

REGISTERED COMPANY NUMBER: 07687135 (England and Wales)

Trustees' Report and  
Financial Statements For The Year Ended 31 August 2017  
for

THE PINNACLE LEARNING TRUST



Leavitt Walmsley Associates Limited  
Chartered Certified Accountants and  
Statutory Auditors  
8 Eastway  
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Cheshire  
M33 4DX

**THE PINNACLE LEARNING TRUST**

**Contents of the Financial Statements**  
**For The Year Ended 31 August 2017**

	Page
Reference and Administrative Details	1
Trustees' Report	2 to 11
Governance Statement	12 to 13
Statement on Regularity, Propriety and Compliance	14
Statement of Trustees Responsibilities	15
Report of the Independent Auditors	16 to 17
Independent Accountant's Report on Regularity	18
Statement of Financial Activities	19
Balance Sheet	20
Cash Flow Statement	21
Notes to the Cash Flow Statement	22
Notes to the Financial Statements	23 to 37
Detailed Statement of Financial Activities	38 to 39

**THE PINNACLE LEARNING TRUST**

**Reference and Administrative Details**  
**For The Year Ended 31 August 2017**

<b>MEMBERS</b>	B Shah D McEntee A Ur-Rehman
<b>TRUSTEES</b>	B Shah (Director) A Ur-Rehman (Director) D McEntee (Director) L Maddison (Trustee) B Shah (Trustee) A Jones (Trustee) A Woods (Trustee) R Chaudry (Trustee) M Yousaf N Baker A Swailes L Astbury
<b>COMPANY SECRETARY</b>	D Hunt
<b>REGISTERED OFFICE</b>	Bellfield Avenue Oldham Lancashire OL8 3EP
<b>REGISTERED COMPANY NUMBER</b>	07687135 (England and Wales)
<b>SENIOR STATUTORY AUDITOR</b>	Steven John Collings FCCA
<b>INDEPENDENT AUDITORS</b>	Leavitt Walmsley Associates Limited Chartered Certified Accountants and Statutory Auditors 8 Eastway Sale Cheshire M33 4DX
<b>SOLICITORS</b>	Cobbetts LLP Ship Canal House King Street Manchester M2 4BW
<b>SENIOR MANAGEMENT TEAM</b>	Principal and accounting officer - D McEntee Senior Vice Principal - M Giles Vice Principal - R Logan Assistant Principal - H May Assistant Principal - L Philip Assistant Principal - A Travis Assistant Principal - S Williams Business Manager - D Sykes

## **THE PINNACLE LEARNING TRUST**

### **Trustees' Report** **For The Year Ended 31 August 2017**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2017. The trustees have adopted the provisions of 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) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in Oldham. It has a pupil capacity of 1,050 and had a roll of 1,060 (2016: 1,054) in the school census as at 5 October 2017.

#### **OBJECTIVES AND ACTIVITIES**

##### **Objects and aims**

The principal object and activity of the charitable company is the operation of The Pinnacle Learning Trust, to provide education for pupils of different abilities between the ages of 11 and 16 with an emphasis on technology and sport.

In accordance with the Funding Agreement made under section 1 of the Academies Act 2010 between the Secretary of State for Education, the academy is governed by a governing body which exercises its power and functions with a view to fulfilling a largely strategic role in the running of the academy. The Funding Agreement specifies the admission arrangements, among other things, and that the curriculum, in substance, complies with statutory requirements.

The main objectives of the academy during the year to 31 August 2017 are summarised below:

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- To raise the standard of educational achievement and progress of all pupils
- To improve the effectiveness of the academy by keeping the curriculum and organisational structure under continual review
- To provide value for money for the funds expended
- To maintain close links with community, industry and commerce
- To conduct the academy's business in accordance with the highest standards of integrity, probity and openness

##### **Objectives, strategies and activities**

The academy's main strategy is to raise standards of achievement and progress through an unrelenting focus on continuous improvement in all aspects of the organisation. The core purpose of the academy is teaching and learning: its people and resources are constantly measured by their contribution to the overall quality of teaching and learning therefore the standards achieved by its students.

Key activities which support the main strategic purposes of the organisation are:

- Robust quality assurance processes which are transparent and inform all subsequent actions
- Secure use of data and tracking to measure progress and inform actions and intervention
- A constant review of CPD and training opportunities for staff
- A core structure which allows all staff and students to understand their role within the organisation and also to ensure that lines of accountability are also clear
- Structures to support the organisation and integration of all internal and external resources and support available for both students and staff
- To further improve the quality of learning and teaching
- To continue to raise attainment and increase the rate of progress

##### **Public benefit**

The academy provides educational services to all children in the local area. The trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charities Commission.

The academy trust provides education to children and young people that is:

1. Balanced and broadly based
2. Promotes the spiritual, moral, cultural, mental and physical development of students at the academy and of society
3. Prepares students at the academy for opportunities, responsibilities and experiences of later life
4. Promotes, sustains and increases individual and collective knowledge and understanding of specific areas of study, skills and expertise

## THE PINNACLE LEARNING TRUST

### Trustees' Report For The Year Ended 31 August 2017

#### **STRATEGIC REPORT**

##### **Achievement and performance**

##### *Achievements and performance*

The academy is about to enter its seventh year of operation and most indicators reveal an upward trend in performance and achievement.

##### **Headline figures**

The school has achieved a Progress 8 score of 0.35 (2016: 0.26) which is above average. A Progress 8 score shows how much progress pupils at The Pinnacle Learning Trust made between the end of key stage 2 and the end of key stage 4, compared to pupils across England who got similar results at the end of key stage 2. This is based on results in up to eight qualifications, which include English, Maths, three English Baccalaureate qualifications including sciences, computer science, history, geography and languages and three other additional approved qualifications.

A score of 0.35 gives a confidence interval of 0.18 to 0.52 and represents about 18% of schools in England. The attainment score is 47 points with the local authority average being 43.3 points and the England average being 44.2 points.

##### Performance at grade 4/C or above:

	School	Local authority state-funded schools	England state-funded schools
Grade 4 or above in English and Maths GCSEs	61%	58.50%	63.30%
Achieving EBacc at grade 4/C or above	9%	14.90%	23.50%

##### Performance at grade 5 or above in English and Maths GCSE's:

School	36%
Local authority average	36.70%
England average	39.10%

##### Achieving EBacc at grade 5/C or above:

School	6%
Local authority average	13.20%
England average	19.50%

##### Entering EBacc:

School	12%
Local authority average	29.50%
England average	34.90%

##### Staying in education or entering employment

School	91%
Local authority average	92%
England average	94%

##### New 9-1 GCSE results

There were 208 entries in the new 9-1 GCSE results with grades as follows:

Grade	English language	English literature	Maths
9	4	0	11
8	7	3	12
7	13	14	11
6	28	35	22
5	40	32	34
4	51	49	51
3	37	33	33
2	17	23	18
1	5	10	13
U	4	6	2
X	2	3	1
9-7 %	11.5	8.2	16.3
9-4 %	68.8	63.9	67.8
9-1 %	97.1	95.7	98.6

GCSE results showed a total of 1,156 (2016: 1,857) entries, with English Core being mandatory, with grades as follows:

## THE PINNACLE LEARNING TRUST

### Trustees' Report For The Year Ended 31 August 2017

#### **STRATEGIC REPORT**

##### **Achievement and performance**

##### *Achievements and performance*

A\*: 42 (2016: 38)  
A: 184 (2016: 243)  
B: 283 (2016: 534)  
C: 318 (2016: 690)  
D: 164 (2016: 409)  
E: 93 (2016: 154)  
F: 41 (2016: 78)  
G: 19 (2016: 31)  
U: 8 (2016: 13)

BTEC results were as follows:

	Entry no's	L2 Distinction*	L2 Distinction	L2 Merit	L2 Pass	L1 Pass
Health and social care	45	3	3	4	16	17
Performing arts	10	1	1	2	5	1
Sport	67	9	24	24	4	6
Travel and tourism	23	3	2	8	7	3
IT	27	8	9	8	2	0

Cambridge Nationals results were as follows:

##### Information Technology

Entries: 97

L2 Merit: 14  
L2 Pass: 42  
L1 Distinction: 30  
L1 Merit: 9  
L1 Pass: 2

The academy, governing body and senior leadership team operate a robust quality assurance programme which is designed to monitor the quality of teaching and learning experiences by pupils.

