

**PolyMAT  
(trading as Woolwich  
Polytechnic School)**

**Annual Report and Financial  
Statements**

31 August 2018

Company Limited by Guarantee  
Registration Number  
09078530 (England and Wales)

## Contents

### Reports

Reference and administrative information	1
Trustees' report	3
Governance statement	16
Statement of Regularity, propriety and compliance	22
Statement of Trustees' responsibilities	23
Independent auditor's report on the financial statements	24
Independent auditor's report on regularity	27

### Financial statements

Statement of financial activities	29
Balance sheet	30
Statement of cash flows	31
Principal accounting policies	32
Notes to the financial statements	39

## Reference and administrative information

<b>Members</b>	Patricia Freel Robert Janes Sylvia Perrins
<b>Directors (Trustees)</b>	Robert Janes (Chair) Patricia Freel (Vice chair) Byron Parker Sylvia Perrins (Chair of Finance Committee) Timothy Plumb
<b>Company Secretary</b>	Alexa Rendell
<b>Governors of Woolwich Polytechnic School</b>	Sulayman Bah (Parent governor) Robert Janes (Community governor) Byron Parker (Head Teacher) Sylvia Perrins (Community governor) Timothy Plumb (Head Teacher and accounting officer) Julia Richardson (Community governor) Jane Woods (Staff governor) Jack Davies – (Staff governor) Lucy Webb (Community governor) – 1 year sabbatical Paula Hines (Associate governor) Sarabjit Bahra (Parent governor) David Whitehead (Community governor) left 30/6/18 Sarah Critchell (Associate governor)
<b>Senior Management Team</b>	
Co-Headteacher	B Parker
Co-Headteacher	T Plumb
Deputy Head	G Odutola
Assistant Headteacher	L Williams
Assistant Headteacher	A Bassi
Assistant Headteacher	T Lawrence
Assistant Headteacher	V Smith
Assistant Headteacher	K Scott
Assistant Headteacher	J Lumbis
Assistant Headteacher	Dr F Donkor
Business Manager	A Rendell
Finance Manager	K Dalton
<b>Registered address</b>	Woolwich Polytechnic School Hutchins Road Thamesmead London SE28 8AT

## Reference and administrative information

<b>Telephone</b>	020 8310 7000
<b>Website</b>	<a href="http://www.woolwichpoly.greenwich.sch.uk">www.woolwichpoly.greenwich.sch.uk</a>
<b>Company registration number</b>	09078530 (England and Wales)
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Lloyds Bank 130 The Broadway Bexleyheath Kent DA6 7DP
<b>Solicitors</b>	Judicium 72 Cannon Street London EC4N 6AE

## **Trustees' report** Year to 31 August 2018

The Trustees of Woolwich Polytechnic School ('the Trust') present their annual report together with the financial statements and the auditor's reports of the charitable company for the year to 31 August 2018. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 32 to 38 of the attached financial statements and comply with the Trust's memorandum and articles of association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

The trust operates an academy for boys aged 11-16 and co-educational aged 16-18, serving a catchment area of Woolwich, Thamesmead, Plumstead and the nearby surrounding areas. It had a roll of 1497 in the May school census 2018.

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

#### **Constitution**

PolyMAT is a company limited by guarantee and an exempt charity, incorporated under Company Number 09078530. The Trust was incorporated on 10 June 2014. The Trust's Memorandum and Articles of Association are the primary governing documents of the Trust. The trustees of PolyMAT are also directors of the charitable company for the purpose of company law.

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

On 1 August 2014, Woolwich Polytechnic School converted to Academy Trust status under the Academies Act 2010 and all operations and assets and liabilities were transferred to PolyMAT from Royal Borough of Greenwich for £nil consideration.

The Trust currently consists of one school, Woolwich Polytechnic School, but has been established as a Multi Academy Trust (MAT) to enable additional schools to join at a later date. The Trust is due to open a second school, Woolwich Polytechnic School for Girls, in September 2019 and the build is underway.

