Devon
EX1 1UP

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

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates seven primary academies and one secondary academy in the St Austell Bay area of Cornwall. Its academies have a combined pupil capacity of 3,210 and had a roll of 3,221 in the school censuses carried out on 6 October 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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

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

Members' Liability

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

Trustees' Indemnities

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

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

When appointing new Trustees, the Board give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

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

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

Organisational Structure

The governance structure of Peninsula Learning Trust consists of Members, the Board of Trustees, the Local Governing Bodies (LGBs), the Audit Committee and the Trust Leadership Team. During the 2015/16 financial year the Trust had a Finance Committee, which was a sub-Committee of the Board. Following a review of the Trust's governance arrangements a decision was made to abolish the Finance Committee and to move its activities to the Board. This change took place in November 2016.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

The Trust has six Members who meet at least twice a year. The Members appoint the majority of trustees.

The Board currently has 12 trustees – six are appointed by the Members, five are co-opted by the Board, and the CEO holds the final post. In addition, the Board has one Associate Trustee who is a member of the Audit Committee but has no Board voting rights.

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

The Trust has a scheme of delegation and the Audit Committee and LGB have terms of reference which clearly define the split of responsibilities between management (CEO, CFO, Headteachers) and governance (Board, Chairs, committees, LGBs, ad hoc panels, individual trustees and governors).

The Trust employs an independent Trust Secretary with responsibility for the administration of meetings, record keeping and all governance-related documentation.

The CEO is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees and the senior leadership team (at the individual schools and in the central team) to be the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year for their role as a trustee.

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

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

Connected Organisations, including Related Party Relationships

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

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

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

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Objectives, Strategies and Activities

Key priorities for the 2016/17 year are to improve the experience and attainment at each school. Improvement focuses identified for this year include:

- Raise Boys attainment at the end of Key Stage 1 so that it is at least in line with National Average.
- Improve the percentage of pupils achieving age related expectations in Reading, Writing and Maths combined.
- Raise standards of progress in Maths and Reading in KS2 for all pupils.
- Continue to improve the effectiveness of Leadership and Management by ensuring that leaders at all levels, including governors and those new to their roles, are fully supported and take responsibility for improving outcomes.
- To raise standards in Maths so that attainment and progress levels meet or exceed the national averages and to develop pupils' understanding of number and reasoning skills.
- Raise standards in English in Key Stage 1 and Key Stage 2. Introduce and embed the full Read, Write Inc. and Literacy and Language programme. Use Read Write Inc. Fresh Start to close gaps in Key Stage 2.

Key activities and targets were identified in the Academy Development Plan and were influenced by the significant challenges and opportunities arising from national changes in education policy and funding, including the conversion to Academy status. The activities included the following:

- review of numeracy, literacy and ICT capability;
- review of staffing levels in the light of budgetary pressure;
- development and embedding of key financial and administrative procedures arising from conversion; and
- continued development of systems for tracking and monitoring pupil attainment.

Public Benefit

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

STRATEGIC REPORT

Achievements and Performance

The Trust is in its second year of operation. The total number of students at 31 August 2015 was 2345 but this has increased to 3221 in September 2016 due the addition of four new primary schools to the trust during 2015/16.

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

Achievements at Specific Schools

- At Carclaze, staff, pupils and parent have positively engaged with the implementation of the Real Projects Curriculum.
- Fowey have seen a 36% increase in children passing the Phonics screening check to now be above national standards. They also celebrate the confidence, enjoyment and achievement of children taking part in Elements at the Hall for Cornwall.
- Luxulyan School participated in the Clays Swimming gala at the Bodmin Dragon Centre earlier this year and were placed second overall out of 6 schools, (very narrowly missing first place!).

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

- Lostwithiel implemented Read Write Inc. resulting in 100% phonics screening in year 1 and have become a Read Write Inc. badge school.
- At Mevagissey the success of the Read Write Inc programme has helped to achieve 100% in the phonics screening tests and strong end of KS1 results.
- The Y5/6 School choir at St Mewan won the St Austell, Mid-Somerset and Truro Music Festivals for the second year running.
- Penrice recorded its best ever GCSE results in June 2016 with 73% of students achieving A*-C, up 24% from 2015.

Growing the Trust

The Trust has increased in size with the addition of four primary schools throughout the year. Fowey and Lostwithiel joined in September 2015, Luxulyan in April 2016 and Mount Charles in June 2016.

The Trust sees an additional secondary school as a priority for future growth.

Professional Support Services

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

- Estates and Facilities have a central director who oversees each academy. Each academy has been subject to a health & safety gap analysis and has subsequently developed an action plan to implement improvements which is coordinated through the director. Capital funding will now be received via School Condition Allocation (SCA) as the trust now exceeds 5 academies and 3000 pupils.
- HR is a central service with support from a Consultant. Common policies exist across the Trust and training is delivered at Trust level to maintain consistency.
- Financial processing, payments, invoicing, financial management, financial reporting, internal & external auditing and strategic financial planning is provided centrally.
- IT is managed by a central IT Director and IT team who are responsible for supporting all academies from reactive and planned maintenance through to major upgrades. There is an IT policy in place.