The latest OFSTED report which was carried out in April 2016 yielded a 'good' result and the senior leadership team and governing body are committed to raising this standard in the future.

##### *Fundraising activities*

During the academic year, the academy trust has raised funds in excess of £3,200 for various charities and good causes. The last event on Friday 21 July 2017 was a non-uniform day for the pupils who contributed 50p in aid of Maggie's Oldham who provide practical, emotional and social support to people with cancer and their families and friends. The trustees are humbled by the generosity of the students in the efforts to achieving such results for charity.

##### *Internal and external factors*

On 11 May 2017, the academy changed its name to The Pinnacle Learning Trust. This was done on the basis that the single academy trust forms part of a multi-academy trust with the Oldham Sixth Form College with effect from 1 September 2017.

The trustees believe there are many advantages in the academy becoming part of a multi-academy trust including opportunities to share best practice and secure best value of a range of services through increased buying power of a larger institution. The two colleges will remain separate, each retaining its own distinctive character. The multi-academy trust itself will be the vehicle for collaboration, leading to even higher levels of achievement for young people in Oldham.

## **THE PINNACLE LEARNING TRUST**

### **Trustees' Report** **For The Year Ended 31 August 2017**

#### **STRATEGIC REPORT**

##### **Achievement and performance**

##### *Key financial performance indicators*

	Unit	2017	2016
Incoming resources	£	6.8m	7.4m
Net (deficit) surplus for the year	£	(608k)	159k
Funds at 31 August	£	6m	6m
Net current assets	£	44k	1m
Net assets	£	6m	6m

##### **Staffing costs as a % of total revenue expenditure**

	31 August 2017	31 August 2016
Teaching staff	68.0%	65.9%
Educational support staff	19.8%	19.0%
Premises staff	1.4%	1.3%
Administration staff	4.9%	5.1%

##### **Key non-financial performance indicators**

The academy has a strong and focussed set of values which is evidence of the desire to implement an ambitious vision and improve performance even further at The Pinnacle Learning Trust. The last OFSTED inspection took place in April 2016 and it was classed as a good school. This was pleasing as the previous OFSTED inspection suggested the academy required improvement in three areas. The senior leadership team aim to get an even better OFSTED report in the next inspection.

Both teaching and non-teaching staff are evaluated on a regular basis and continual professional development ensures that staff are as successful as possible in their roles as well as having clear objectives set for them. There is a cycle of monitoring and evaluation which has enabled the faculty leaders to identify and act to improve classroom practice.

The system of exclusion is targeted to support individuals at risk of exclusion. Letters are sent to the parents of those who are disruptive in the classroom with plans put in place for intervention with these students.

Attendance has improved consistently over recent years and this has had a positive impact on the success rates which have been down to a strategic planning exercise being implemented since the school converted to academy status. The strategic vision set out as part of The Hathershaw College's conversion to academy status was based on an evaluation of the strengths and weaknesses of the predecessor school.

Well-developed procedures are also in place to safeguard all students at the academy. Visitors are required to sign in electronically and procedures are in place to prohibit anyone having any contact with students who have not been DBS checked.

During the year the academy continued to invest in its school building and computer equipment, ensuring that pupils receive the best experience possible to enhance their education. During the year the roof was replaced on the science block at a cost of just over £500,000.

The academy will continue its refurbishment projects to ensure that the pupils' education is further enhanced as well as providing a modern and up-to-date learning experience.

## **THE PINNACLE LEARNING TRUST**

### **Trustees' Report** **For The Year Ended 31 August 2017**

#### **STRATEGIC REPORT**

##### **Financial review**

##### *Financial position*

The trust continues to adopt the Financial Regulations manual and accompanying Scheme of Delegation which were drawn up in October 2011 and are updated on an annual basis. The last annual update to these documents was in October 2016.

The school's incoming resources during the year amounted to £6.8m (2016: £7.3m). The majority of the school's income derives from central government funding via the Education and Skills Funding Agency in the form of recurrent grants. Further details of these grants are provided in the notes to the accounts.

Total outgoing resources for the year were £7.4m (2016: £7.2m), the majority of which related to the direct provision of educational operations. Expenditure exceeded income during the year by £607,852 (2016: excess of income over expenditure £158,873).

At the year-end 31 August 2017, total reserves amounted to £6.4m (2016: £5.9m), including a deficit on the restricted pension fund £2,470,000 (2016: £3,345,000).

The deficit on the Local Government Pension Scheme does not mean that an immediate liability crystallises. The deficit results in a cash flow effect for the academy in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. There is therefore no direct impact on the free reserves of the academy trust due to the deficit being recognised. Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

The trust remains in a healthy financial position with net assets as at 31 August 2017 of £6.4m (2016: £5.9m).

Cash balances at the year-ended 31 August 2017 had seen a significant reduction from £1m in 2016 to £0.3m in 2017. The reduction has largely been due to the roof replacement during the year and an overall reduction in funding levels by some 7.8% from the prior year. Reductions in funding and an increase in expenditure have resulted in cash balances becoming depleted. Increases in expenditure have arisen largely due to the 6% increase in staff costs during the year due to pension increases, staff pay rises and redundancy payments.

A managing change process was implemented during the year resulting in some staff members being made redundant and the trustees will carefully monitor the cash position of the entity to ensure adequate resources remain available.

At 31 August 2017, all assets shown in the financial statements were used exclusively for providing education and associated support services to students of the school.

##### *Principal funding sources*

The academy trust receives its principal funding from the Education and Skills Funding Agency in the form of current grants, including:

- Pupil led factors
- Special educational needs
- Minimum funding guarantee
- Education Services Grant
- Pre-16 high needs
- Capital improvement funding

##### *Investment policy and performance*

Under the Memorandum and Articles of Association, the academy has the power to invest funds not immediately required for its own purposes in any investments the trustees see fit. The academy has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are also reviewed on a regular basis.

Currently the academy does not have any long term investments with the cash reserves of the academy being held in bank accounts.



## THE PINNACLE LEARNING TRUST

### Trustees' Report For The Year Ended 31 August 2017

#### **STRATEGIC REPORT**

##### **Financial review**

###### *Reserves policy*

Most of the academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year to 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The academy also receives grants for fixed assets (capital grants) from the ESFA. In accordance with the Charities Statement of Recommended Practice 'Accounting and Reporting by Charities' (Charities SORP FRS 102) such grants are shown in the statement of financial activities as restricted income and are not deferred in the balance sheet. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year to 31 August 2017 the excess of expenditure over income (2016: income over expenditure) was (£607,852) 2016: £158,873.

