

REGISTERED COMPANY NUMBER: 08563153 (England and Wales)

**Koinonia Academies Trust
(A Company Limited by Guarantee)
Trustees' Report and
Financial Statements for the Year Ended 31 August 2018**

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COMPANIES HOUSE

Harris & Co Limited
Chartered Accountants & Statutory Auditor
Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW

Koinonia Academies Trust

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for the Year Ended 31 August 2018**

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Koinonia Academies Trust

**Reference and Administrative Details
for the Year Ended 31 August 2018**

MEMBERS	Rev C L Dawson Mr H Thomas Rev K E Cribb
TRUSTEES	Rev K E Cribb (Chairperson) Rev C L Dawson Ms C Thomas (Headteacher) Mrs S L Moxon (School Manager)
SENIOR MANAGEMENT TEAM	Ms C Thomas (Headteacher) Miss S Holman (Deputy Headteacher) Mrs H Ray (Literacy Co-ordinator) Miss R Hocking (SEN Co-ordinator) Mrs S L Moxon (School Business Manager)
REGISTERED OFFICE	Porter Croft C of E Primary Academy Pomona Street Sheffield South Yorkshire S11 8JN
REGISTERED COMPANY NUMBER	08563153 (England and Wales)
INDEPENDENT AUDITORS	Harris & Co Limited Chartered Accountants & Statutory Auditor Marland House 13 Huddersfield Road Barnsley South Yorkshire S70 2LW
BANKERS	RBS 5 Church Street Sheffield South Yorkshire S1 1HF
SOLICITORS	Lee Bolton Monier-Williams 1 The Sanctuary London SW1P 3JT

Koinonia Academies Trust
Trustees' Report
for the Year Ended 31 August 2018

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

The Academy Trust operates an academy for pupils aged 4 to 11 serving a wide area across the city of Sheffield. It has a capacity of 210 and had a roll of 211 in the school census on 17 May 2018.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Academy Trust's object is specifically restricted to the advancement, for the public benefit, of education in the United Kingdom. Our mission is at the heart of everything we do. We aim to truly serve our community, children, families and staff alike, in the widest sense. Developing a Church of England School designated as such offering a broad and balanced curriculum.

The principal aim of the Academy Trust is to provide high quality learning that helps all students to fulfil their potential and become good and emotionally well-balanced young people.

Further aims are as follows:

- To be at the heart of our community and in the service of it.
To hold high expectations of each individual and encourage true partnership between stakeholders in order to build and develop community aspirations.
- For every child to be included; to work in partnership with local agencies to ensure a personalised curriculum for all.
- For trust, compassion and fairness to be the principles on which relationships are founded and for tolerance rather than intolerance to be the norm.
- For the academy to operate on principles; social responsibility, honesty, equality and consideration for others.
- To develop and maintain high performing academies that deliver for every family their entitlement to a good education.
- For Trust settings to be ground-breaking and supportive learning environments which develop both children and staff, where independence, resilience and innovation is encouraged.

Objectives, Strategies and Activities

Key influences on the Academy Trust's Development Plan for the period under review were priorities raised during our latest Ofsted report along with the implementation of a new curriculum and 'life without levels'.

Key activities and targets have included the following:

- To continue to improve standards and progress across the Academy, particularly focussing on children who are in multiple vulnerable groups.
- Developing the new curriculum that meets the needs of learners.
To improve attendance across the academy and in particular those who are in vulnerable to lower rates of progress.
- Implementing a new pupil data tracking programme and new levels of progress.
- Developing and providing continuing professional development for serving teachers at all levels.
- Premises development and improvement re fire safety and security.

Public Benefit

Porter Croft CE Primary Academy is proud of its reputation as a friendly, happy school. We want our children to enjoy their work and to achieve the highest standards in all aspects of their lives. We are a Church school but also a local community school. One of our strengths is the wide range of backgrounds and cultures from which our families come. We are determined that each child should be valued and recognised as an individual but also that each one should feel a sense of belonging to our school community.

STRATEGIC REPORT

Achievement and performance

In March 2015 the school was rated 'Outstanding' in all areas by Ofsted, its first Ofsted report since the school converted to an academy and which highlighted the school's outstanding leadership and the 'exciting curriculum'.

Koinonia Academies Trust
Trustees' Report
for the Year Ended 31 August 2018

STRATEGIC REPORT

Achievement and performance

Porter Croft remains the only school within Koinonia Academies Trust. The results obtained for this year's Key Stage 2 SATS tests were above national average in all areas, which is a huge achievement for the cohort and the trustees and governors are proud of the school's success. We currently remain over-subscribed with 215 students on role as of September 2018 with a capacity of 210. 76 applications were received for 30 Foundation 2 places and we continue to have a waiting list for the Foundation 2 class.

During the current year the Senior Leadership Team have continued to work to develop and refine the new assessment system which was implemented during the academic year 2016-17 and has proven to work well. This also coincides with the move to teach a mastery curriculum; we are now clear about the way in which we assess this mastery curriculum so that it reflects the values that we teach. This has been a huge piece of work for all the staff and has worked well. Pupil progress is now tracked through Tracker Plus and we are confident that this data is a true reflection of our pupils' development.

Current data

Results compared to the National Data and Sheffield

Year 6 Key Stage 2 2018

Invalidated results and progress measures.

	Reading EXS%	Writing EXS %	Maths EXS%	GPS EXS%	Combined EXS%	Progress reading	Progress writing	Progress maths
Porter Croft	86.2	82.8	79.3	86.2	75.9	1.11	(0.10)	0.77
National	75	78	76	78	64	0.0	0.0	0.0
Sheffield	72	77	74	74	62	-	-	-

EXS % - percentage of pupils working at expected level

Changes made within the 2017/18 writing Teachers' Assessment (TA) frameworks mean judgements in 2018 are not directly comparable to those made using the previous interim frameworks in 2016 and 2017. In 2017, 76% of pupils met the expected standard in writing TA. In 2016, this figure was 74%.