Secondary - Penrice Academy

Number of students at end of KS4 2016	268
% achieving 5 or more A*-C including English and maths	73
% achieving EBacc at A*- C	24

	2011	2012	2013	2014	2015
5+ A*- C including English and maths	60%	67%	68%	56%	49%
Local Authority average	55%	55%	60%	55%	57%
England average	59%	59%	59%	53%	54%

Attainment at 5+ A* - C including Maths and English in 2016 was above that achieved in the previous four years and reflects the focus on improving performance in English coupled with extra training and better formative feedback to students.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Primary

The Table below shows the percentage of children in each school reaching or exceeding the required standard of tests taken at the end of KS2. The Trust has established a range of training and professional development opportunities for teachers to strengthen the teaching of phonics SPaG and maths. Singapore Maths and Read Write Inc. are being implemented in primary schools.

	Maths, Reading & Writing %	Maths	Reading	Writing	Spelling, Punctuation and Grammar
National	53%	70%	66%	74%	72%
Carclaze	52%	66%	64%	67%	64%
Fowey	50%	63%	69%	75%	69%
Lostwithiel	65%	65%	75%	85%	70%
Luxulyan	45%	64%	64%	64%	73%
Mevagissey	44%	69%	56%	69%	69%
Mount Charles	45%	56%	65%	73%	53%
Se Mewan	52%	68%	67%	73%	75%
PLT Average	50%	64%	66%	72%	68%

Prior attainment for last year's Y6 cohort was typically below the national average. Averaged across the Trust, the percentage of children with High prior attainment was slightly below national results; but the percentage of children with Low prior attainment was 6.7% above national results.

Attainment at KS2 was typically in line with national results for reading, but below national results for writing and mathematics. Every school was above the KS2 floor standard.

On the combined attainment measure, 50% of children reached the expected standard in reading, writing and maths, equal to the percentage achieving level 2b and above for all three subjects at KS1. The percentage of children reaching a High standard was typically below national results for each subject.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention - the restriction has been removed in the year. In period under review, £222,161 was carried forward representing 1.84% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2016 were 3221, an increase of 876 over 2015. It is anticipated that this number will continue to rise.

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the 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 going concern policy.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

FINANCIAL REVIEW

Financial Review

The charitable company's accounting period is the year to 31 August 2016.

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2016 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

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

During the year ended 31 August 2016, the Academy received total income of £15,438,760 and incurred total expenditure of £14,977,913. The excess of income over expenditure for the year was £460,847, excluding assets transferred on conversion.

At 31 August 2016 the net book value of fixed assets was £30,728,353 and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

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

Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be 10% of annual GAG: £1,348,000. 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.

Total reserves of the Academy amount to £28,885,135, after the deficit reserve of £5,417,000 held in respect of the Local Government Pension Scheme. £31,667,004 is invested in fixed assets or represents non GAG restricted funds. The remaining £2,545,670 is the balance that the Trustees monitor in accordance with the Board's reserves policy. The amount held in the reserve is currently higher than 10% of GAG. The reason for the additional reserves is to provide funds for future capital expenditure as the Trust is now unable to apply for CIF bids due to its size.

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

Investment Policy

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

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Principal Risks And Uncertainties

The Board adopted a risk management strategy during 2015, which sets out the Trust's approach to risk management and is continuing to embed risk management in practice throughout the Trust. The Audit Committee reviews the arrangements in place to manage risk and the Board reviews the strategic risks.

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

- Failing to improve or maintain standards of teaching and learning, specifically in the areas of:
 - KS1 outcomes
 - KS2 maths
 - KS2 attainment
 - KS4 progress
 - KS4 disadvantaged students (in receipt of Pupil Premium, Service Premium or in care)
 - KS4 for the more able
 - KS4 English
 - KS4 science
- Failure to put in place appropriate safeguarding arrangements which leads to risk to the welfare or care of a pupil.
- The future sustainability of the Trust, which includes:
 - the uncertainty over future funding and balancing the Trust's budget while maintaining the quality of provision;
 - additional schools not joining the trust and falling rolls as a result of competition; and
 - ensuring sufficient leadership capacity to support schools requiring improvement

PLANS FOR FUTURE PERIODS

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

The main areas of focus for 2016/17 are:

- Improving outcomes
- Improving and embedding governance arrangements
- Increasing the efficiency of core services, such as finance and IT
- Continuing to grow the trust in a controlled manner
- Improving safeguarding arrangements across the trust
- Talent spotting and retaining and training future leaders

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Employees and disabled persons - where the average number of employees exceeds 250 the Academy Trust must:

- for disabled employees – guarantee an interview will be offered to all disabled applicants meeting the minimum criteria defined for the role;
- for employee consultation – Consistency and fairness is a key factor in building and maintaining effective employee relations at Peninsula Learning Trust. It is therefore essential for the trust to provide a mechanism for staff to feedback/comment/raise issues. A working group was brought together in 15/16 to represent staff in each school within the Trust. The working group consisted of the Trust CEO (chair), elected staff governors representing teaching and support staff and an HR Advisor.