As at 31 August 2017, the net book value of fixed assets was £8,468,141 (2016: £8,169,443) as shown in Note 14 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's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The academy's share of the scheme's assets is currently assessed to be less than its liabilities in the scheme and consequently the academy's balance sheet shown a net pension liability of £2,470,000 (2016: (£3,345,000)).

The academy's unrestricted funds are income which can be spent at discretion of the trustees in furtherance of the academy's objects and which are not yet spent, committed or designated. At 31 August 2017 the value of the academy's unrestricted funds amounted to £230,648 (2016: £729,862). Restricted general funds amounted to £212,984 (2016: £305,322).

The academy's long-term policy is that the appropriate level of restricted general reserves should not be less than £200,000. This will 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 maintenance. The academy's free reserves in unrestricted funds are regularly reviewed by the governing body and at the balance sheet date were considered more than sufficient.

###### *Going concern*

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

###### *Funds in deficit*

The LGPS is in a deficit position as at 31 August 2017 resulting in a pension fund reserve in deficit. The deficit on the LGPS does not mean that an immediate liability crystallises. The deficit results in a cash flow effect for the academy in the form of possible future increases in pension contributions which, if required, will be met from the budgeted annual income. There is therefore no direct impact on the free reserves of the academy trust because of recognising the deficit. 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. This guarantee came into force on 18 July 2013.

##### **Principal risks and uncertainties**

The governing body have identified the following principal risks and uncertainties facing the academy trust:

###### Government cuts/financial risk

Government cuts are a risk to the academy due to reductions in public funding. The risk of further government cuts have the potential to affect the general annual grant, which is the academy's main source of income. The revised funding formula announced by the government in 2016 may have a detrimental impact to the funding received by the academy in the future, although it is not expected to impact on the 2018-19 academic year.

###### Falling pupil numbers/operational risk

The continuing success of the academy trust depends on it maintaining the highest levels of educational standards in order to continue to attract applicants in sufficient numbers. The academy is currently over-subscribed and the last OFSTED inspection yielded a 'good' classification which was an improvement on the previous OFSTED inspection which suggested the academy required improvement. The governing body continue to give due consideration to other areas of the academy's activities where there could be a reputations or operational risk, including discipline, health and safety and child safeguarding.

###### Loss of staff

## **THE PINNACLE LEARNING TRUST**

### **Trustees' Report** **For The Year Ended 31 August 2017**

#### **STRATEGIC REPORT**

##### **Principal risks and uncertainties**

The loss of staff is a key risk in the academy and hence the governing body have put in place measures for succession policies and undertake regular reviews of recruitment processes and recruitment needs to ensure that pupils' learning is not detrimentally affected. Staff are required to maintain levels of continuing professional development and any concerns about the levels of teaching by staff are addressed as quickly as possible, with any additional training requirements identified and implemented with the objective of minimising the disruption to pupils' learning as a result of continual staff replacement.

##### **Pupil safety**

Pupil safety is of paramount importance to the academy and the trustees continue to ensure that the highest possible standards are maintained throughout the academy to ensure the safety of its students. All staff are vetted prior to appointment and visitors are required to sign in electronically and provide details of their vehicle registration number. All visitors to the academy are required to display visitor badges on them at all times and the system is electronic hence requires all visitors to scan their badges on arrival to the academy and scan them out when they are leaving. This ensures that a continuous register of visitors is maintained at all times. The academy also utilises CCTV equipment to enhance pupil safety.

The trustees have undertaken a programme of mitigating the major risks affecting the academy by embarking on a 'whole school approach' to risk management.

Quarterly responsible officer (RO) visits are undertaken and the results of these are presented to the governing body. All recommendations by the RO have either been dealt with or are in the process of being dealt with. Risk management continues to be a key priority for the governing body.

The academy has set about identifying key financial risks it is facing by setting risk strategy meetings and the development of a financial risk register. Robust induction and probation processes are also in place for all staff in order to manage performance and minimise any further capacity/skill risks to the academy.

In this sixth year of being an academy, additional risks have become known and have been dealt with as the area of risk has been given much more prominence in the school's priorities. The principal and the governors have taken steps to deal with the key risks by compiling a 'risk register' that has been internally circulated to key members of staff.

The academy is pleased with the progress made and is now in a cycle of continuous risk management. This includes the ageing condition of the building, the need to manage expansion plans for the academy (more so in light of the academy becoming part of a multi-academy trust), the insecure nature of funding such as the pupil premium and the recruitment of good quality staff continues to be the main areas of risk that the academy faces.

Main risk areas that the academy will face going forward into the new financial and academic year include:

- Governance and direction
- Change of status as the academy forms part of a multi-academy trust from 1 September 2017
- Standards, teaching and curriculum
- Change of accounting system from SAGE to Corero with effect from 1 September 2017
- Premises and the environment
- Technology
- Marketing and communications
- Integration into the multi-academy trust
- External stakeholders and suppliers
- Growth, development and aspirations

The academy will continue to update the risk register and develop a strategy for the risks identified above.

##### **Financial and risk management objectives and policies**

As an academy directly funded by the Department for Education, funding streams are considered to be reasonably safe and secure. The risk mainly arises from changes in government policy and funding levels. However, the key risk is falling pupil numbers. The trustees have a risk management strategy which is managed and reviewed on a regular basis.

The academy's share of the defined benefit pension scheme liability is £2,470,000 (2016: £3,345,000) and the risk is that if the defined benefit pension scheme deficit increases, there may be an impact on cash flow representing an increase in employer's pension contributions. The academy manages this risk by being involved in a consortium with other academies in the area whereby increases in employer contributions are capped. The governing body is also satisfied that the academy trust is able to meet its known contribution to commitments for the foreseeable future.

## **THE PINNACLE LEARNING TRUST**

### **Trustees' Report** **For The Year Ended 31 August 2017**

#### **STRATEGIC REPORT**

##### **Future plans**

With effect from 1 September 2017, the academy forms part of a multi-academy trust with its partner, The Oldham Sixth Form College. The collaboration with The Oldham Sixth Form College will bring with it new opportunities and strengthen the academy further which will help it achieve its objectives and raise the already high standards in the school.

The academy strives to improve teaching and learning in all areas of the academy. The latest OFSTED inspection took place in April 2016 and yielded a good result. The senior leadership team aim to build upon this with a view to achieving outstanding status in future inspections.

Further strengthening relations with neighbouring partners is a key activity which is going to be developed in 2017/18 to ensure the success of the academy continuous and that all pupils receive the highest standards of education. The academy is also building close links with local feeder primary schools to ensure pupil numbers remain adequate.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The academy trust is a company limited by guarantee and is an exempt charity. The charitable company's Memorandum and Articles of Association, dated 29 June 2011, are the primary governing documents of the academy trust. The company registration number is 07687135.

The members act as the trustees for the charitable activities of The Pinnacle Learning Trust and are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Pinnacle Learning Trust.

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

##### **Members' liability**

The members of the charitable company are:

D McEntee  
A Ur-Rehman  
B Shah

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.

##### **Trustees' Indemnities**

The academy through its Articles has indemnified its trustees to the fullest extent permissible by law. During the period the academy also purchased and maintained liability insurance for its trustees.