#### **Principal activities**

The Trust's primary objective is to advance, for the public benefit, education in the United Kingdom, by establishing, maintaining, managing and developing schools offering a broad and balanced curriculum, including the provision of 16-19 education.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

### **Members' liability**

The members of the Trust are:

- ◆ the chairman of the Trustees;
- ◆ the vice-chairman of the Trustees;
- ◆ the chair of the Finance Committee;

Additional members can be appointed by the current members passing a special resolution to appoint such additional members as they think fit provided that such appointments are in the interest of the Trust.

The liability of the Members of the Company is limited. Every member of the Company undertakes to contribute such amount as may be required (not exceeding £10) to the Company's assets if it should be wound up while he or she is a Member or within one year after he or she ceases to be Member, for payment of the Company's debts and liabilities before he or she ceases to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

### **Trustees' indemnities**

In accordance with normal commercial practice the trust has purchased insurance to protect Trustees, governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2 million on any one claim.

### **Trustees**

The Articles of Association require the appointment of at least three Trustees (unless otherwise determined by ordinary resolution). The articles furthermore specify that the Trust shall have the following Trustees:

- ◆ up to 5 Trustees appointed by ordinary resolution by the Members;
- ◆ the chairman of each Local Governing Body;
- ◆ the vice-chairman of the Local Governing Body of Woolwich Polytechnic School;
- ◆ the Co-Chief Executive Officers
- ◆ a minimum of 2 parent Trustees unless there are local governing bodies that include at least two parent members.

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

### Trustees (continued)

The Trustees are directors of the charitable company for the purposes of the Companies Act 2006. The following Trustees were in office at 31 August 2018 and served throughout the period except where shown. Three directors were the original members at incorporation of the company, another four Trustees were added on the conversion to an academy. All subsequent appointments have since resigned from the board.

Trustee	Appointed	Appointing Method
Robert Janes (Chair)	10 June 2014	Member/Chair Local Governing Body
Patricia Freel (Vice-chair)	10 June 2014	Member/Vice chair Local Governing Body
Sylvia Perrins	10 June 2014	Member/Chair of Finance Committee
Byron Parker	15 September 2014	Co-Chief Executive Officer
Tim Plumb	15 September 2014	Co-Chief Executive Officer

The Trustees delegate a number of functions to the Local Governing Board. The composition of the Local Governing Board includes the Trustees as detailed above plus the governors outlined on page 1.

### Induction and Training of Governors and Trustees

The training and induction provided for new Trustees and governors depends on their existing experience and skills. The Trust purchases a comprehensive programme of training from the Royal Borough of Greenwich. Trustees and governors can choose from a range of courses from a basic introduction to more specific training on charity, educational, legal and financial matters. All governors and Trustees are required to complete Keeping Children Safe in Education and Safer Recruitment training.

### Organisational structure

The Board of Trustees is responsible for strategic management and direction of the Trust, it is responsible for setting general policy, adopting an annual plan and budget, monitoring of the governing board and making major decisions in relation to strategic plans, capital expenditure and senior staff appointments.

The local governing board is responsible for setting detailed policy, plans and budgets, overseeing the management of Woolwich Polytechnic School. The responsibility for the day to day management and operation of Woolwich Polytechnic School is delegated to the Co-Chief Executive Officers.

### Arrangements for setting pay and remuneration of key management personnel

The Pay Committee is made up of a minimum of two governors. In the case of appeals, the Pay Appeals Committee consists of three governors. The Pay Committee meets according to the Terms of Reference outlined in the MAT's Pay Policy. The Pay Committee sets key management personnel a set of performance targets which will be reviewed annually and remuneration agreed based on performance relative to the targets. The Pay Committee sets pay according to the MAT's Pay Policy.

**STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

**Trade union facility time**

*Relevant union officials*

Number of employees who were relevant union officials during the period	Full-time equivalent employee number
1	1

*Percentage of time spent on facility time*

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

*Percentage of pay bill spent on facility time*

Total cost of facility time	£869.40
Total pay bill	£8,900,000
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.001

*Paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	–
--	---

**OBJECTIVES AND ACTIVITIES**

**Objects and aims**

The aim of the Trust is to provide an outstanding education for the young people in the local community. Our vision "Success for everyone" reflects the highest expectations of staff and the highest of aspirations for all students. PolyMAT is an outward looking organisation, sharing good practice through national initiatives and consistently looks to develop links with other schools. The focussed and determined drive on continuous improvement leads to ever-improving standards of teaching and when this is set alongside the holistic approach of the outstanding pastoral team, the result is an environment which promotes outstanding learning and achievement by all students.