TRUSTEES' INDEMNITIES

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

AUDITORS

In so far as the Trustees are aware:

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

Trustees' Report, incorporating a strategic report, approved by order of the board of trustees, as company directors, on 16 December 2016 and signed on the board's behalf by:



**M Cooper
Chair of Trustees**

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

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
P G Marshall, Chair (resigned 14/01/2016)	2	2
D M J Parker, Accounting Officer	5	7
J K Barnard	4	7
C N Bunting (resigned 02/10/2015)	1	1
M Cooper, Chair (appointed 17/03/2016)	3	3
K A Johns	6	7
E M Knowles	5	7
S Netherton	4	7
K M Pearce, Vice Chair (acting Chair 14/01/2016 to 17/03/2016)	7	7
S Pollard (resigned 02/10/2015)	1	1
C D Price (appointed 01/10/2015)	5	7
M Rudge	6	7
J L Seyler	7	7
P F Towe (resigned 02/10/2015)	1	1
R Van De Velde (appointed 01/10/2015)	7	7

Peter Marshall resigned as Chair on 14/1/2016. Kevin Pearce as a Vice-chair became Acting Chair until a new substantive appointment was made. An external recruitment campaign was undertaken and Michael Cooper was appointed on 17/3/2016 as Chair of the Trust Board.

The Finance and Operations Committee is a committee of the main Board of Trustees. Its responsibilities include:

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

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Peter Marshall	1	1
David Parker	4	4
Kevin Pearce	4	4
Mark Rudge	2	4
Julie Seyler	2	4
Ramon Van de Velde	2	4

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT (continued)

The Audit Committee is a committee of the main Board of Trustees. Its responsibilities include:

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

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Jeremy Barnard	3	3
David Bray	2	3
Kevin Johns	2	3
Emma Knowles	3	3
Shaun Netherton	2	3
Chris Price	2	3

The Board is currently undertaking a review of the effectiveness of governance arrangements. So far it has been agreed that:

- the size of the Board should be based on ensuring all necessary skills are represented;
- all directors should have an annual review meeting with the Chair;
- the frequency of Board meetings should be increased from six to eight meetings a year;
- the frequency of joint LGB Chairs meetings should be increased from three to six meetings a year;
- there will be a phasing out of dual Board and LGB membership during 2017;
- further work will be carried out to review and make recommendations for improving communications, monitoring and reporting between the different tiers of governance; and
- an external review of the results of the Board's self-evaluation will be commissioned.

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 year by:

- procuring a number of new cross academy contracts which have improved the quality of service and returned savings, these include health and safety, compliance, payroll, catering and cleaning;
- centralising business support services which has generated savings as well as improving the quality and effectiveness of the back office support areas; and
- using benchmarking data and financial analysis to focus on areas of high spend across the Trust and identifying target review areas for the next academic year.

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

GOVERNANCE STATEMENT (continued)

A tendering process was also followed for cleaning contracts at three schools. In this instance the tender process was run internally by the Chief Financial Officer following the standardised framework in association with ESPO. A tender specification was put together showing the size of the premises concerned, the number of rooms and the levels of cleaning required. Tenders were received from two companies who were then evaluated via a matrix giving consideration to price, implementation, monitoring, auditing, experience, training and subcontracting arrangements.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Peninsula Learning Trust for the year 1 September 2015 to 31 August 2016 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 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

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

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The findings were reported to the Audit Committee and recommendations tracked. In particular, the checks carried out in 2015/16 included:

- testing of payroll systems;
- testing of HR systems;
- testing of core financial systems (accounts payable and receivable, nominal ledger, key control and bank account reconciliations);
- reviewing budget setting and budget monitoring arrangements; and
- reviewing information governance arrangements.

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

GOVERNANCE STATEMENT (continued)

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

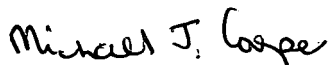
REVIEW OF EFFECTIVENESS

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

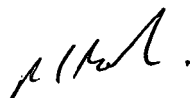
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the and 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 16.12.16 and signed on their behalf, by:



**M Cooper
Chair of Trustees**



**R Baker
Acting Accounting Officer**

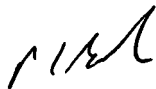
**PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Peninsula Learning Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, 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 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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 EFA.



**R Baker
Acting Accounting Officer**

16.12.16

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees (who act as governors of Peninsula Learning Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

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



**M Cooper
Chair of Trustees**

Date: 16.12.16

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

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

We have audited the financial statements of Peninsula Learning Trust for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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 opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Trustees' responsibilities, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Pamela Tuckett FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

Chy Nyverow

Newham Road

Truro

Cornwall

TR1 2DP

Date: 16.12.16

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

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

In accordance with the terms of our engagement letter dated 17 May 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Peninsula Learning Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Peninsula Learning Trust's funding agreement with the Secretary of State for Education dated 31 March 2011, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by EFA. 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.