##### **Principal activities**

The academy has entered into a Funding Agreement with the Secretary of State for Education, which provides the framework within which the academy trust must operate. The principal object of the academy is to advance, for the public benefit, education in the United Kingdom, in particular without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

## **THE PINNACLE LEARNING TRUST**

### **Trustees' Report** **For The Year Ended 31 August 2017**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Recruitment and appointment of new trustees**

The management of the academy is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association dated 29 June 2011. The Articles of Association require there to be a minimum of not less than three trustees. The academy trust must also have the following trustees:

- a. Up to two trustees appointed by the trustees.
- b. Two trustees appointed by West Oldham Trust.
- c. The principal.
- d. Any additional trustees if appointed under Article 62, 62A or 68A of the Articles of Association.
- e. Any further trustees if appointed under Article 63 or Article 68A of the Articles of Association.

The academy trust is also permitted under the Articles of Association to have any co-opted trustees appointed under Article 59. A 'co-opted' trustee means a person who is appointed to be a trustee by being co-opted by trustees who have not themselves been so appointed. The trustees may not co-opt an employee of the academy trust as a co-opted trustee if thereby the number of trustees who are employees of the academy trust would exceed one-third of the total number of trustees (including the principal).

The secretary of state may appoint additional trustees as he thinks fit (after consultation with the academy trust) if he has given the trustees a warning notice, and the trustees have failed to comply, or secure compliance, with the notice to the secretary of state's satisfaction within the compliance period.

The term of office for any trustee shall be four years, save that this time limit shall not apply to the principal. Subject to remaining eligible to be a particular type of trustee, any trustee may be re-appointed or re-elected.

##### **Organisational structure**

The academy has a leadership structure which consists of four levels:

1. The members
2. The trustees
3. The senior leadership team
4. The academy teams

The aim of the leadership structure is to devolve responsibility and encourage decision-making at all levels. The principal is the accounting officer.

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by the use of budgets and making major decisions about the direction of the academy, capital expenditure and senior staff appointments. The senior leadership team is comprised of the principal (who is the academy's accounting officer), two vice principals, four assistant principals and the academy's business manager. The senior leadership team controls the academy at a day-to-day level, implementing the policies laid down by the governors and reporting back to them.

The governing body of the academy meets four times a year. There are three sub-committees: the finance committee, the achievement and teaching committee and the behaviour and safety committee. The sub-committees meet three times a year and provide essential feedback to the governing body.

##### **Induction and training of new trustees**

The Pinnacle Learning Trust sources training providers to provide newly-appointed trustees with a package which includes training in their respective duties. Ongoing training is provided through the sourced training provider.

##### **Connected Organisations Including Related Party Relationships**

Whilst the academy is a stand-alone academy responsible for its own affairs, Mr D McEntee (principal and accounting officer) is also a director of the West Oldham Trust for whom the academy is both a customer and supplier.

The academy has not undertaken any transactions (with the exception of the West Oldham Trust) in which the trustees have a participating interest.

## **THE PINNACLE LEARNING TRUST**

### **Trustees' Report** **For The Year Ended 31 August 2017**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Risk management**

The trustees have assessed the major risks to which the academy is exposed, in particular to those relating to the specific teaching, provision of facilities and other operational areas of the academy and its finances. The trustees have implemented a number of systems to enable them to assess the risks which the academy faces, in particular those relating to operational areas such as teaching, health and safety, school trips and bullying as well as in relation to the control of finance. Systems have been implemented by the trustees to minimise risk which include vetting of staff, registration and signing in procedures for visitors and supervision of academy grounds.

The academy utilises the services of an independent and external responsible officer function to provide essential feedback on a quarterly basis in relation to internal financial controls.

Adequate insurance cover has been obtained in respect of risks which cannot be mitigated.

During full governing body meets and sub-committee meetings, key risks are discussed together with any recommendations to strengthen existing controls to mitigate those risks or to discuss potential additional controls to combat new or emerging risks.

#### **EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

#### **FUNDS HELD AS CUSTODIAN FOR OTHERS**

There are no funds held as a custodian trustee on behalf of another.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

#### **AUDITORS**

The auditors, Leavitt Walmsley Associates Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 15 DECEMBER 2017 and signed on the board's behalf by:



D McEntee - Director

## **THE PINNACLE LEARNING TRUST**

### **Governance Statement** **For The Year Ended 31 August 2017**

#### **Scope of Responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that The Pinnacle 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 of loss.

The board of the trustees has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Pinnacle 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:

<b>Trustee</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>
A Ur-Rehman	6	10
D McEntee	13	13
L Maddison	5	7
B Shah	1	7
A Jones	6	7
A Woods	7	7
R Chaudry	6	7
M Yousaf	6	10
N Baker	7	7
L Astbury	5	7
A Swailes	6	7

#### **Boards performance**

The wide range of skills of the Trustees is conducive to effective governance so as to enable them to discharge their responsibilities in promoting and delivering good outcomes for all of its pupils. The trust performs an annual exercise of self-review using the NGA guidelines including a 360 chair's review so as to improve knowledge and skills for the academic year 2017/18.

Particular challenges faced by the governing body are the recruitment and retention of high quality teaching staff and succession planning. Keeping abreast of the changing educational landscape and subsequent ongoing demands of their implementation continue to create additional workload for both the school and the trustees.

#### **Review of Value for Money**

As accounting officer the principal 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

1. Having sound internal spending controls which are regularly reviewed by the academy's independent responsible officer.
2. Ensuring that the academy buys appropriate supplies and services at the best possible price by gaining the required number of quotations according to the Scheme of Delegation.
3. Where limits require, a formal tendering process is entered into.

#### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of charitable company policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Pinnacle Learning Trust for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

## THE PINNACLE LEARNING TRUST

### Governance Statement For The Year Ended 31 August 2017

#### **Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the charitable company 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 on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

#### **The Risk and Control Framework**

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

The governing body has considered the need for a specific internal audit function and has decided:

- Not to appoint an internal auditor. However, the trustees have appointed J D Education Services as responsible officer (RO).

The RO'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 RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

There were no material control or other issues reported by the RO to date.

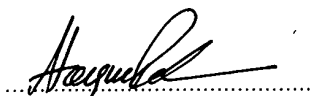
#### **Review of Effectiveness**

As Accounting Officer, David McEntee 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 responsible officer;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- 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 responsible officer 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 15 DECEMBER 2017 and signed on its behalf by:



A Ur-Rehman - Director



D McEntee - Accounting Officer


**THE PINNACLE LEARNING TRUST**

**Statement on Regularity, Propriety and Compliance**  
**For The Year Ended 31 August 2017**

As accounting officer of The Pinnacle Learning Trust I have considered my responsibility to notify the charitable company board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the charitable company and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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

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



D McEntee - Accounting Officer

Date: 15 DECEMBER 2017



## THE PINNACLE LEARNING TRUST

### Statement of Trustees Responsibilities For The Year Ended 31 August 2017

The trustees (who act as governors of The Pinnacle Learning Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and estimates that are reasonable and prudent;
- 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 to 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the board of trustees on 15 DECEMBER 2017 and signed on it's behalf by:



D McEntee - Director

**Report of the Independent Auditors to the Members of**  
**The Pinnacle Learning Trust**

**Opinion**

We have audited the financial statements of The Pinnacle Learning Trust (the 'charitable company') for the year ended 31 August 2017 on pages nineteen to thirty seven. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency (ESFA).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland';
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2016 to 2017.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

**Report of the Independent Auditors to the Members of**  
**THE PINNACLE 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.