## OBJECTIVES AND ACTIVITIES (continued)

### Objectives, strategies and activities

*To provide all students with first class teaching and learning.*

- ◆ Recruitment, retention and deployment of outstanding staff will be achieved through a rigorous selection and interview process. In addition we are part of the Bromley Schools Collegiate which allows us to develop our own trainee teachers;
- ◆ Forensic monitoring of the school's performance and the continual improvement of teaching and learning lies at the heart of our leadership work. High expectations of teaching and learning is achieved through a process of lesson observations and feedback, learning walks and Performance Management reviews;
- ◆ An excellent team of ASTs led by an Assistant Head Teacher
- ◆ Teaching is always benchmarked against the Ofsted criteria for Outstanding with an expectation that many teachers exceed that standard; and
- ◆ Ongoing programmes of CPD and induction maintain the culture of high quality teaching and target individual areas of weakness.

*To provide a curriculum that maximises achievement, particularly in English, Maths and Science.*

- ◆ The curriculum provides high challenge and broad opportunities to all students;
- ◆ The curriculum is individually targeted to students depending on their need. Year 7 students with low levels on entry are given an 'accelerated curriculum experience' (ACE) whilst the higher achieving students experience a grammar school intake (GSI) curriculum;
- ◆ Emphasis is placed on English and Maths throughout the school to ensure all students achieve at least a standard or preferably a strong pass at GCSE and are able to progress to A Level study in the Sixth Form; and
- ◆ The curriculum is responsive and flexible to the demands of society and the economy so that all students meet the requirements to progress to Higher Education.

*An outstanding pastoral system that underpins students' achievements and their development as confident and ambitious members of society.*

- ◆ This is achieved through highly skilled Heads of Year and their tutor teams who are dedicated to supporting the pastoral and academic welfare of their students;
- ◆ Sustained promotion of equality of opportunity and self-esteem;

## **OBJECTIVES AND ACTIVITIES** (continued)

### **Objectives, strategies and activities** (continued)

- ◆ The pastoral team forge close links between parents, pupils and tutors to ensure that students understand the importance of good manners, excellent behaviour, respect and academic achievement;
- ◆ British Values are reinforced at all opportunities and form the framework for behaviour and expectations; and
- ◆ Pastoral care is anchored in a celebration of the school's achievements. This celebratory ethos inspires students to reach their potential by praising and rewarding their success.

*All students to make good or better levels of progress.*

- ◆ Forensic investigation and tracking of all data for all students;
- ◆ Rigorous monitoring of all groups; and
- ◆ Raising attainment and progress (RAP) meetings for all year groups.

### **Public Benefit**

In setting the Trust's objectives and planning its activities, the Board of Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Trustees consider that the charitable company's aims are demonstrably to the public benefit.

### **Equal opportunities policy**

The aims and ethos of the school supports the development of self-respect and self-esteem in all pupils, staff and the community it serves. We place a high value on diversity and treat every student as an individual. In this respect, we aim to meet the needs of all, taking account of gender, ethnicity, culture, religion, language, sexual orientation, age, ability, disability and social circumstances.

All staff are aware of the need for the curriculum to reflect cultural diversity and of the need to prepare pupils for life in a pluralist society. Woolwich Polytechnic is opposed to all forms of prejudice and discrimination.

Our policy endorses the three principles of inclusion in the National Curriculum:

- ◆ setting suitable learning challenges;
- ◆ responding to pupils diverse learning needs;
- ◆ overcoming potential barriers to learning and assessment for individuals and groups of pupils.

## **OBJECTIVES AND ACTIVITIES (continued)**

### **Employee involvement and development**

The Trust recognises that its employees are its most important asset and as such places a strong emphasis on staff involvement and development. There are weekly whole school staff meetings and individual departmental meetings. A team approach is taken to target support to individual pupils through RAP meetings, this enables colleagues to learn from each other's experiences to develop approach strategies.