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

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

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Pamela Tuckett FCA DChA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Chy Nyverow
Newham Road
Truro
Cornwall
TR1 2DP

Date: 16.12.16

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations & capital grants:						
Transfers on conversion	2	656,756	(525,000)	8,802,617	8,934,373	8,248,385
Other donations and capital grants	2	185,586	3,574	963,682	1,152,842	312,373
Charitable activities	3	656,067	13,550,755	-	14,206,822	10,471,464
Other trading activities	4	47,580	15,636	-	63,216	56,984
Investments	5	15,880	-	-	15,880	12,093
TOTAL INCOME		1,561,869	13,044,965	9,766,299	24,373,133	19,101,299
EXPENDITURE ON:						
Raising funds		1,618	-	-	1,618	-
Charitable activities		458,113	13,857,636	660,546	14,976,295	10,560,608
TOTAL EXPENDITURE	8	459,731	13,857,636	660,546	14,977,913	10,560,608
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		1,102,138	(812,671)	9,105,753	9,395,220	8,540,691
Transfers between Funds	20	(204,818)	24,419	180,399	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		897,320	(788,252)	9,286,152	9,395,220	8,540,691
Actuarial losses on defined benefit pension schemes	26	-	(2,513,000)	-	(2,513,000)	(109,000)
NET MOVEMENT IN FUNDS		897,320	(3,301,252)	9,286,152	6,882,220	8,431,691
RECONCILIATION OF FUNDS:						
Total funds brought forward		1,439,044	(1,816,981)	22,380,852	22,002,915	13,571,224
TOTAL FUNDS CARRIED FORWARD		2,336,364	(5,118,233)	31,667,004	28,885,135	22,002,915

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

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	16		30,728,353		22,154,838
CURRENT ASSETS					
Debtors	17	1,166,086		299,414	
Cash at bank and in hand	22	3,391,647		2,392,472	
		4,557,733		2,691,886	
CREDITORS: amounts falling due within one year	18	(964,914)		(630,809)	
NET CURRENT ASSETS			3,592,819		2,061,077
TOTAL ASSETS LESS CURRENT LIABILITIES			34,321,172		24,215,915
CREDITORS: amounts falling due after more than one year	19		(19,037)		-
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			34,302,135		24,215,915
Defined benefit pension scheme liability	26	(5,417,000)		(2,213,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			28,885,135		22,002,915
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	20	298,767		396,019	
Restricted fixed asset funds	20	31,667,004		22,380,852	
Restricted income funds excluding pension liability		31,965,771		22,776,871	
Pension reserve		(5,417,000)		(2,213,000)	
Total restricted income funds			26,548,771		20,563,871
Unrestricted income funds	20		2,336,364		1,439,044
TOTAL FUNDS			28,885,135		22,002,915

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

**BALANCE SHEET (continued)
AS AT 31 AUGUST 2016**

The financial statements were approved by the Trustees, and authorised for issue, on 16 December 2016 and are signed on their behalf, by:

Michael J. Cooper

**M Cooper
Chair of Trustees**

The notes on pages 25 to 49 form part of these financial statements.

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	22	362,129	864,311
Cash flows from investing activities:			
Proceeds from the sale of tangible fixed assets		51,933	-
Purchase of tangible fixed assets		(570,366)	(234,418)
Capital grants from DfE/EFA		963,682	303,721
Cash funds transferred on conversion		175,917	608,811
Net cash provided by investing activities		621,166	678,114
Interest		15,880	12,093
Net cash provided by financing activities		15,880	12,093
Change in cash and cash equivalents in the year		999,175	1,554,518
Cash and cash equivalents brought forward		2,392,472	837,954
Cash and cash equivalents carried forward	23	3,391,647	2,392,472

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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 OF FINANCIAL STATEMENTS

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

In accordance with the Academies Accounts Direction 2015 to 2016 capital grants are now recognised in Income from Donations and Capital Grants instead of Charitable Activities. Capital grants recognised in 2015 have been reclassified.

First time adoption of FRS 102

These financial statements are the first financial statements of Peninsula Learning Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Peninsula Learning Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations to previous UK GAAP for the comparative figures are included in note 31.

1.2 FUND ACCOUNTING

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

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

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

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

1.4 EXPENDITURE

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

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs 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.

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.5 GOING CONCERN

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

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £5,000 are capitalised.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	-	Land over term of lease and property 2% straight line
Motor vehicles	-	20% straight line
Fixtures and fittings	-	25% straight line
Computer equipment	-	33% straight line

1.7 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the Bank.

1.8 OPERATING LEASES

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

1.9 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.

1.10 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.

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.11 LIABILITIES AND PROVISIONS

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

1.12 FINANCIAL INSTRUMENTS

The Academy Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 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.

1.14 PENSIONS

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. As stated in note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

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

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

1.15 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 maintained schools 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 Donations - transfer from local authority on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 24.