**Responsibilities of trustees**

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

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

**Our responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.



Steven John Collings FCCA (Senior Statutory Auditor)  
for and on behalf of Leavitt Walmsley Associates Limited  
Chartered Certified Accountants and  
Statutory Auditors  
8 Eastway  
Sale  
Cheshire  
M33 4DX

Date: 15 DECEMBER 2017

**Independent Reporting Accountant's Assurance Report on Regularity to  
The Pinnacle Learning Trust and the Education and Skills Funding Agency**

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

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

**Respective responsibilities of The Pinnacle Learning Trust's accounting officer and the reporting accountant**

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

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

**Approach**

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

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

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

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

**Conclusion**

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

*Leavitt Walmsley Associates Ltd*

Leavitt Walmsley Associates Limited  
Chartered Certified Accountants and  
Statutory Auditors  
8 Eastway  
Sale  
Cheshire  
M33 4DX

Date: 15 DECEMBER 2017

**THE PINNACLE LEARNING TRUST**

**Statement of Financial Activities**  
**(Incorporating an Income and Expenditure Account)**  
**For The Year Ended 31 August 2017**

	Notes	Unrestricted fund £	Restricted funds £	Fixed asset fund £	31.8.17 Total funds £	31.8.16 Total funds £
<b>INCOME AND ENDOWMENTS</b>						
<b>FROM</b>						
Donations	2	200	3,278	-	3,478	2,991
<b>Charitable activities</b>						
Funding for the academy's educational operations	3	-	6,650,709	-	6,650,709	7,244,970
Other trading activities	4	14,399	120,854	-	135,253	131,266
Investment income	5	543	-	-	543	1,001
<b>Total</b>		<b>15,142</b>	<b>6,774,841</b>	<b>-</b>	<b>6,789,983</b>	<b>7,380,228</b>
<b>EXPENDITURE ON</b>						
Raising funds	7	-	-	-	-	5,148
<b>Charitable activities</b>						
Academy's educational operations		2,497	7,169,564	225,774	7,397,835	7,216,207
<b>Total</b>	6	<b>2,497</b>	<b>7,169,564</b>	<b>225,774</b>	<b>7,397,835</b>	<b>7,221,355</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>12,645</b>	<b>(394,723)</b>	<b>(225,774)</b>	<b>(607,852)</b>	<b>158,873</b>
Transfers between funds	18	(511,858)	(12,616)	524,474	-	-
<b>Other recognised gains/(losses)</b>						
Gains/(losses) on revaluation of fixed assets		-	-	1,653,032	1,653,032	1,653,032
Actuarial gains/losses on defined benefit schemes		-	1,190,000	-	1,190,000	(1,489,000)
<b>Net movement in funds</b>		<b>(499,213)</b>	<b>782,661</b>	<b>1,951,732</b>	<b>2,235,180</b>	<b>322,905</b>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		729,862	(3,039,678)	6,516,411	4,206,595	5,536,722
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>230,649</b>	<b>(2,257,017)</b>	<b>8,468,143</b>	<b>6,441,775</b>	<b>5,859,627</b>

The notes form part of these financial statements

**THE PINNACLE LEARNING TRUST**

**Balance Sheet**  
**At 31 August 2017**

	Notes	Unrestricted fund £	Restricted funds £	Fixed asset fund £	31.8.17 Total funds £	31.8.16 Total funds £
<b>FIXED ASSETS</b>						
Tangible assets	14	-	(2)	8,468,143	8,468,141	8,169,443
<b>CURRENT ASSETS</b>						
Debtors	15	-	172,893	-	172,893	190,781
Cash at bank and in hand		230,648	72,951	-	303,599	1,049,758
		<u>230,648</u>	<u>245,844</u>	<u>-</u>	<u>476,492</u>	<u>1,240,539</u>
<b>CREDITORS</b>						
Amounts falling due within one year	16	-	(32,858)	-	(32,858)	(205,355)
<b>NET CURRENT ASSETS</b>		<u>230,648</u>	<u>212,986</u>	<u>-</u>	<u>443,634</u>	<u>1,035,184</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		230,648	212,984	8,468,143	8,911,775	9,204,627
<b>PENSION LIABILITY</b>	19	-	(2,470,000)	-	(2,470,000)	(3,345,000)
<b>NET ASSETS</b>		<u>230,648</u>	<u>(2,257,016)</u>	<u>8,468,143</u>	<u>6,441,775</u>	<u>5,859,627</u>
<b>FUNDS</b>	18					
Unrestricted funds:						
General fund					230,648	729,862
Restricted funds:						
Fixed asset fund					8,468,143	8,169,443
Pension fund					(2,470,000)	(3,345,000)
Restricted general fund					212,984	305,322
					<u>6,211,127</u>	<u>5,129,765</u>
<b>TOTAL FUNDS</b>					<u>6,441,775</u>	<u>5,859,627</u>

The financial statements were approved by the Board of Trustees on 15 DECEMBER 2017 and were signed on its behalf by:

  
D McEntee - Director

  
A Ur-Rehman - Director

The notes form part of these financial statements

**THE PINNACLE LEARNING TRUST**

**Cash Flow Statement**  
**For The Year Ended 31 August 2017**

	Notes	31.8.17 £	31.8.16 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	(270,205)	(69,444)
<b>Net cash provided by (used in) operating activities</b>		<u>(270,205)</u>	<u>(69,444)</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(524,472)	(448,184)
Capital grants from DfE/ESFA		47,975	625,532
Interest received		543	1,001
<b>Net cash provided by (used in) investing activities</b>		<u>(475,954)</u>	<u>178,349</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(746,159)</u>	<u>108,905</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>1,049,758</u>	<u>940,853</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>303,599</u></u>	<u><u>1,049,758</u></u>

The notes form part of these financial statements

**THE PINNACLE LEARNING TRUST**

**Notes to the Cash Flow Statement**  
**For The Year Ended 31 August 2017**

**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	31.8.17 £	31.8.16 £
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	(607,852)	158,873
<b>Adjustments for:</b>		
Depreciation	225,774	92,143
Capital grants from DfE/ESFA	(47,975)	(625,532)
Interest received	(543)	(1,001)
Pension scheme costs less contributions	243,000	102,000
Finance cost (income) on pension scheme	72,000	66,000
Decrease in stocks	-	2,230
Decrease in debtors	17,888	2,610
(Decrease)/increase in creditors	(172,497)	133,233
<b>Net cash provided by (used in) operating activities</b>	<u>(270,205)</u>	<u>(69,444)</u>



## **THE PINNACLE LEARNING TRUST**

### **Notes to the Financial Statements** **For The Year Ended 31 August 2017**

#### **1. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2016 to 2017 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Pinnacle Learning Trust meets the definition of a public benefit entity under FRS 102.

##### **Going concern**

The trustees assess whether the use of the going concern basis is appropriate - i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval 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.

##### **Income**

All income is recognised in the statement of financial activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

##### **Grants receivable**

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset(s) on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted general funds.

##### **Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt.

##### **Other income**

Other income includes the hiring of academy facilities, sale of school uniforms, contributions to trips and the provision of school meals. Such income is recognised in the period in which it is receivable and to the extent that the goods have been provided or on completion of the service.

##### **Donated goods, facilities and services**

The value of donated services and gifts in kind provided to the academy is recognised in the statement of financial activities as incoming resources at their estimated value to the academy in the period in which they are receivable, and where the benefit is both quantifiable and material.

Where it has been ascertained that the risks and rewards of property subject to long lease agreements lies substantially with the academy, a reasonable estimate of the gross value is included within fixed assets with a corresponding credit to voluntary income (gift in kind), within the restricted fixed asset fund. The valuation is an estimation of depreciated replacement cost on the basis that the assets represent specialised property and the open market value for existing use is not readily available.