Performance reviews are undertaken for both teaching and support staff to help support their career development. As part of this process individual developmental needs are identified and these inform a school wide Continual Professional Development (CPD) programme including school training days, external courses, mini-bite sessions and mentoring.

The focus for CPD this year has been on the new GCSE exams, to ensure that all teachers are confident with the new content and assessment.

Retention of staff has been extremely high this year which is a strong reflection of the importance placed on staff welfare by the Trust.

## **STRATEGIC REPORT**

### **Achievements and performance**

The Co-Head Teachers support many other schools as far afield as Wales. In the absence of local authority support, collaboration meetings are regularly held at Woolwich Poly for the core subjects and are open to all schools across South East London.

Building works are currently forging ahead on Woolwich Polytechnic School for Girls. This will be the sister school to the boys' school and will join the MAT when it opens its doors for the first time in September 2019.

Once again Woolwich Poly maintained outstanding GCSE results. Students continue to achieve strongly in the core areas with Maths, Science and English performing within or close to the top 25% in the country for progress. Our most able students performed extremely well with 55 achieving the top three grades in Maths and 20 grade 9s achieved in Science. Achievements were also strong across the year group with 78.4% of students gaining a Pass or better in English and 75.7% doing the same in Maths.

We are pleased that our results reflect the whole curriculum with Business, Economics, Computer Science, Art, Drama and Design Technology all achieving strong progress scores. The A-level results at Woolwich Poly show the dedication and determination of students and staff with 76% of grades awarded at A\*- C and an impressive 52% of students achieving A\*-B grades. This means students have secured places at the universities of their choice, including places at Russell Group universities. One student has taken her place at the University of Cambridge to study chemical engineering and several others have gone to study medicine.

## STRATEGIC REPORT (continued)

### Achievements and performance (continued)

In September 2017, we relaunched our behaviour expectations to focus upon 'Be Ready. Be Safe. Be Respectful.' Through training, staff have been encouraged to use these words to challenge behaviours that fall short of these expectations. The impact of this approach has already had a marked effect, with 103 exclusions over the year 2017-18 vs 229 in 2016-17. Additionally, with more work on behaviour in departments and year groups and the development of The Bridge onsite, students' behaviour has been challenged and modified in-house so that exclusion has become a less frequent sanction.

The Bridge is a provision within the Poly, where we offer an alternative curriculum and support to disaffected students at risk of exclusion.

We aim to achieve this through changing attitudes to learning, raising self-esteem and re-engaging students back into the mainstream setting.

At The Bridge we concentrate on the needs of the student, academically and emotionally providing one to one support, in class support and working in small groups. This enables us to build positive relationships with students and give them a sense of belonging within the Poly.

We offer a variety of programmes on a weekly basis aimed at improving the students' sense of self, mental health, self-esteem and confidence:

- Re-tracking Groups
- Tump 53 – Bush Craft and conservation programme
- BMX Legacy Programme
- Mindfulness Workshop
- Amy Winehouse Foundation – Resilience Programme
- The Dogs Trust – Workshop

The Bridge time is neither a reward nor a punishment, we use alternative methods where traditional practices have not worked.

Safeguarding is the highest priority of the school with frequent updates and in the induction of new staff: leaders and managers have created a culture of vigilance where pupils' welfare is actively promoted. 'Be Safe' is at the heart of the school's practice: staff and governors have regular updates on 'Keeping Children safe in Education.' Staff are highly visible during the school day to ensure students are safe and behaviour is good.

## STRATEGIC REPORT (continued)

### Achievements and performance (continued)

Woolwich Poly's consistently high quality outcomes have been achieved by a never-wavering focus on school improvement. Our approach is data driven and student-focussed. Every year group in the school follows the same process and has the same structure as follows:

- ◆ A Raising Standards Leader (RSL) is appointed with the main purpose to raise achievement for the year group.
- ◆ The RSL works with the Data Managers to produce weekly priorities where key student5s are defined.
- ◆ The RSL leads a strategy meeting every week with the Head of Year and other senior leaders to ensure that resources are allocated to priorities each week.