1.16 AGENCY ARRANGEMENTS

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

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.17 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Transfers on conversion	656,756	(525,000)	8,802,617	8,934,373	8,248,385
Donations	185,586	3,574	-	189,160	8,652
Capital Grants	-	-	963,682	963,682	303,721
Subtotal	185,586	3,574	963,682	1,152,842	312,373
Total donations and capital grants	842,342	(521,426)	9,766,299	10,087,215	8,560,758

In 2015, of the total income from donations and capital grants, £616,044 was to unrestricted funds and £7,944,714 was to restricted funds

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant	-	12,051,860	12,051,860	8,559,134
Start Up Grant	-	25,000	25,000	-
Other DfE/EFA grants	-	987,230	987,230	888,841
	-	13,064,090	13,064,090	9,447,975
Other government grants				
Special education projects	-	81,614	81,614	25,421
Other Local Authority grants	-	97,523	97,523	-
	-	179,137	179,137	25,421
Other funding				
Internal catering income	158,922	-	158,922	138,208
Income for hosting trainee teachers	408,080	-	408,080	460,060
Other	89,065	307,528	396,593	399,800
	656,067	307,528	963,595	998,068
	656,067	13,550,755	14,206,822	10,471,464

In 2015, of the total income from charitable activities, £908,912 was to unrestricted funds and £9,562,552 was to restricted funds.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings	40,569	-	40,569	38,565
Other	7,011	15,636	22,647	18,419
	47,580	15,636	63,216	56,984

In 2015, of the total income from other trading activities, £56,984 was to unrestricted funds.

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	15,880	-	15,880	12,093

In 2015, of the total investment income, £12,093 was to unrestricted funds.

6. DIRECT COSTS

	Total 2016 £	Total 2015 £
Pension finance costs	62,000	31,000
Educational supplies	597,274	383,890
Examination fees	123,557	99,560
Staff development	64,953	35,677
Other costs	263,468	167,809
Supply teachers	117,928	84,526
Technology costs	165,039	172,577
Wages and salaries	7,684,505	5,040,013
National insurance	559,056	339,459
Pension cost	1,479,722	818,430
Depreciation	588,027	-
	11,705,529	7,172,941

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

7. SUPPORT COSTS

	Total 2016 £	Total 2015 £
Pension finance costs	31,000	34,000
Teaching school support costs	120,677	120,787
Recruitment and support	72,548	23,517
Maintenance of premises and equipment	299,250	344,535
Cleaning	223,145	155,224
Rent and rates	117,435	73,904
Energy costs	160,244	121,700
Insurance	90,561	78,247
Security and transport	13,736	13,518
Catering	380,270	242,897
Technology costs	88,265	30,533
Office overheads	367,874	407,270
Bank interest and charges	3,769	2,206
Governance	22,328	17,596
Wages and salaries	951,866	887,236
National insurance	45,167	43,740
Pension cost	210,112	222,056
Depreciation	72,519	568,701
	3,270,766	3,387,667

8. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on fundraising trading	-	-	1,618	1,618	-
Education:					
Direct costs	9,841,210	462,738	1,401,581	11,705,529	7,141,941
Support costs	1,207,145	846,914	1,216,707	3,270,766	3,387,667
	11,048,355	1,309,652	2,619,906	14,977,913	10,529,608

In 2016, of the total expenditure, £802,408 (2015: £238,955) was to unrestricted funds and £14,491,868 (2015: £10,290,653) was to restricted funds.

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

9. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	8,546,771	5,994,975
Social security costs	604,222	383,199
Operating costs of defined benefit pension schemes	1,689,834	1,040,486
	<u>10,840,827</u>	<u>7,418,660</u>
Supply teacher costs	117,928	84,526
Staff restructuring costs	89,600	16,800
Other costs	-	35,677
	<u>11,048,355</u>	<u>7,555,663</u>

Staff restructuring costs comprise:

	2016 £	2015 £
Other restructuring costs	89,600	16,800

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

	2016 No.	2015 No.
Management	14	8
Teachers	167	118
Administration and support - including teaching assistants	226	138
	<u>407</u>	<u>264</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Management	14	8
Teachers	144	106
Administration and support - including teaching assistants	141	93
	<u>299</u>	<u>207</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	1	0
In the band £110,001 - £120,000	1	1

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

Contributions to pension schemes in relation to the above staff members during the year were £85,005 (2015: £46,862)

Included in staff restructuring costs were non-statutory/non-contractual restructuring payments totalling £89,600 (2015: £16,800). Individual payments over £5,000 were: £5,000, £15,000, £21,750, £13,000, £10,700, £20,000.

The key management personnel of the Academy Trust comprise trustees (who do not receive remuneration for their role as Trustees) and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £800,226 (2015: £431,897).

10. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	660,547	568,701
Internal audit costs	10,608	-
External audit costs	16,993	5,100
	<u>678,148</u>	<u>573,801</u>

11. TRUSTEES' REMUNERATION AND EXPENSES

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

		2016 £	2015 £
D M J Parker, (CEO and trustee)	Remuneration	110,000-115,000	110,000-115,000
	Pension contributions paid	15,000-20,000	15,000-20,000
C N Bunting - resigned 2 October 2015	Remuneration	0-5,000	25,000-30,000
	Pension contributions paid	0-5,000	0-5,000
S Pollard - resigned 2 October 2015	Remuneration	5,000-10,000	35,000-40,000
	Pension contributions paid	0-5,000	5,000-10,000
P F Towe - resigned 2 October 2015	Remuneration	5,000-10,000	40,000-45,000
	Pension contributions paid	0-5,000	5,000-10,000

The above represents the remuneration received while acting as Trustees.

During the year ended 31 August 2016, expenses totalling £230 (2015: £556) were reimbursed to 1 Trustee (2015: 1).

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

12. AUDITORS' REMUNERATION

	2016 £	2015 £
Fees payable to the Academy Trust's auditor and its associates for the audit of the Academy Trust's annual accounts	5,400	4,500
Fees payable to the Academy Trust's auditor and its associates in respect of:		
Audit-related assurance services	2,950	600
Previous auditors' fees	1,340	-
All other non-audit services not included above	7,303	-
	<u>7,303</u>	<u>-</u>

13. CENTRAL SERVICES

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

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

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

The full costs of the provision of central services, net of income received centrally, is recharged to the academies proportionally at a flat rate of 4% of GAG income.

The actual amounts charged during the year were as follows:

	2016 £	2015 £
Carclaze	61,028	18,900
Fowey	24,655	-
Lostwithiel	27,855	-
Luxulyan	8,691	-
Mevagissey	17,734	5,100
Mount Charles	20,149	-
Penrice	267,527	154,600
St Mewan	59,183	33,700
	<u>486,822</u>	<u>212,300</u>
Total		

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was £4,593 (2015: £3,339).

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

15. OTHER FINANCE INCOME

	2016 £	2015 £
Interest income on pension scheme assets	193,000	129,000
Interest on pension scheme liabilities	(286,000)	(194,000)
	<u>(93,000)</u>	<u>(65,000)</u>

16. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
COST					
At 1 September 2015	23,326,659	3,520	426,517	642,853	24,399,549
Additions	321,845	-	25,653	222,868	570,366
Transfer on conversion	8,614,179	-	45,000	75,000	8,734,179
Disposals	-	-	-	(70,483)	(70,483)
At 31 August 2016	<u>32,262,683</u>	<u>3,520</u>	<u>497,170</u>	<u>870,238</u>	<u>33,633,611</u>
DEPRECIATION					
At 1 September 2015	1,320,215	2,816	387,731	533,949	2,244,711
Charge for the year	519,806	704	26,682	113,355	660,547
At 31 August 2016	<u>1,840,021</u>	<u>3,520</u>	<u>414,413</u>	<u>647,304</u>	<u>2,905,258</u>
NET BOOK VALUE					
At 31 August 2016	<u>30,422,662</u>	<u>-</u>	<u>82,757</u>	<u>222,934</u>	<u>30,728,353</u>
At 31 August 2015	<u>22,006,444</u>	<u>704</u>	<u>38,786</u>	<u>108,904</u>	<u>22,154,838</u>

17. DEBTORS

	2016 £	2015 £
Trade debtors	3,148	4,044
Other debtors	70,803	43,819
Prepayments and accrued income	1,092,135	251,551
	<u>1,166,086</u>	<u>299,414</u>

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	349,183	108,244
Other creditors	298,845	174,664
Accruals and deferred income	316,886	347,901
	<u>964,914</u>	<u>630,809</u>

	2016 £	2015 £
DEFERRED INCOME		
Deferred income at 1 September 2015	113,142	25,878
Resources deferred during the year	144,009	113,142
Amounts released from previous years	(113,142)	(25,878)
Deferred income at 31 August 2016	<u>144,009</u>	<u>113,142</u>

Deferred income in 2016 and 2015 represents UIFSM grants, school trip and other payments received in advance.

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

	2016 £	2015 £
Other loans	<u>19,037</u>	<u>-</u>

Included within the above are amounts falling due as follows:

	2016 £	2015 £
BETWEEN TWO AND FIVE YEARS		
Other loans	<u>19,037</u>	<u>-</u>

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

20. STATEMENT OF FUNDS

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

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

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

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

20. STATEMENT OF FUNDS (continued)

Other DfE/EFA grants - includes: Pupil Premium funding received from the EFA for children that qualify for free school meals to enable the Academy Trust to address the current underlying inequalities between its disadvantaged pupils; and PE and sport funding - The PE and sport funding is designed to help primary schools improve the quality of the PE and sport activities they offer their pupils.