## **THE PINNACLE LEARNING TRUST**

### **Notes to the Financial Statements - continued** **For The Year Ended 31 August 2017**

#### **1. ACCOUNTING POLICIES - continued**

##### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable value added tax.

##### **Charitable activities**

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

##### **Tangible fixed assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities. The trustees carried out an impairment test on 31 August 2017 and no assets were deemed to be impaired.

Land and buildings valued at £4,745,279 were transferred to the academy from Oldham Local Authority on 1 August 2011 with a corresponding credit being shown in the statement of financial activities as voluntary income (gift in kind). These premises were revalued on 11 July 2016. FRS 102, paragraph 17.8 requires land and buildings to be accounted for separately and hence the land was valued at £1,072,000 and the buildings were valued at £7,034,000. This revaluation exercise has been reflected in the financial statements with a corresponding entry in the revaluation reserve within the funds section of the balance sheet to comply with FRS 102 paragraph 17.15E. The land element is not depreciated as this is deemed to have an indefinite useful life.

There were a number of assets transferred from Oldham Local Authority on 1 August 2011 that are still used by the academy. These assets are principally school furniture, computers and office equipment. These assets have been valued at fair value, being the trustees' estimate of a price that would be paid in the marketplace.

##### **Depreciation**

Depreciation is provided at the following rates in order to write off the cost of each asset over its expected useful lives (the land element of buildings is not depreciated).

##### **Asset class**

Leasehold buildings  
Furniture and equipment  
Computer equipment

##### **Depreciation method and rate**

2% straight line  
10% and 15% straight line  
20% straight line

## **THE PINNACLE LEARNING TRUST**

### **Notes to the Financial Statements - continued** **For The Year Ended 31 August 2017**

#### **1. ACCOUNTING POLICIES - continued**

##### **Financial instruments**

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement bases are as follows:

##### **Financial assets**

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

Cash and bank balances are classified as basic financial instruments and are measured at face value.

##### **Financial liabilities**

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

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

##### **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 1991, to the extent that such income or gains are applied exclusively to charitable purposes.

##### **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 Education and Skills Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purposes.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

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

##### **Transfers between funds**

Transfers between funds relate to fixed asset purchases from unrestricted and restricted reserves.

## **THE PINNACLE LEARNING TRUST**

### **Notes to the Financial Statements - continued** **For The Year Ended 31 August 2017**

#### **1. ACCOUNTING POLICIES - continued**

##### **Pension costs and other post-retirement benefits**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme (SERPS) 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 benefit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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 cost, past service cost and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other comprehensive income.

## THE PINNACLE LEARNING TRUST

### Notes to the Financial Statements - continued For The Year Ended 31 August 2017

#### 1. ACCOUNTING POLICIES - continued

##### **Critical accounting estimates and areas of judgement**

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

##### **Critical accounting estimates and assumptions**

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, rarely equal 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:

##### **Local Government Pension Scheme (LGPS) defined benefit liability**

The present value of the LGPS defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore, a roll-forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability as at 31 August 2017. Any differences between the figures derived from the roll-forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

##### **Useful economic life of tangible fixed assets**

The useful economic life of tangible fixed assets is judged at the date of acquisition. As standard, the useful economic life applied is based on the depreciation policy stated above.

##### **Impairment of fixed assets**

At each reporting date, the trustees undertake an assessment of the carrying value of tangible fixed assets to determine whether there is any indication that the value has been impaired. Where necessary, an impairment loss is recognised.

##### **Critical areas of judgement**

##### **Classification and valuation of long leasehold land and buildings**

The academy's long leasehold land and buildings are held under a 125-year lease and are wholly used in the course of the academy's business and are held within the academy.

The leasehold land and buildings were subject to a revaluation in July 2016 and hence were stated at fair value based on the valuation performed by an independent professional valuer, Kier Construction, with recent experience in the location and category of the property valued. The valuer used depreciated replacement cost which means that the cost of constructing the property is calculated and then depreciated for the factors of age and obsolescence. An addition is then made for the value of the land on which the property is situated.

#### 2. DONATIONS

	Unrestricted funds £	Restricted funds £	31.8.17 Total funds £	31.8.16 Total funds £
Gifts	-	(2)	(2)	1
Donations	200	-	200	499
Charity collections	-	3,280	3,280	2,491
	<u>200</u>	<u>3,278</u>	<u>3,478</u>	<u>2,991</u>

The income from donations was £3,478 (2016: £2,990) of which £3,278 was restricted (2016: £2,840) and £200 (2016: £150) was unrestricted.

**THE PINNACLE LEARNING TRUST**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2017**

**3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £	Restricted funds £	31.8.17 Total funds £	31.8.16 Total funds £
<b>DfE/ESFA revenue grant</b>				
General Annual Grant(GAG)	-	6,491,029	6,491,029	6,544,603
SEN funding	-	92,112	92,112	67,711
Other DfE/ESFA grants	-	19,593	19,593	7,124
	-	6,602,734	6,602,734	6,619,438
<b>DfE/ESFA capital grant</b>				
Capital grant	-	47,975	47,975	625,532
	-	6,650,709	6,650,709	7,244,970

The income from funding for educational operations was £6,650,709 (2016: £7,244,970). All funds were restricted funds (2016: all funds).

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds £	Restricted funds £	31.8.17 Total funds £	31.8.16 Total funds £
Hire of facilities	10,171	600	10,771	14,894
Contributions to trips	-	35,685	35,685	30,615
Other income	4,228	84,569	88,797	85,757
	14,399	120,854	135,253	131,266

Income from other trading activities amounted to £135,253 (2016: £131,266) of which £120,854 (2016: £111,020) was restricted and £14,399 (2016: £20,246) was unrestricted.

**5. INVESTMENT INCOME**

	Unrestricted funds £	Restricted funds £	31.8.17 Total funds £	31.8.16 Total funds £
Deposit account interest	543	-	543	1,001

The income from investment income was £543 (2016: £1,001). All of this income (2016: all) was unrestricted.

**6. EXPENDITURE**

	Staff costs £	Non-pay expenditure Premises £	Other costs £	31.8.17 Total £	31.8.16 Total £
<b>Charitable activities</b>					
<b>Academies educational operations</b>					
Direct costs	5,104,582	180,877	628,494	5,913,953	5,878,904
Allocated support costs	714,840	419,818	225,036	1,359,694	1,224,340
	5,819,422	600,695	853,530	7,273,647	7,103,244

**THE PINNACLE LEARNING TRUST**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2017**

**6. EXPENDITURE - continued**

Net income/(expenditure) is stated after charging/(crediting):

	31.8.17	31.8.16
	£	£
Depreciation - owned assets	225,775	92,143
Fees paid to auditor for audit services	7,350	6,700
Operating lease rentals	21,796	8,980
	<u>          </u>	<u>          </u>

**7. RAISING FUNDS**

**Costs of fundraising**

	31.8.17	31.8.16
	Total	Total
	funds	funds
	£	£
Support costs	-	5,148
	<u>          </u>	<u>          </u>

**8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	31.8.17	31.8.16
	Total	Total
	funds	funds
	£	£
Direct costs	899	5,913,054
Support costs	322	1,359,372
	<u>          </u>	<u>          </u>
	1,221	7,272,426
	<u>          </u>	<u>          </u>