Woolwich Polytechnic is committed to enabling all our students to enjoy learning and to become independent learners, and well-rounded young people, through the provision of an exciting and stimulating curriculum, which extends beyond their timetabled lessons. We aim to ensure that students reach or exceed their potential through a broad and balanced curriculum provision.

## Financial review

### *Financial report for the year*

The financial position of the Trust at 31 August 2018 is shown in the financial statements on pages 29 to 30 and the accompanying notes. Most of the Trust's income is received from the Education and Skills Funding Agency in the form of recurrent grants for the provision of education. These grants and the associated expenditure are shown as restricted funds in the consolidated statement of financial activities. For the year to 31 August 2018 expenditure exceeded income on restricted funds by £827,000 (2017 – £367,000).

In its third year of operation as an Academy Trust, a surplus of £184,000 (2017 – £96,000) was achieved on the unrestricted general fund and a deficit of £467,000 (2017 – £279,000) on the restricted general fund before transfers. After transfers between funds and the actuarial loss on the defined benefit pension scheme the unrestricted general fund shows a surplus of £457,000 (2017 – £405,000) and the restricted general fund a deficit of £3,074,000 (2017 – £3,310,000). A further £27,837,000 (2017 – £28,116,000) is held within the restricted fixed asset funds.

The majority of the School's income for the year to 31 August 2018 was obtained from the ESFA in the form of a general annual grant and other grants. This income totalled £9,533,000 (2017 – £9,643,000) and represents 91.2% (2017 – 94.0%) of the total income received in the year. Expenditure includes £11,524,000 (2017 – £11,481,000) on the School's educational operations.

## **STRATEGIC REPORT** (continued)

### **Financial review** (continued)

#### ***Financial report for the year*** (continued)

The Trust has also been successful in bidding for Condition Improvement Fund grants to finance capital works to improve the fire alarm system in school. Works include the replacement of fire doors, compartmentalisation, smoke sensors in every room and an updated fire detection system. Total funding of £163,458 was approved during the year ending 31 August 2018. In accordance with the Charities Statement of Recommended Practice these grants are shown in the statement of financial activities as restricted income in the fixed asset fund. These funds provide the necessary cash flow for the works and depreciation charges will be made against these funds over the expected useful life of the asset.

One of the trusts key objectives is to maintain staffing levels during a period of instability and shortages across the teaching profession: The trust is committed to using a high percentage of its resources to secure outstanding teaching and learning in the classroom. This percentage currently stands at 82%, of which only 11% accounts for Associate staff costs.

The trust also uses its resources to target minority groups of students in order to reduce the gap at Key Stage 4. Groups targeted include pupil premium, white British and more able students and includes activities such as: parents' evenings, additional English and Maths classes, small group teaching and Saturday School projects.

Considerable investment has been made to the ICT infrastructure of the school by developing additional ICT suites in the Business area to enhance the teaching and learning experience of the students.

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

The trust has identified the following financial risks:

1. Uncertainty in the current economic climate and the associated risk to education funding going forward. The trust has little control over this risk but in order to minimise the impact of these risks, medium term budget forecasts are prepared and the budget is continually reviewed, examining the efficiency and effectiveness of the trust.
2. The burden of funding additional staffing costs. The cost of living rise for main pay-scale teachers for 2018/2019 is 3.5%, upper pay-scale is 2% and 1.5% for leadership posts and this is expected to remain at 2% for the following year. The Associate staff cost of living rise varied from 2% to 7% depending on the grade and this is expected to be the same the following year. The Trust's regular financial meetings at a variety of levels ensures that these changes are effectively managed.

## STRATEGIC REPORT (continued)

### Financial review (continued)

#### *Financial and risk management objectives and policies (continued)*

3. The Trust manages its cash-flow to ensure that it has sufficient working capital to meet all of its operating needs without the use of short-term borrowing. Surplus cash is invested in short-term, low risk bonds that yield higher interest rates. As nearly all funding comes from central government credit risk is negligible and funding is received in advance of expected expenditure.

#### *Reserves policy*

The Trustees have determined that the target level of reserves not invested in tangible fixed assets or designated for specific projects should be between 3%-5% of General Annual Grant.