Year 2 Key Stage 1 2018

Unvalidated results

	Reading		Writing		Maths	
	EXS	GDS	EXS	GDS	EXS	GDS
	%	%	%	%	%	%
Porter Croft	69	24.1	72.4	27.6	72.4	31
National	76	26	70	16	76	22
Sheffield	72	25.3	68	16.8	74	22.6

GDS % - percentage of pupils working at greater depth

EYFS and Year 1 Phonics 2018

Unvalidated result

	2016 GLD %	2017 GLD %	2018 GLD %	2016 Achieving Required Standards in Phonics %	2017 Achieving Required Standard in Phonics %	2018 Achieving Required Standard in Phonics %
Porter Croft	69	68	71.4	80	57	83.3
National	69	71	72	81	81	83
Sheffield	68.7	70	-	76.7	77	79

GLD % - percentage of pupils achieving a good level of development.

We are pleased with the end of year data shown in the tables above. In most instances we have exceeded Sheffield and National targets.

Koinonia Academies Trust
Trustees' Report
for the Year Ended 31 August 2018

STRATEGIC REPORT

Financial review

Investment policy and objectives

The Academy Trust does not hold investments other than Cash at Bank. Governors are firmly committed to ensuring that all funds under their control are administered in such a way as to maximise return while minimising risk. Governors do not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the various funds entrusted to the Board.

Governors' management of cash flow should ensure that there are always sufficient funds in the main bank accounts to cover operational costs. Banks must be selected from the FCSA Approved list included in the Financial Services Compensation Scheme (FSCS).

Going concern

Before actuarial gains and losses on the pension scheme and depreciation, the Trust is in a broadly break-even position this year and also in each of the previous 2 years. Forecasts for the current year (2018/19) shows that it has sufficient funds to continue to operate for the foreseeable future. For this reason the Trustees continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note of the financial statements.

The largest proportion of the Academy Trust's income is obtained from the Education Funding Agency in the form of the General Annual Grant (GAG). The Academy Trust also received other central government grants, the use of which is restricted to particular purposes and other income including from consultancy work performed by the Headteacher and other Senior Staff. The grants received during the period ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year-ended 31 August 2018 total expenditure of £1,214,882 was in excess of the recurrent grant funding from the ESFA together with other income, resulting in an excess of expenditure over income of £11,802 (2017: £7,684).

An actuarial gain of £126,000 (2017: gain of £161,000) arose on the Academy Trust's share of the Local Government Pension Scheme (LGPS) during the year which, with other movements, has resulted in an LGPS deficit of £700,000 at 31 August 2018 (2017: £772,000). This reduction in the LGPS deficit in the year largely reflects the partial recovery of corporate bond yields during 2018 following their collapse after the Brexit vote on 23 June 2016, together with ongoing additional pension contributions. Whilst the LGPS deficit has reduced this year, the size of the pension deficit is a significant issue shared by the whole academy schools sector. Based on actuarial advice the pension deficit is being eliminated by additional LGPS contributions over 20 years, and the need for further additional contributions will be kept under review based on actuarial advice.

The Trust showed a net increase in funds in the year of £114,198 (2017: increase of £153,316) to reduce the balance sheet net deficit to £535,316 (2017: £649,514). This increase of funds comprises the actuarial gain on pensions of £126,000 less the £11,802 shortfall of income over expenditure in the year including a depreciation charge of £7,260 which is a non-cash item (ie £4,542 shortfall excluding depreciation). (2017: actuarial gain of £161,000 less a £7,684 shortfall of income over expenditure including a depreciation charge of £9,356 (ie £1,672 surplus excluding depreciation)).

The Academy Trust's net balance sheet deficit for the year comprises fixed assets of £16,230 (2017: £23,490), net current assets of £148,454 (2017: £98,996) including cash balances of £135,797 (2017: £109,103) and an LGPS deficit of £700,000 (2017: £772,000). The pension deficit is not an immediate liability, and as noted above, additional contributions are being made to eliminate the liability over a 20 year period, based on actuarial advice. The balance sheet deficit reflects a prior year adjustment made in the 2017 financial statements to remove the church land & buildings, as fully explained in last year's Financial Review and financial statements.

Fundraising

The trust relies on General Annual Grant as its main source of income, however, some fundraising is undertaken comprising parental donations to help to contribute towards the cost of some curriculum activities and events.

Koinonia Academies Trust
Trustees' Report
for the Year Ended 31 August 2018

STRATEGIC REPORT

Principal risks and uncertainties

Governors have identified the following principal risks and uncertainties facing the Academy Trust:

Financial Risks

The Academy Trust is operating in a period of considerable financial uncertainty with regard to public funding. Financial planning is focussed on offering the best possible provision in the context of diminishing public funding. Governors have also given due consideration to the risks associated with financial management and compliance.

Financially the budget has been set in the next financial year with savings made on new, less expensive school purchases and very limited capitation available for departments. This budget will be managed closely and sufficient reserves kept to ensure any adverse effects from the new funding reform can be covered.

Safeguarding and Child Protection Risks

Governors continue to ensure that the highest standards are maintained in the selection and monitoring of staff, volunteers and contractors and the control of visitors. They give a high priority to the operation of child protection policies in school including training and support.

The Academy Trust follows a strict Safer Recruitment policy, which covers recruitment of all new staff, volunteers, contractors and visitors to the school and ensures they all receive an induction on safeguarding, which includes the trust's Social Media Policy.

Reputational Risk

The continuing success of the academy depends upon offering the best possible education of all our pupils. Governors are clearly focused on monitoring and reviewing the achievement and success of students.

Staff Recruitment

Governors have identified the possibility of the inability to recruit staff due to the recruitment problems that are nationwide.

During the financial year, the Academy Trust recruited 2 new members of teaching staff from a good field of applications. Directors, Governors and the Senior Leadership Team are clearly focused on monitoring and reviewing the achievement and success of students and staff.

Funds Held as Custodian Trustee on Behalf of Others

The Academy Trust does not hold any funds as custodian trustees for other persons or organisations.