	31.8.17	31.8.16
	Total	Total
	£	£
<b>Analysis of support costs</b>		
Support staff costs	714,840	495,161
Premises costs	419,818	441,278
Other support costs	225,036	287,901
	<u>          </u>	<u>          </u>
<b>Total support costs</b>	1,359,694	1,224,340
	<u>          </u>	<u>          </u>

**9. SUPPORT COSTS**

	Management	Human		
	£	resources	Other	Totals
	£	£	£	£
Academy's educational operations	644,854	714,840	124,188	1,483,882
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Support costs, included in the above, are as follows:

**THE PINNACLE LEARNING TRUST**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2017**

**9. SUPPORT COSTS - continued**

	31.8.17 Academy's educational operations £	31.8.16 Total activities £
Other costs	124,188	118,111
Recruitment and support	15,770	24,410
Maintenance of premises and equipment	215,158	260,585
Cleaning	7,583	6,591
Rent and rates	184,775	178,844
Insurance	52,711	79,438
Security and transport	40,688	40,732
Catering	128,169	138,579
Wages	370,350	368,743
Social security	33,793	28,882
Pensions	310,697	97,536
	<u>1,483,882</u>	<u>1,342,451</u>

**10. TRUSTEES' REMUNERATION AND BENEFITS**

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy in respect of their role as trustees. The value of trustees' remuneration was as follows:

**D McEntee - Principal and Trustee**

Remuneration	£100,000 - £105,000 (2016: £95,000 - £100,000)
Employer's pension contributions	£15,000 - £20,000 (2016: £15,000 - £20,000)

**N Baker - Staff Governor and Trustee**

Remuneration	£45,000 - £50,000 (2016: £45,000 - £50,000)
Employer's pension contributions	£5,000 - £10,000 (2016: £5,000 - £10,000)

**A Woods - Staff Governor and Trustee**

Remuneration	£35,000 - £40,000 (2016: £35,000 - £40,000)
Employer's pension contributions	£5,000 - £10,000 (2016: £5,000 - £10,000)

**A Swailes - Staff Governor and Trustee**

Remuneration	£30,000 - £35,000 (2016: £35,000 - £40,000)
Employer's pension contributions	£5,000 - £10,000 (2016: £5,000 - £10,000)

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 August 2017 nor for the year ended 31 August 2016.



**THE PINNACLE LEARNING TRUST**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2017**

**11. STAFF COSTS**

	31.8.17 £	31.8.16 £
Wages and salaries	4,481,667	4,333,842
Social security costs	374,965	335,948
Operating costs of defined benefit pension schemes	924,661	791,078
	<hr/>	<hr/>
Supply teacher costs	5,781,293	5,460,868
	38,129	28,706
	<hr/>	<hr/>
	<u>5,819,422</u>	<u>5,489,574</u>

During the year the academy incurred redundancy costs of £62,843. £2,441 related to teaching staff and £60,402 related to educational support staff.

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	31.8.17	31.8.16
Teaching staff	88	84
Administration and support	75	73
Management	9	9
	<hr/>	<hr/>
	<u>172</u>	<u>166</u>

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

	31.8.17	31.8.16
£60,001 - £70,000	2	3
£70,001 - £80,000	1	1
£90,001 - £100,000	2	1
	<hr/>	<hr/>
	<u>5</u>	<u>5</u>

Five (2016: five) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2017 pension contributions for these staff amounted to £62,930 (2016: £60,528).

**KEY MANAGEMENT PERSONNEL**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £739,449.

**12. TRUSTEES' AND OFFICERS' INSURANCE**

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

**13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted funds £	Fixed asset fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations	150	2,841	-	2,991
<b>Charitable activities</b>				
Funding for the academy's educational operations	-	7,244,970	-	7,244,970
Other trading activities	20,246	111,020	-	131,266
Investment income	1,001	-	-	1,001

**THE PINNACLE LEARNING TRUST**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2017**

**13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted fund £	Restricted funds £	Fixed asset fund £	Total funds £
<b>Total</b>	21,397	7,358,831	-	7,380,228
<b>EXPENDITURE ON</b>				
Raising funds	5,148	-	-	5,148
<b>Charitable activities</b>				
Academy's educational operations	2,588	7,121,479	92,140	7,216,207
<b>Total</b>	7,736	7,121,479	92,140	7,221,355
<b>NET INCOME/(EXPENDITURE)</b>	13,661	237,352	(92,140)	158,873
<b>Transfers between funds</b>	-	(448,182)	448,182	-
<b>Other recognised gains/(losses)</b>				
Gains/(losses) on revaluation of fixed assets	-	-	1,653,032	1,653,032
Actuarial gains/losses on defined benefit schemes	-	(1,489,000)	-	(1,489,000)
<b>Net movement in funds</b>	13,661	(1,699,830)	2,009,074	322,905
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	716,200	(1,339,848)	6,160,370	5,536,722
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>729,861</u>	<u>(3,039,678)</u>	<u>8,169,444</u>	<u>5,859,627</u>

**14. TANGIBLE FIXED ASSETS**

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 September 2016	8,106,000	96,300	446,268	8,648,568
Additions	512,168	1,814	10,490	524,472
<b>At 31 August 2017</b>	<u>8,618,168</u>	<u>98,114</u>	<u>456,758</u>	<u>9,173,040</u>
<b>DEPRECIATION</b>				
At 1 September 2016	19,540	60,663	398,921	479,124
Charge for year	180,878	9,487	35,410	225,775
<b>At 31 August 2017</b>	<u>200,418</u>	<u>70,150</u>	<u>434,331</u>	<u>704,899</u>
<b>NET BOOK VALUE</b>				
At 31 August 2017	<u>8,417,750</u>	<u>27,964</u>	<u>22,427</u>	<u>8,468,141</u>
At 31 August 2016	<u>8,086,460</u>	<u>35,637</u>	<u>47,347</u>	<u>8,169,444</u>

Included in cost or valuation of land and buildings is freehold land of £1,072,000 (2016 - £1,072,000) which is not depreciated.

**THE PINNACLE LEARNING TRUST**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2017**

**15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.8.17	31.8.16
	£	£
Trade debtors	13,066	-
Other debtors	77,323	77,293
VAT	29,666	59,651
Prepayments	52,838	53,837
	<u>172,893</u>	<u>190,781</u>

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.8.17	31.8.16
	£	£
Trade creditors	-	182,392
Accrued expenses	19,390	12,990
Deferred government grants	13,468	9,973
	<u>32,858</u>	<u>205,355</u>

**17. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.17	31.8.16
	£	£
Within one year	22,175	17,962
Between one and five years	49,118	58,376
	<u>71,293</u>	<u>76,338</u>

**18. MOVEMENT IN FUNDS**

	At 1.9.16	Net movement	Transfers	At 31.8.17
	£	in funds	between funds	£
		£	£	
<b>Unrestricted funds</b>				
General fund	729,862	12,644	(511,858)	230,648
<b>Restricted funds</b>				
Fixed asset fund	6,516,411	1,427,258	524,474	8,468,143
Pension fund	(3,345,000)	875,000	-	(2,470,000)
Restricted general fund	305,322	(79,722)	(12,616)	212,984
	<u>3,476,733</u>	<u>2,222,536</u>	<u>511,858</u>	<u>6,211,127</u>
<b>TOTAL FUNDS</b>	<u>4,206,595</u>	<u>2,235,180</u>	<u>-</u>	<u>6,441,775</u>

**THE PINNACLE LEARNING TRUST**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2017**

**18. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	15,142	(2,498)	-	12,644
<b>Restricted funds</b>				
Fixed asset fund	-	(225,774)	1,653,032	1,427,258
Restricted general fund	6,774,841	(6,854,563)	-	(79,722)
Pension fund	-	(315,000)	1,190,000	875,000
	<u>6,774,841</u>	<u>(7,395,337)</u>	<u>2,843,032</u>	<u>2,222,536</u>
<b>TOTAL FUNDS</b>	<u>6,789,983</u>	<u>(7,397,835)</u>	<u>2,843,032</u>	<u>2,235,180</u>

See Note 21 for additional detail concerning the specific purposes for which funds are to be applied.