At 31 August 2018, unrestricted reserves stood at £457,000 (2017 – £405,000) which is in line with the policy stated above. There is a deficit of £3,074,000 (2017 – £3,310,000) on the restricted general fund, of which £3,110,000 (2017 – £3,371,000) relates to the Local Government Pension Scheme liability. This deficit represents the expected cost, in today's money, of paying for the Academy's obligation under this pension scheme. It is a long term liability, and so does not directly impact the Academy's day to day cash requirements.

#### *Going concern*

At 31 August 2018 the School had net current assets of £576,000 (2017 – £466,000). After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it considers that the going concern basis of preparing the financial statements is appropriate.

#### *Investment policy*

Surplus income is invested in a rolling programme of short term, low risk bonds with a maximum investment of £450,000.

## PRINCIPAL RISKS AND UNCERTAINTIES

The trustees are responsible for identifying risks faced by the Trust, assessing the likelihood of the risk occurring and its potential impact, and taking steps to mitigate and control these risks, and ensuring that employees are aware of any risk management procedures and of the implications of failing to implement them. They are satisfied that these procedures are consistent with guidelines issued by the Charity Commission.

The risks identified are recorded in The Trust's Risk Register which is reviewed at every meeting of the Audit Committee. Risks are classified as strategic, financial or operational. The most significant, high impact risks are:

**PRINCIPAL RISKS AND UNCERTAINTIES** (continued)

- ◆ Loss of funding and financial instability caused by short term national budget setting and formulae changes; this risk is mitigated by weekly finance meetings with the Head Teachers and regular effectiveness and efficiency meetings where potential savings are highlighted and discussed.
- ◆ Failure in governance; this risk is mitigated by regular governor meetings across Learning & Teaching, Premises and Finance and Personnel. Governors comply with the Academies Financial Handbook and are currently working towards the Governor Mark Award.
- ◆ Failure to adequately safeguard pupils in school; this risk is mitigated by regular staff safeguarding training, all staff reading and understanding the Keeping Children Safe in Education documentation and having access to CURA, all staff having the duty to report any concerns and being aware of the designated safeguarding officer and the deputy.
- ◆ Failure to produce desired educational outcomes; this risk is mitigated by forensic monitoring of student performance, data tracking and additional support for students in the classroom.

All of these risks are currently classified as being adequately controlled.

**FUNDRAISING**

The Trust has not engaged in any fundraising activities in the current year.

**PLANS FOR FUTURE PERIODS**

The trust has plans for expansion over the coming years.

- Woolwich Polytechnic School for Girls to open in September 2019. The construction of the school is progressing to-schedule and the school is being advertised to local parents and children.
- PolyMAT is currently in talks with other local schools in a bid to join the MAT.

The trust will also continue to maintain and improve the levels of attainment of its students at all levels and for all groups. Even more students are expected to attend Russell Group universities. Enrichment opportunities will be increased for all students to enhance their practical and social skills.



**Trustees' report** Year to 31 August 2018

**AUDITOR**

In so far as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the members of the board of Trustees on 17 December 2018 and signed on its behalf by:

Robert Janes



Chair of Trustees

Date: 17.12.18

**Scope of responsibility**

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

The board of Trustees have delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Trust and the Secretary of State for Education. The Head Teacher is 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 3 times during the period prior to the full meeting of governors. Attendance during the period at meetings of the board and of the local governing body was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
<b>Board &amp; Full Governors meetings</b>		
Robert Janes (Chair)	3	3
Patricia Freel (Vice chair)	–	3
Sylvia Perrins	3	3
Byron Parker	3	3
Timothy Plumb	3	3
<b>Full Governors meeting only</b>		
Sulayman Bah (Parent governor)	–	3
Paula Hines (Associate governor)	1	3
Julia Richardson (Community governor)	3	3
Jane Woods (Staff governor)	1	3
Sarabjit Bhara (Parent governor)	2	3
Jack Davies (Staff governor)	3	3
Lucy Webb (Community governor)	–	3
Sarah Critchell (Associate governor)	1	3
David Whitehead (Community governor)	2	3

**Governance** (continued)

***Governance reviews***

There has been no changes to the committee structure during the period, the structure having been fully reviewed at the time of converting. However, we are in the process of reviewing our structure in readiness for the opening of the girls' school.