Financial and Risk Management Objectives and Policies

The trust's activities expose it primarily to cash flow risk. The Governors and Senior Leadership Team monitor cash flow closely to ensure that the trust has significant funds available to meet liabilities as and when they fall due. The trust maintains significant cash reserves at all times. The Financial Review on page 4 includes further details of the trust's pension deficit balance sheet position and going concern.

Future plans

The Academy plans to maintain a clear focus on learning and the teaching that promotes it, including continuing to raise achievement and skills of pupils.

Specific Plans Include:

- Continuing Senior Leadership Team succession planning
- Ensuring Pupil Premium funding is used to the maximum benefit
- Leading the academy through a critical financial period
- Ensuring high quality first teaching is undertaken by all teaching staff
- Ensuring high quality non-teaching staff support teachers to maximise the life chances of students

Koinonia Academies Trust
Trustees' Report
for the Year Ended 31 August 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charity constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The trustees of Koinonia Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Koinonia Academies Trust, which currently includes one academy school, Porter Croft Church of England Primary Academy.

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' Indemnities

The Academy Trust has purchased Governors and Trustees/Employment Practices Liability and Fidelity Guarantee cover. The Fidelity Guarantee also covers staff.

Koinonia Academies Trust
Trustees' Report
for the Year Ended 31 August 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Method of Recruitment and Appointment or Election of Trustees

The members of the company shall comprise:

- a the signatories of the memorandum, who shall be:
 - i The Diocese of Sheffield Educational Trust acting corporately by hand of its Director;
 - ii The Incumbent; and
 - iii Rev Karen Cribb
- b the chairman on the Directors; and
- c any person appointed under Article 16.

Each of the persons entitled to appoint Members shall have the right from time to time by written notice delivered to the Office to remove a member appointed by them and to appoint a replacement Member to fill a vacancy whether resulting from such removal or otherwise.

Directors

The Members shall appoint a minimum of 3 Directors. The number of Directors shall be not less than 3, and is not subject to any maximum.

Governors of Porter Croft Church of England Primary Academy

The Board of Governors is made up of: Seven Foundation Governors, Two Parent Governors, One Staff Governor, one Local Authority Governor and, the Headteacher. The Board of Governors also enlists the assistance of associate Governors who have no voting rights and are not recorded in the instrument of government.

The Bishop of Sheffield shall appoint the seven Foundation Governors.

The Staff Governor shall be elected by staff employed by the Academy. A Staff Governor must have been employed by the Academy for at least one year and hold a permanent contract. The Governing Body makes all necessary arrangements for, and determine all other matters, relating to an election of Staff Governors. Any election of Staff Governors which is contested shall be held by secret ballot.

The Local Authority / Community Governor may be appointed by the Governing Body provided that the person who is appointed as a Community Governor is: a person who lives or works in the community served by the Academy; or a person who, in the opinion of the Governing Body is committed to the governance and success of the Academy.

The Headteacher shall be treated for all purposes as being an ex-officio governor.

Policies and Procedures Adopted for the Induction and Training of Trustees/Governors

At Porter Croft C of E Primary Academy, the Governing Body and Headteacher believe that all new governors should receive a comprehensive induction package covering a broad range of issues and topics. We are committed to ensure that the new governors are given the necessary information and support to fulfil their role with confidence. We see this as an investment, leading to more effective governance and retention of governors. We want to make new governors feel welcome to their governing body.

New governors will:

- Be welcomed to the Governing Body by the Chair
- Be invited by the Headteacher to visit the academy to experience its atmosphere and understand its ethos.
- Have the opportunity to tour the academy and meet staff and children.
- Receive an informal briefing of the academy from the Headteacher to explain the partnership between the Headteacher, academy and governing body.
- Be encouraged to join the committee(s) of their choice
- Be given background material on the academy and current issues
- Be encouraged to ask questions about their role and or the academy
- Be encouraged to access training including induction training for governors
- Be encouraged to attend governor locality briefings held by Learn Sheffield

New governors will receive and be encouraged to read:

- The Department for Education's Governors Handbook
- Academy Prospectus

Koinonia Academies Trust

Trustees' Report for the Year Ended 31 August 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Method of Recruitment and Appointment or Election of Trustees

- Ofsted Report
- Last Headteacher's report to governors
- List of staff, responsible areas and job titles
- List of governors' names and responsible areas (committee member etc)
- List of academy term dates
- Dates of forthcoming governing body meetings

Areas that the Headteacher will cover include:

- Background of the academy
- Current issues facing the academy
- Visiting the Academy
- The relationship between the Headteacher and governing body

Organisational structure

The governing body's role in the Academy is, essentially, a strategic one. Acting on the advice of the Headteacher, the governing body sets aims and objectives for the academy and policies and targets which will achieve these aims and objectives. It also monitors the progress of the academy towards the achievement of the aims and objectives, in the light of that progress, review the strategic framework it has established.

To facilitate the working of the governing body, some of its functions are delegated to committees, the Headteacher and Senior Management Team. The committees are: Finance, Leadership and Management; Premises, Behaviour and Safeguarding of pupils; Curriculum and Achievement of Pupils and Quality of Teaching.

The Finance, Leadership and Management Committee is responsible for matters relating to income and expenditure, financial standards, reviewing the budget, school fund monitoring, all matters relating to personnel matters and performance pay progression.

The Premises, Behaviour and Safeguarding of Pupils Committee is responsible for premises issues including health and safety, pupil behaviour and safeguarding of pupils. The committee meets up to three times a year. The curriculum and Achievement of Pupils and Quality of Teaching committee is responsible for matters relating to exam results, pupil progress, SEN, target setting and monitoring, teaching and learning. The committee meets four times a year.

The Headteacher is responsible for: monitoring monthly expenditure; miscellaneous financial decisions; appointment of staff; dismissal of staff; suspension of staff; establishing and implementing the curriculum policy; standards of teaching; individual children's education; implementing the performance management policies; ensuring that health and safety regulations are followed; ensuring the school meets for 195 days per academic year; school prospectus; additional needs services and acting as the Academy's Accounting Officer.