**19. PENSION AND SIMILAR OBLIGATIONS**

**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.

**Local government pension scheme**

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.8.17	31.8.16
	£	£
Present value of funded obligations	(7,497,000)	(7,633,000)
Fair value of plan assets	5,027,000	4,288,000
	<u>(2,470,000)</u>	<u>(3,345,000)</u>
Deficit	<u>(2,470,000)</u>	<u>(3,345,000)</u>
Liability	<u>(2,470,000)</u>	<u>(3,345,000)</u>

**THE PINNACLE LEARNING TRUST**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2017**

**19. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

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

	Defined benefit pension plans	
	31.8.17	31.8.16
	£	£
Current service cost	509,000	353,000
Net interest from net defined benefit asset/liability	72,000	66,000
Past service cost	-	27,000
	<u>581,000</u>	<u>446,000</u>
Actual return on plan assets	<u>428,000</u>	<u>712,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.17	31.8.16
	£	£
Defined benefit obligation	7,768,000	5,067,000
Current service cost	509,000	353,000
Past service cost	-	27,000
Contributions by scheme participants	84,000	89,000
Interest cost	72,000	66,000
Benefits paid	(78,000)	(35,000)
Other experience adjustments	-	(12,000)
Actuarial (gains)/losses from changes in financial assumptions	(858,000)	2,078,000
	<u>7,497,000</u>	<u>7,633,000</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.17	31.8.16
	£	£
Fair value of scheme assets	4,423,000	3,379,000
Contributions by employer	266,000	278,000
Contributions by scheme participants	84,000	89,000
Benefits paid	(78,000)	(35,000)
Return on plan assets (excluding interest income)	332,000	577,000
	<u>5,027,000</u>	<u>4,288,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.8.17	31.8.16
	£	£
Actuarial (gains)/losses from changes in financial assumptions	858,000	(2,078,000)
Return on plan assets (excluding interest income)	332,000	577,000
	<u>1,190,000</u>	<u>(1,501,000)</u>

## THE PINNACLE LEARNING TRUST

### Notes to the Financial Statements - continued For The Year Ended 31 August 2017

#### 19. PENSION AND SIMILAR OBLIGATIONS - continued

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.17	31.8.16
Equities	73%	72%
Bonds	16%	17%
Property	6%	6%
Cash	5%	5%

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	31.8.17	31.8.16
Discount rate	2.5%	2.1%
Future salary increases	3.2%	3.4%
Future pension increases	2.4%	2.1%

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

	31.8.17	31.8.16
Retiring today:		
Males	21.5	21.4
Females	24.1	24.0
Retiring in 20 years:		
Males	23.7	24.0
Females	26.2	26.6

The actuary has estimated that the employer's contributions for the year to 31 August 2018 will be approximately £269,000.

#### 20. RELATED PARTY DISCLOSURES

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

During the year the academy made the following related party transactions:

##### West Oldham Trust

(A charitable company in which Mr D McEntee (principal) is a director)

West Oldham Trust is both a customer and a supplier to The Hathershaw College.

During the year The Hathershaw College supplied goods and services to West Oldham Trust amounting to £8,158 (2016: £19,696). West Oldham Trust did not supply any goods or services to The Hathershaw College (2016: £nil). At the balance sheet date an amount of £nil (2016: £nil) was owed to The Hathershaw College and an amount of £nil (2016: £nil) was owed by The Hathershaw College.

#### 21. POST BALANCE SHEET EVENTS

On 1 September 2017, The Hathershaw College became part of a multi-academy trust with The Oldham Sixth Form College, collectively known as The Pinnacle Learning Trust.

#### 22. 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.

**THE PINNACLE LEARNING TRUST**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 August 2017**

**23. FUNDS**

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

General Annual Grant must be used for the normal running expenses of the academy trust and any amounts carried forward at the end of a financial year must be used in accordance with the terms of the Funding Agreement.

DfE/ESFA capital and other revenue grants comprise additional funding received for the furtherance of education, which must be used in accordance with the specific terms of each grant.

Other government grants include LEA funding and Special Educational Needs, which was fully expended in the year.

The pension reserve represents the value of the academy trust's share of the deficit in the Local Government Pension Scheme.

Restricted fixed asset funds include capitalised expenditure out of GAG and depreciation is charged against the fund.

**24. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 August 2017 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total £
Tangible fixed assets			8,468,141	8,468,141
Current assets	230,648	230,584	-	461,232
Current liabilities	-	(32,858)	-	(32,858)
Pension scheme deficit	-	(2,470,000)	-	(2,470,000)
Total net assets	<u>230,648</u>	<u>(2,272,274)</u>	<u>8,468,141</u>	<u>6,426,515</u>

**THE PINNACLE LEARNING TRUST**  
**Detailed Statement of Financial Activities**  
**For The Year Ended 31 August 2017**

	31.8.17 £	31.8.16 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations</b>		
Gifts	(2)	1
Donations	200	499
Charity collections	3,280	2,491
	<hr/> 3,478	<hr/> 2,991
<b>Other trading activities</b>		
Hire of facilities	10,771	14,894
Contributions to trips	35,685	30,615
Other income	88,797	85,757
	<hr/> 135,253	<hr/> 131,266
<b>Investment income</b>		
Deposit account interest	543	1,001
<b>Charitable activities</b>		
Grants	6,650,709	7,244,970
	<hr/>	<hr/>
<b>Total incoming resources</b>	6,789,983	7,380,228
<b>EXPENDITURE</b>		
<b>Charitable activities</b>		
Wages	4,111,317	3,965,099
Social security	341,172	307,066
Pensions	613,964	693,542
Supply teacher costs	38,129	28,706
Educational supplies	294,576	473,151
Examination fees	75,656	90,810
Educational consultancy	97,764	93,815
Other staff costs	43,601	68,572
Long leasehold	180,877	19,540
Fixtures and fittings	9,487	12,114
Computer equipment	35,410	60,489
Interest on pension scheme liabilities	72,000	66,000
	<hr/> 5,913,953	<hr/> 5,878,904
<b>Support costs</b>		
<b>Management</b>		
Recruitment and support	15,770	24,410
Maintenance of premises and equipment	215,158	260,585
Cleaning	7,583	6,591
Rent and rates	184,775	178,844
Insurance	52,711	79,438
Security and transport	40,688	40,732
Catering	128,169	138,579
	<hr/> 644,854	<hr/> 729,179
<b>Human resources</b>		
Wages	370,350	368,743
Social security	33,793	28,882
Pensions	310,697	97,536
	<hr/> 714,840	<hr/> 495,161

This page does not form part of the statutory financial statements



**THE PINNACLE LEARNING TRUST**

**Detailed Statement of Financial Activities**  
**For The Year Ended 31 August 2017**

	31.8.17 £	31.8.16 £
Other		
Other costs	124,188	118,111
Total resources expended	7,397,835	7,221,355
Net (expenditure)/income	(607,852)	158,873