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

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

Fixed assets purchased from GAG and other restricted funds

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

Private sector capital sponsorship - This fund represents the net book value of assets funded by private sector capital and the balance of unspent funds, totalling £48,397 as at 31 August 2016.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £	Total 2015 £
Central	65,183	83,805
Penrice Academy	1,247,517	1,115,548
St Mewan	225,641	184,352
Carclaze	322,804	276,113
Mevagissey	171,785	175,245
Fowey	31,112	-
Lostwithiel	93,477	-
Luxulyan	189,966	-
Mount Charles	287,646	-
Total before fixed asset fund and pension reserve	2,635,131	1,835,063
Restricted fixed asset fund	31,667,004	22,380,852
Pension reserve	(5,417,000)	(2,213,000)
Total	28,885,135	22,002,915

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

20. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2016 £	Total 2015 £
Central	324,897	134,621	4,440	147,362	611,320	274,292
Penrice Academy	4,959,660	683,458	300,365	1,464,652	7,408,135	7,352,932
St Mewan	1,240,496	108,342	99,685	248,004	1,696,527	1,048,944
Carclaze	1,274,759	164,663	67,472	286,695	1,793,589	989,882
Mevagissey	355,544	46,368	32,230	117,136	551,278	294,898
Fowey - joined September 2015	518,478	86,969	38,774	122,508	766,729	-
Lostwithiel - joined September 2015	515,175	61,539	34,508	183,249	794,471	-
Luxulyan - joined April 2016	114,225	12,640	7,488	58,662	193,015	-
Mount Charles - joined June 2016	372,999	50,543	12,310	66,451	502,303	-
	<u>9,676,233</u>	<u>1,349,143</u>	<u>597,272</u>	<u>2,694,719</u>	<u>14,317,367</u>	<u>9,960,948</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	30,728,354	30,728,354	22,154,838
Current assets	2,363,390	1,255,693	938,650	4,557,733	2,691,886
Creditors due within one year	(7,989)	(956,926)	-	(964,915)	(630,809)
Creditors due in more than one year	(19,037)	-	-	(19,037)	-
Pension scheme liability	-	(5,417,000)	-	(5,417,000)	(2,213,000)
	<u>2,336,364</u>	<u>(5,118,233)</u>	<u>31,667,004</u>	<u>28,885,135</u>	<u>22,002,915</u>

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	9,395,220	8,540,691
Adjustment for:		
Depreciation charges	660,547	568,701
Interest received	(15,880)	(12,093)
Loss on the sale of fixed assets	18,549	-
Increase in debtors	(866,672)	(86,746)
Increase in creditors	353,142	313,864
Capital grants from DfE and other capital income	(963,682)	(303,721)
Defined benefit pension scheme cost less contributions payable	73,000	27,000
Defined benefit pension scheme finance cost	93,000	65,000
Net assets transferred from local authority on conversion	(8,385,095)	(8,248,385)
Net cash provided by operating activities	362,129	864,311

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	2,630,737	2,392,472
Cash earmarked for capital projects	760,910	-
Total	3,391,647	2,392,472

24. CONVERSION TO AN ACADEMY TRUST

On 1 September 2015 Lostwithiel Primary School and Fowey Primary School; on 1 April 2016, Luxulyan Primary School; and on 1 June 2016 Mount Charles Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Peninsula Learning Trust from Cornwall 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 headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - 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 incorporating income and expenditure account.

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

24. CONVERSION TO AN ACADEMY TRUST (continued)

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	8,614,179	8,614,179
- Other tangible fixed assets	-	-	120,000	120,000
Budget surplus on LA funds	656,756	-	68,438	725,194
LGPS pension (deficit)	-	(525,000)	-	(525,000)
Net assets/(liabilities)	<u>656,756</u>	<u>(525,000)</u>	<u>8,802,617</u>	<u>8,934,373</u>

The above net assets include £725,194 that were transferred as cash.

The above can be analysed between the individual schools as follows:

FOWEY PRIMARY SCHOOL

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	2,206,500	2,206,500
- Other tangible fixed assets	-	-	29,000	29,000
Budget surplus on LA funds	56,413	-	5,946	62,359
LGPS pension (deficit)	-	(91,100)	-	(91,100)
Net assets/(liabilities)	<u>56,413</u>	<u>(91,100)</u>	<u>2,241,446</u>	<u>2,206,759</u>

The above net assets include £62,359 that were transferred as cash.

LOSTWITHIEL PRIMARY SCHOOL

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	1,541,175	1,541,175
- Other tangible fixed assets	-	-	22,000	22,000
Budget surplus on LA funds	84,145	-	5,856	90,001
LGPS pension (deficit)	-	(91,100)	-	(91,100)
Net assets/(liabilities)	<u>84,145</u>	<u>(91,100)</u>	<u>1,569,031</u>	<u>1,562,076</u>

The above net assets include £90,001 that were transferred as cash.

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

LUXULYAN PRIMARY SCHOOL

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	1,014,700	1,014,700
- Other tangible fixed assets	-	-	9,000	9,000
Budget surplus on LA funds	192,750	-	36,289	229,039
LGPS pension (deficit)	-	(5,800)	-	(5,800)
Net assets/(liabilities)	<u>192,750</u>	<u>(5,800)</u>	<u>1,059,989</u>	<u>1,246,939</u>

The above net assets include £229,039 that were transferred as cash.