Key management remuneration

All pay for employed key management personnel at Porter Croft CE Primary Academy is set in line with the School Teachers Pay & Conditions and the Green Book for Non-Teaching Staff. Rev K Cribb and Rev C Dawson give their time voluntarily to the Trust and no remuneration is made.

Related parties and other connected charities and organisations

The Chair of Trustees, Rev K Cribb, is also the Associate Vicar at St Mary's Church with which the Trust has very close links. There have been no transactions between Porter Croft CE Primary Academy and St Mary's Church during this period relating to the use of meeting and catering facilities for staff development.

Huw Thomas, a Member of the Trust, is Director of Education and one of the key management personnel at Sheffield Diocesan Board of Finance which has provided conference and school support services to the Trust during the period.

Details of transactions with these related parties are disclosed in the notes to the financial statements.

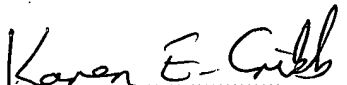
Koinonia Academies Trust
Trustees' Report
for the Year Ended 31 August 2018

AUDITORS

Insofar as the trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 6th December 2018 and signed on the board's behalf by:


.....
Rev K E Cribb - Chairperson

Koinonia Academies Trust
Governance Statement
for the Year Ended 31 August 2018

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Koinonia Academies 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 Headteacher, 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 Koinonia Academies 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 1 time during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Rev K E Cribb	1	1
Mrs S L Moxon	1	1
Ms C Thomas	1	1
Rev C L Dawson	1	1

Attendance at committee meetings during the year was as follows:

Governors of Porter Croft CE Primary Academy

		Meetings attended	Out of a possible
Rev K Cribb	Chair - Foundation	3	3
P Bickley	Foundation	1	3
V Smith	Foundation	2	3
M West	Foundation	3	3
F Butlin	Foundation	1	1
C Dawson	Foundation	3	3
E Hook	Staff	1	3
S Moxon	Associate Governor	3	3
C Thomas	Headteacher	3	3
A Gooljar	LA Rep	3	3
M Kelly	Parent	2	3
H Sutcliffe	Parent	2	3
S Holman	Associate Governor	2	3

The other committees of the academy and their respective members during the year were as follows:

Finance Leadership and Management

	Meetings attended	Out of a possible
C Thomas	2	2
S Moxon	2	2
M West	2	2
K Cribb	2	2

Premises, Behaviour and Safeguarding of Pupils

	Meetings attended	Out of a possible
S Moxon	1	1
V Smith	1	1
C Thomas	1	1
E Long	0	1
B Carpenter	1	1

Koinonia Academies Trust
Governance Statement
for the Year Ended 31 August 2018

Curriculum and Achievement of Pupils and Quality of Teaching

	Meetings attended	Out of a possible
M Kelly	2	2
C Thomas	2	2
V Smith	2	2
F Butlin (resigned October 2017)	1	1

The governor self evaluation is an ongoing document and is to be reviewed in the Autumn Term 2018.

Review of Value for Money

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

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

- obtaining three quotes for any single item or building work that exceeds the value of £750. All amounts over £5,000 are discussed and agreed at the Finance Leadership and Management Committee.
- colour photocopying has been restricted to all staff to reduce the amount of unnecessary printing.
- laminating pouches have been restricted to a set amount per class each term.
- where possible, the Trust requests samples of new technologies / books, to trial to help ensure that no commitment is made before its suitability has been assessed.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy's 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 Porter Croft C of E Primary Academy for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance control 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 Academy Trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to 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 systems of internal financial control is based on a framework of regular management information and administrative procedures including segregation of duties and a system delegation and accountability. In particular it includes:

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

Koinonia Academies Trust
Governance Statement
for the Year Ended 31 August 2018

The Risk and Control Framework

The board of trustees has considered the need for a specific internal audit function and has continued with their appointment of the external auditor, Harris & Co Limited as internal auditor to perform an appropriate programme of checks on the Academy Trust's financial systems in addition to its external audit work.

During the year ended 31st August 2018 the internal audit work comprised 2 visits by Harris & Co Limited to perform a supplementary programme of checks on the academy's financial systems, the results of which were reported to the board of trustees.

During the period ended 31 August 2018 the internal audit work has been fully delivered in line with the requirements of the Education and Skills Funding Agency.

Review of Effectiveness


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

During the year in question the review has been informed by:

- the work of the external auditors;
- the work of the internal auditors;
- the work of the executive managers within the Academy 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 Finance, Leadership and Management Committee 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 6th December 2018 and signed on its behalf by:



Rev K E Cribb - Chairperson



Mrs C Thomas - Accounting Officer

Koinonia Academies Trust

**Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2018**

As accounting officer of Koinonia Academies 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 terms and conditions of all funding received by the charitable company, 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 2017.

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 2017.

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



Mrs C Thomas - Accounting Officer

Date: 6th December 2018

Koinonia Academies Trust

Statement of Trustees Responsibilities for the Year Ended 31 August 2018

The trustees (who act as governors of Koinonia Academies 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 Academies Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of 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 2017 to 2018;
- 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.

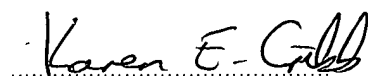
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements 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.

In so far as the trustees are aware:

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

Approved by order of the members of the board of trustees on 6th December 2018 and signed on its behalf by:



Rev K E Cribb - Chairperson

Independent Auditors' Report to the Members of Koinonia Academies Trust

Opinion

We have audited the financial statements of Koinonia Academies Trust (the 'charitable company') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report 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.

Independent Auditors' Report to the Members of Koinonia Academies 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, 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.

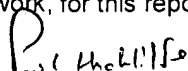
Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Paul Hinchliffe BA FCA (Senior Statutory Auditor)
for and on behalf of Harris & Co Limited
Chartered Accountants & Statutory Auditor
Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW

Date: 6th December 2018

Independent Reporting Accountant's Assurance Report on Regularity to Koinonia Academies 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 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Koinonia Academies Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Koinonia Academies Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Koinonia Academies Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by 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.

The work undertaken to draw our conclusion includes:

- consideration of the evidence supporting the accounting officer's statement on regularity, propriety and compliance;
- evaluation of the general control environment of the Academy Trust;
- assessment and testing of a sample of the specific control activities over regularity of a particular activity;
- consideration of whether the activity is permissible within the Academy Trust's framework of authorities.

**Independent Reporting Accountant's Assurance Report on Regularity to
Koinonia Academies Trust and the Education and Skills Funding Agency**

Conclusion

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

K. S. A.

Harris & Co Limited
Chartered Accountants
Reporting Accountants
Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW

Date: 6th December 2018

Koinonia Academies Trust

**Statement of Financial Activities Incorporating Income and Expenditure Account
for the Year Ended 31 August 2018**

		Unrestricted fund	Restricted funds	Restricted Fixed Asset	2018 Total funds	2017 Total funds
	Notes	£	£	£	£	£
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	-	-	6,408	6,408	6,506
Charitable activities						
Funding for the academy's educational operations	3	-	1,150,397	-	1,150,397	1,131,512
Other trading activities	4	45,924	-	-	45,924	57,338
Investment income	5	151	-	-	151	570
Total		46,075	1,150,397	6,408	1,202,880	1,195,926
EXPENDITURE ON						
Raising funds	7	11,805	-	-	11,805	15,160
Charitable activities						
Academy's educational operations	8	-	1,194,517	7,260	1,201,777	1,188,450
Total	6	11,805	1,194,517	7,260	1,213,582	1,203,610
NET INCOME/(EXPENDITURE)		34,270	(44,120)	(852)	(10,702)	(7,684)
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes	21	-	126,000	-	126,000	161,000
Net movement in funds		34,270	81,880	(852)	115,298	153,316
RECONCILIATION OF FUNDS						
Total funds brought forward		79,309	(758,124)	29,301	(649,514)	(802,830)
TOTAL FUNDS CARRIED FORWARD		113,579	(676,244)	28,449	(534,216)	(649,514)

Koinonia Academies Trust (Registered number: 08563153)

Balance Sheet
At 31 August 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	13	16,230	23,490
CURRENT ASSETS			
Stocks	14	200	270
Debtors	15	62,408	59,767
Cash at bank		<u>135,797</u>	<u>109,103</u>
		198,405	169,140
CREDITORS			
Amounts falling due within one year	16	<u>(48,851)</u>	<u>(70,144)</u>
NET CURRENT ASSETS		<u>149,554</u>	<u>98,996</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		165,784	122,486
PENSION LIABILITY	21	<u>(700,000)</u>	<u>(772,000)</u>
NET ASSETS/(LIABILITIES)		<u>(534,216)</u>	<u>(649,514)</u>
FUNDS	20		
Unrestricted funds:			
General fund		113,579	79,309
Restricted funds:			
Restricted General		23,756	13,876
Restricted Fixed Asset		28,449	29,301
Restricted - Pension		<u>(700,000)</u>	<u>(772,000)</u>
		<u>(647,795)</u>	<u>(728,823)</u>
TOTAL FUNDS		<u>(534,216)</u>	<u>(649,514)</u>

The financial statements were approved by the Board of Trustees on 6th December 2018 and were signed on its behalf by:


Rev K E Cribb -Chairperson

Koinonia Academies Trust
Cash Flow Statement
for the Year Ended 31 August 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>20,135</u>	<u>79,907</u>
Net cash provided by (used in) operating activities		<u>20,135</u>	<u>79,907</u>
 Cash flows from investing activities:			
Purchase of tangible fixed assets		-	(495)
Capital grants from DfE/ESFA		6,408	6,306
Interest received		<u>151</u>	<u>570</u>
Net cash provided by (used in) investing activities		<u>6,559</u>	<u>6,381</u>
 Change in cash and cash equivalents in the reporting period		<u>26,694</u>	<u>86,288</u>
Cash and cash equivalents at the beginning of the reporting period		<u>109,103</u>	<u>22,815</u>
 Cash and cash equivalents at the end of the reporting period		<u><u>135,797</u></u>	<u><u>109,103</u></u>

Koinonia Academies Trust

Notes to the Cash Flow Statement
for the Year Ended 31 August 2018

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

	2018 £	2017 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(10,702)	(7,684)
Adjustments for:		
Depreciation	7,260	9,356
Capital grants from DfE/ESFA	(6,408)	(6,306)
Interest received	(151)	(570)
Decrease/(increase) in stocks	70	(270)
(Increase)/decrease in debtors	(2,641)	7,520
(Decrease)/increase in creditors	(21,293)	21,861
Difference between pension charge and cash contributions	<u>54,000</u>	<u>56,000</u>
Net cash provided by (used in) operating activities	<u>20,135</u>	<u>79,907</u>

Koinonia Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Koinonia Academies Trust constitutes a public benefit entity as defined by FRS 102.

Going concern

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

Further information on the Academy Trust's balance sheet deficit position is included in the Financial Review of the Trustee's Report on page 4. This balance sheet deficit reflects a prior year adjustment made in the 2017 financial statements to remove land and buildings from the Academy Trust's balance sheet, together with the defined benefit pension scheme liability which is not a current liability. Accordingly, as explained in the Financial Review on page 4, the trustees continue to adopt the going concern basis in preparing the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

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

Critical accounting estimates and assumptions:

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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

A critical area of judgement is the treatment of the church school premises. Control over the school premises leased from the Diocese is considered to remain with the Diocese and so this element is not recognised on the balance sheet of the Academy Trust.

Koinonia Academies Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

1. ACCOUNTING POLICIES - continued

Income

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

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

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

Expenditure

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

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

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

Koinonia Academies Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

1. ACCOUNTING POLICIES - continued

Tangible fixed assets and depreciation

The school premises which the Academy Trust occupies are on a long term lease to the Academy Trust from the Diocese. Control over the school premises leased from the Diocese remains with the Diocese and so this element is not recognised on the balance sheet of the Academy Trust. Subsequent expenditure on school premises is written off through the Statement of Financial Activities.