MOUNT CHARLES PRIMARY SCHOOL

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	3,851,804	3,851,804
- Other tangible fixed assets	-	-	60,000	60,000
Budget surplus on LA funds	323,448	-	20,347	343,795
LGPS pension (deficit)	-	(337,000)	-	(337,000)
Net assets/(liabilities)	<u>323,448</u>	<u>(337,000)</u>	<u>3,932,151</u>	<u>3,918,599</u>

The above net assets include £343,795 that were transferred as cash.

25. CAPITAL COMMITMENTS

At 31 August 2016 the Academy Trust had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	<u>181,139</u>	<u>213,213</u>

26. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £84,502 were payable to the schemes at 31 August 2016 (2015: 59,849) and are included within creditors.

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

26. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years 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 (currently 14.1%)
- 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%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £942,576 (2015: £579,156).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £748,000 (2015: £518,000), of which

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

26. PENSION COMMITMENTS (continued)

employer's contributions totalled £618,000 (2015: £422,000) and employees' contributions totalled £130,000 (2015: £96,000). The agreed contribution rates for future years are 24.8% for employers and 5.5 to 12.5% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.00 %	3.70 %
Rate of increase in salaries	4.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.10 %	2.60 %

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

	2016	2015
Retiring today		
Males	22.2	22.2
Females	24.4	24.4
Retiring in 20 years		
Males	24.4	24.4
Females	26.8	26.8

Commutation

An allowance is included for future retirements to elect to take 40% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 70% of the maximum tax-free cash for post-April 2008 service.

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	3,114,000	1,835,000
Debt instruments	2,790,000	2,236,000
Property	454,000	313,000
Cash	130,000	89,000
Total market value of assets	<u>6,488,000</u>	<u>4,473,000</u>

The actual return on scheme assets was £422,000 (2015: £58,000).

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

26. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(691,000)	(438,000)
Net interest cost	(93,000)	(65,000)
Past service cost	-	(11,000)
	<u> </u>	<u> </u>
Total	<u>(784,000)</u>	<u>(514,000)</u>

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

	2016 £	2015 £
Opening defined benefit obligation	6,686,000	3,716,000
Upon conversion	1,242,000	2,249,000
Current service cost	691,000	438,000
Interest cost	286,000	194,000
Contributions by employees	130,000	96,000
Actuarial losses	2,935,000	51,000
Past service costs	-	11,000
Benefits paid	(65,000)	(69,000)
	<u> </u>	<u> </u>
Closing defined benefit obligation	<u>11,905,000</u>	<u>6,686,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	4,473,000	2,367,000
Upon conversion	717,000	1,586,000
Return on plan assets (excluding net interest on the net defined pension liability)	193,000	129,000
Actuarial gains and (losses)	422,000	(58,000)
Contributions by employer	618,000	422,000
Contributions by employees	130,000	96,000
Benefits paid	(65,000)	(69,000)
	<u> </u>	<u> </u>
Closing fair value of scheme assets	<u>6,488,000</u>	<u>4,473,000</u>

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

27. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
AMOUNTS PAYABLE:		
Within 1 year	56,536	60,385
Between 1 and 5 years	81,738	47,594
Total	<u>138,274</u>	<u>107,979</u>

28. MEMBERS' LIABILITY

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

29. 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 the trust 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.

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

V Marshall - wife of P Marshall, a trustee. Transactions totalling £3,656 (2015: £6,418) relating to employment as a teaching assistant (including employer's pension contributions) took place in the year. There were no amounts outstanding at 31 August 2016.

P Marshall resigned as a trustee on 14 January 2016.

J Johns - wife of K Johns, a trustee. Transactions totalling £13,295 (2015: £8,704) relating to employment as a teaching assistant (including employer's pension contributions) took place in the year. There were no amounts outstanding at 31 August 2016.

30. AGENCY ARRANGEMENTS

The Academy Trust distributes bursary funds to students as an agent for NCTL. In the year ending 31 August 2016 the Trust received £300,030 and disbursed £264,430 from the fund. An amount of £35,600 remained unspent and is included in accruals and deferred income.

PENINSULA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

31. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014	31 August 2015
		£	£
Total funds under previous UK GAAP		13,571,224	22,002,915
Total funds reported under FRS 102		<u>13,571,224</u>	<u>22,002,915</u>

Reconciliation of net income	Notes	31 August 2015
		£
Net income previously reported under UK GAAP		8,571,691
Change in recognition of LGPS interest cost	A	(31,000)
Net movement in funds reported under FRS 102		<u>8,540,691</u>

Explanation of changes to previously reported funds and net income/expenditure:

A	Under previous UK GAAP the Trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS102 a net interest, based on the net defined benefit liability, is recognised in income/expense. There has been no change to the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit/debit to income/expense by £31,000 and increase the debit/credit in other recognised gains and losses in the SoFA by an equivalent amount.
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