For church school premises that are not on the balance sheet the Accounts Direction requires that an annual donation for rent should be recognised equal to what the Academy Trust would have to pay to secure premises, if such a figure can be reliably measured. Since there is no open market for such transactions this amount can not be reliably measured and so no donation has been recognised.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- Straight line over 4 years
Computer equipment	- Straight line over 3 years

All assets costing more than £500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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.

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in the notes to the financial statements. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in the notes to the financial statements. 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.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Koinonia Academies Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

1. ACCOUNTING POLICIES - continued

Taxation

The academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

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

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

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

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 Governments Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in the notes to the accounts, the TPS is a multi employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Koinonia Academies Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

1. ACCOUNTING POLICIES - continued

Debtors

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

Cash at bank and in hand

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

Liabilities and provisions

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

Operating lease commitments

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Donations	-	-	-	200
Grants	-	6,408	6,408	6,306
	-	6,408	6,408	6,506

Grants received, included in the above, are as follows:

	2018 £	2017 £
Capital grants	6,408	6,306

Koinonia Academies Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	984,569	984,569	981,215
Other EFA grants	-	43,186	43,186	31,167
Pupil Premium	-	117,590	117,590	119,130
	-	1,145,345	1,145,345	1,131,512
Other funding				
Church Burgesses Educational Foundation	-	5,052	5,052	-
	-	1,150,397	1,150,397	1,131,512

There are no unfulfilled conditions at the year end with regards to the amounts included in the above government grants.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Fundraising events	2,637	-	2,637	2,597
Other income	150	-	150	490
Educational visits	13,844	-	13,844	16,477
Catering	3,391	-	3,391	4,533
Teacher hire out	11,805	-	11,805	15,160
Clubs income	14,097	-	14,097	18,081
	45,924	-	45,924	57,338

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Deposit account interest	151	-	151	570

Koinonia Academies Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

6. EXPENDITURE

				2018	2017
	Staff costs	Non-pay expenditure		Total	Total
	£	Premises	Other costs	£	£
		£	£		
Raising funds					
Costs of fundraising					
Direct costs	11,805	-	-	11,805	15,160
Charitable activities					
Academies educational operations					
Direct costs	586,292	-	103,126	689,418	748,006
Allocated support costs	321,765	53,620	136,974	512,359	440,444
	<u>919,862</u>	<u>53,620</u>	<u>240,100</u>	<u>1,213,582</u>	<u>1,203,610</u>

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

	2018	2017
	£	£
Auditors' remuneration	8,600	7,950
Other non-audit services	1,000	1,000
Depreciation - owned assets	<u>7,260</u>	<u>9,356</u>

In 2017, of the total expenditure £15,160 was to unrestricted funds and £1,188,450 was to restricted funds.

7. RAISING FUNDS

Costs of fundraising

	Unrestricted funds	Restricted funds	2018 Total funds	2017 Total funds
	£	£	£	£
Staff costs	<u>11,805</u>	<u>-</u>	<u>11,805</u>	<u>15,160</u>

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds	Restricted funds	2018 Total funds	2017 Total funds
	£	£	£	£
Direct costs	-	689,418	689,418	748,006
Support costs	<u>-</u>	<u>512,359</u>	<u>512,359</u>	<u>440,444</u>
	<u>-</u>	<u>1,201,777</u>	<u>1,201,777</u>	<u>1,188,450</u>

Koinonia Academies Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

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

	2018 Total £	2017 Total £
Analysis of support costs		
Support staff costs	290,315	237,162
Depreciation	158	174
Technology costs	10,903	1,528
Premises costs	45,278	45,238
Other support costs	116,313	115,152
Governance costs	<u>49,392</u>	<u>41,190</u>
Total support costs	<u>512,359</u>	<u>440,444</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

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

		2018	2017
S Moxon	Remuneration	35,000-40,000	35,000-40,000
	Pension contributions paid	0-5,000	0-5,000
C Thomas	Remuneration	55,000-60,000	55,000-60,000
	Pension contributions paid	5,000-10,000	5,000-10,000

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2018 nor for the year ended 31 August 2017.

Koinonia Academies Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

10. STAFF COSTS

	2018	2017
	£	£
Wages and salaries	682,218	676,224
Social security costs	53,120	55,366
Operating costs of defined benefit pension schemes	<u>161,851</u>	<u>160,268</u>
	897,189	891,858
Agency costs	<u>22,673</u>	<u>18,444</u>
	<u>919,862</u>	<u>910,302</u>

The average number of persons employed by the academy during the year expressed as full time equivalents:

	2018	2017
Teachers and teaching assistants	17	18
Administration and support	9	7
Management	<u>1</u>	<u>1</u>
	<u>27</u>	<u>26</u>

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

	2018	2017
Teachers and teaching assistants	21	24
Administration and support	13	7
Management	<u>2</u>	<u>2</u>
	<u>36</u>	<u>33</u>

No employee received employee benefits (excluding employer pension costs) exceeding £60,000 in the year (2017: 0).

The key management personnel of the Academy trust comprise the senior leadership 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 for the year was £243,176 (2017: £283,725).

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one executive or organisation liability claim and £250,000 on any one employment practices liability claim. The cost for the year ended 31 August 2018 was £64 (2017: £102). The cost of this insurance is included within total insurance costs.

Koinonia Academies Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES FOR THE PRIOR YEAR
ENDED 31 AUGUST 2017

	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	200	-	6,306	6,506
Charitable activities				
Funding for the academy's educational operations	-	1,131,512	-	1,131,512
Other trading activities	57,338	-	-	57,338
Investment income	<u>570</u>	<u>-</u>	<u>-</u>	<u>570</u>
Total	58,108	1,131,512	6,306	1,195,926
 EXPENDITURE ON				
Raising funds	15,160	-	-	15,160
Charitable activities				
Academy's educational operations	<u>-</u>	<u>1,179,094</u>	<u>9,356</u>	<u>1,188,450</u>
Total	15,160	1,179,094	9,356	1,203,610
 NET INCOME/(EXPENDITURE)	42,948	(47,582)	(3,050)	(7,684)
 Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	<u>-</u>	<u>161,000</u>	<u>-</u>	<u>161,000</u>
Net movement in funds	42,948	113,418	(3,050)	153,316
 RECONCILIATION OF FUNDS				
Total funds brought forward	36,361	(871,542)	32,351	(802,830)
 TOTAL FUNDS CARRIED FORWARD	<u>79,309</u>	<u>(758,124)</u>	<u>29,301</u>	<u>(649,514)</u>

Koinonia Academies Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

13. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 September 2017 and 31 August 2018	<u>51,751</u>	<u>10,841</u>	<u>62,592</u>
DEPRECIATION			
At 1 September 2017	31,138	7,964	39,102
Charge for year	<u>6,404</u>	<u>856</u>	<u>7,260</u>
At 31 August 2018	<u>37,542</u>	<u>8,820</u>	<u>46,362</u>
NET BOOK VALUE			
At 31 August 2018	<u>14,209</u>	<u>2,021</u>	<u>16,230</u>
At 31 August 2017	<u>20,613</u>	<u>2,877</u>	<u>23,490</u>

14. STOCKS

	2018 £	2017 £
Uniforms	<u>200</u>	<u>270</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	-	830
VAT	28,815	20,362
Prepayments and accrued income	<u>33,593</u>	<u>38,575</u>
	<u>62,408</u>	<u>59,767</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	20,029	28,501
Social security and other taxes	14,036	27,542
Accruals and deferred income	<u>14,786</u>	<u>14,101</u>
	<u>48,851</u>	<u>70,144</u>

	2018 £	2017 £
Deferred income		
Deferred income as at 1 September 2017	13,001	15,423
Resources deferred during the year	14,786	13,001
Amounts released from previous years	<u>(13,001)</u>	<u>(15,423)</u>
Deferred income as at 31 August 2018	<u>14,786</u>	<u>13,001</u>

At the balance sheet date the academy trust was holding funds received in advance for universal infant free school meals for 2018/19.

Koinonia Academies Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

17. LEASING AGREEMENTS

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

	2018 £	2017 £
Within one year	1,792	509
Between one and five years	<u>2,687</u>	<u>-</u>
	<u>4,479</u>	<u>509</u>

18. 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.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset £	2018 Total funds £
Fixed assets	-	-	16,230	16,230
Current assets	113,579	72,607	12,219	198,405
Current liabilities	-	(48,851)	-	(48,851)
Pension liability	<u>-</u>	<u>(700,000)</u>	<u>-</u>	<u>(700,000)</u>
	<u>113,579</u>	<u>(676,244)</u>	<u>28,449</u>	<u>(534,216)</u>

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

	Unrestricted fund	Restricted funds	Restricted Fixed Asset £	2017 Total funds £
Fixed assets	-	-	23,490	23,490
Current assets	79,309	84,020	5,811	169,140
Current liabilities	-	(70,144)	-	(70,144)
Pension liability	<u>-</u>	<u>(772,000)</u>	<u>-</u>	<u>(772,000)</u>
	<u>79,309</u>	<u>(758,124)</u>	<u>29,301</u>	<u>(649,514)</u>

Koinonia Academies Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

20. MOVEMENT IN FUNDS

	Balance at 1 September 2017	Income	Expenditure	Gains/ (Losses)	Balance at 31 August 2018
Restricted general funds					
General Annual Grant (GAG)	9,891	984,569	(974,553)	-	19,907
Pupil Premium	-	117,590	(117,590)	-	-
PE Grant	3,985	17,840	(17,976)	-	3,849
Universal Infant Free School Meals	-	25,346	(25,346)	-	-
Other restricted grants	-	5,052	(5,052)	-	-
Pension	(772,000)	-	(54,000)	126,000	(700,000)
	<u>(758,124)</u>	<u>1,150,397</u>	<u>(1,194,517)</u>	<u>126,000</u>	<u>(676,244)</u>
Restricted fixed asset funds					
Assets funded from GAG	11,205	-	(2,856)	-	8,349
Assets transferred on conversion	987	-	(1,579)	-	(592)
Other DfE Capital Grants	13,946	6,408	(2,034)	-	18,320
Other Capital Donations	3,163	-	(791)	-	2,372
	<u>29,301</u>	<u>6,408</u>	<u>(7,260)</u>	<u>-</u>	<u>28,449</u>
Total restricted funds	(728,823)	1,156,805	(1,201,777)	126,000	(647,795)
Total unrestricted funds	79,309	46,075	(11,805)	-	113,579
Total funds	<u>(649,514)</u>	<u>1,202,880</u>	<u>(1,213,582)</u>	<u>126,000</u>	<u>(534,216)</u>

Koinonia Academies Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

20. MOVEMENT IN FUNDS
- continued

Comparatives for movements in funds

	Balance at 1 September 2016	Income	Expenditure	Gains/ (Losses)	Balance at 31 August 2017
Restricted general funds					
General Annual Grant (GAG)	-	981,215	(971,324)	-	9,891
Pupil Premium	-	119,130	(119,130)	-	-
PE Grant	5,458	8,880	(10,353)	-	3,985
Universal Infant Free School Meals	-	22,287	(22,287)	-	-
Other restricted grants	-	-	-	-	-
Pension	(877,000)	-	(56,000)	161,000	(772,000)
	<u>(871,542)</u>	<u>1,131,512</u>	<u>(1,179,094)</u>	<u>161,000</u>	<u>(758,124)</u>
Restricted fixed asset funds					
Assets funded from GAG	15,049	-	(3,844)	-	11,205
Assets transferred on conversion	2,731	-	(1,744)	-	987
Other DfE Capital Grants	10,353	6,306	(2,713)	-	13,946
Other Capital Donations	4,218	-	(1,055)	-	3,163
	<u>32,351</u>	<u>6,306</u>	<u>(9,356)</u>	<u>-</u>	<u>29,301</u>
Total restricted funds	(839,191)	1,137,818	(1,188,450)	161,000	(728,823)
Total unrestricted funds	36,361	58,108	(15,160)	-	79,309
Total funds	<u>(802,830)</u>	<u>1,195,926</u>	<u>(1,203,610)</u>	<u>161,000</u>	<u>(649,514)</u>

Koinonia Academies Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

20. MOVEMENT IN FUNDS
- continued

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

	Balance at 1 September 2016	Income	Expenditure	Gains/ (Losses)	Balance at 31 August 2018
Restricted general funds					
General Annual Grant (GAG)	-	1,965,784	(1,945,877)	-	19,907
Pupil Premium	-	236,720	(236,720)	-	-
PE Grant	5,458	26,720	(28,329)	-	3,849
Universal Infant Free School Meals	-	47,633	(47,633)	-	-
Other restricted grants	-	5,052	(5,052)	-	-
Pension	(877,000)	-	(110,000)	287,000	(700,000)
	<u>(758,124)</u>	<u>2,281,909</u>	<u>(2,373,611)</u>	<u>287,000</u>	<u>(676,244)</u>
Restricted fixed asset funds					
Assets funded from GAG	15,049	-	(6,700)	-	8,349
Assets transferred on conversion	2,731	-	(3,323)	-	(592)
Other DfE Capital Grants	10,353	12,714	(4,747)	-	18,320
Other Capital Donations	4,218	-	(1,846)	-	2,372
	<u>29,301</u>	<u>12,714</u>	<u>(16,616)</u>	<u>-</u>	<u>28,449</u>
Total restricted funds	(839,191)	2,294,623	(2,390,227)	287,000	(647,795)
Total unrestricted funds	36,361	104,183	(26,965)	-	113,579
TOTAL FUNDS	<u>(802,830)</u>	<u>2,398,806</u>	<u>(2,417,192)</u>	<u>287,000</u>	<u>(534,216)</u>

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

1) Restricted general funds must be used for the normal running costs of the Academy in line with the Master Funding Agreement and restrictions from other sources of funding.

2) Restricted fixed asset funds are used solely for capital purposes in line with the strategic objectives of the Academy.

The transfers between restricted funds and restricted fixed asset funds relates to fixed assets purchased from GAG and the PE Grant. Other transfers relate to the funding of deficits that have arisen in restricted funds.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

21. PENSION AND SIMILAR OBLIGATIONS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016. There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' pension scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £15 billion
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £63,668 (2017 - £68,154).

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

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

Koinonia Academies Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

21. PENSION AND SIMILAR OBLIGATIONS - - continued

Local government pension scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 2018 was £60,593 (2017 - £58,757), of which employer's contributions totalled £42,332 (2017 - £40,834) and employees' contributions totalled £18,261 (2017 - £17,924). The agreed contribution rates for future years are 14.1% for employers and 5.5% to 12.5% for employees.

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

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Present value of funded obligations	(1,160,000)	(1,129,000)
Fair value of plan assets	<u>460,000</u>	<u>357,000</u>
	<u>(700,000)</u>	<u>(772,000)</u>
Deficit	<u>(700,000)</u>	<u>(772,000)</u>
Liability	<u>(700,000)</u>	<u>(772,000)</u>

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

	Defined benefit pension plans	
	2018	2017
	£	£
Current service cost	102,000	103,000
Net interest from net defined benefit asset/liability	<u>18,000</u>	<u>19,000</u>
	<u>120,000</u>	<u>122,000</u>
Actual return on plan assets	<u>19,000</u>	<u>22,000</u>

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

	Defined benefit pension plans	
	2018	2017
	£	£
Opening defined benefit obligation	1,129,000	1,128,000
Current service cost	102,000	103,000
Contributions by scheme participants	18,000	18,000
Interest cost	28,000	25,000
Actuarial losses/(gains)	(117,000)	(145,000)
	<u>1,160,000</u>	<u>1,129,000</u>

Koinonia Academies Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

21. PENSION AND SIMILAR OBLIGATIONS
- continued

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

	Defined benefit pension plans	
	2018	2017
	£	£
Opening fair value of scheme assets	357,000	251,000
Contributions by employer	67,000	67,000
Contributions by scheme participants	18,000	18,000
Expected return	10,000	6,000
Actuarial gains/(losses)	9,000	16,000
Administrative expenses	(1,000)	(1,000)
	<u>460,000</u>	<u>357,000</u>

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

	Defined benefit pension plans	
	2018	2017
	£	£
Actuarial gains/(losses)	<u>126,000</u>	<u>161,000</u>
	<u>126,000</u>	<u>161,000</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Equities	244,000	218,000
Government bonds	66,000	49,000
Other bonds	34,000	24,000
Property	45,000	32,000
Cash and other liquid assets	21,000	7,000
Other	<u>50,000</u>	<u>27,000</u>
	<u>460,000</u>	<u>357,000</u>

Actual return on scheme assets was £19,000 (2017: £37,000).

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

	2018	2017
Discount rate for scheme liabilities	2.9%	2.5%
Rate of increase in salary	3.45%	3.45%
Rate of increase for pensions payments	2.3%	2.2%
Inflation assumptions (CPI)	2.2%	2.2%

Koinonia Academies Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

21. PENSION AND SIMILAR OBLIGATIONS - continued

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

	2018	2017
Retiring today		
Males	23	22.9
Females	25.8	25.7
Retiring in 20 years		
Males	25.2	25.1
Females	28.1	28.0

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate +0.1%	(30,000)	(30,000)
Discount rate -0.1%	30,000	30,000
Mortality assumption - 1 year increase	21,000	20,000
Mortality assumption - 1 year decrease	(21,000)	(20,000)
CPI rate +0.1%	32,000	31,000
CPI rate -0.1%	(32,000)	(31,000)

22. CAPITAL COMMITMENTS

	2018 £	2017 £
Contracted but not provided for in the financial statements	-	-

23. 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, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

St Mary's Church, of which the Chair of Trustees, Rev K Cribb is also the Associate Vicar, provided meeting and catering facilities for staff development. The transactions took place with St Mary's (Conference & Catering) Ltd, a company within St Mary's Church totalling £301 (2017: £728).

Sheffield Diocesan Board of Finance, of which a Member, Huw Thomas, is also Director of Education and one of its key management personnel, provided conference and school support services to the Trust totalling £626 (2017: £456).