The Trust works in close collaboration with its governors through school visits, training sessions and committee meetings. The Trust is currently under-going a period of self-evaluation using the skills audit from the NCTL. The purpose of the evaluation is to ensure that all governors have the necessary skills to:

- Ensure the quality of the education in the Trust;
- Challenge and monitor the performance of the Trust;
- Ensure good financial management and probity across the school; and
- Support and provide challenge to the leadership

A plan of training and support activities will be developed, taking account of any identified skills gaps.

Ultimately, governors should have a clear understanding of all aspects of their role and how to effectively hold the school to account.

The Finance and Personnel Committee is currently a sub-committee of the main board of Trustees. Its main purpose is to:

- ◆ Provide oversight of the day-to-day operation of the Trust's Finances, with due regard to the requirements of the Academies Financial Handbook and the Trust's Funding Agreement;
- ◆ to recommend for approval, to the full governing body, the first formal budget plan of the year; and
- ◆ to monitor income and expenditure and to report the financial situation to the full governing body each term.

## Governance statement Year to 31 August 2018

### Governance (continued)

#### Governance reviews (continued)

Attendance at meetings in the period was as follows:

Governor	Meetings attended	Out of a possible
Robert Janes (Chair)	5	5
Jane Woods	1	5
Byron Parker	5	5
Tim Plumb	5	5
Jack Davies	2	5
Sylvia Perrins	5	5
Julia Richardson	–	5
David Whitehouse	3	5
Sulayman Bah	–	5
Sarabjit Bahra	3	5
Lucy Webb	–	5
Sarah Critchell	–	5
Paula Hines	–	5

The Audit Committee is also a sub-committee of the main board of Trustees. Its purpose is to:

- ◆ To achieve internal scrutiny which delivers objective and independent assurance. To ensure that there is a process for checking financial systems, controls, transactions and risks;
- ◆ To provide assurance to Trustees that risks are being adequately identified and managed by reviewing the risks to internal financial control at the Trust and agreeing a programme of work to address, and provide assurance on, those risks; and
- ◆ To inform the governance statement that accompanies the annual accounts and, so far as is possible, provide assurance to the external auditors.

The work of the Audit Committee during the year ending 31 August 2018 has included review of the Risk Register, appointment of an internal auditor and acceptance of the internal control reports.

Attendance at meetings in the period was as follows:

Governor	Meetings attended	Out of a possible
Robert Janes (Chair)	5	5
Sylvia Perrins	5	5
Tim Plumb	5	5
Byron Parker	5	5

### **Review of value for Money**

As accounting officer, Mr T Plumb, Co-Head Teacher, has responsibility for ensuring that the Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the Trust's use of its resources has provided good value for money during the academic year, and reports to the board of Trustees where value for money can be improved, including the use on benchmarking data where available. The accounting officer for the Trust has delivered and improved value for money during the year by ensuring that regular and continuous review of the budget is undertaken. This is formalised in weekly finance meetings, where an Efficiency and Effectiveness register is maintained, this covers every area of the budget and considers the level and impact of current spend and practices. Methodology/processes are challenged and innovative new approaches sort. The following are examples of how this process has yielded improved efficiency and effectiveness:

- ◆ We have renewed the lease and replaced two large printers. This has enabled us to do all in-house printing for marketing purposes including the prospectus, flyers and work books, also all the student planners. In addition to saving money on external printing we now also offer a print service to local schools in order to generate a small amount of income;
- ◆ The Bridge has meant that our payments for Inclusion have dramatically reduced. Students are no longer being sent to alternative provision at a cost of £200+ per day;
- ◆ We have previously had two legal firms on retainer to provide us with legal advice and guidance. We have terminated the contract with one of these firms;
- ◆ We have replaced the responsible officer role, previously carried out by Buzzacott to an ex-employee, who is a fully qualified accountant;
- ◆ We moved our insurance from Zurich to the Government's Academies Risk Protection Arrangement (insurance); and
- ◆ The Premises team now carry out all in-house decorating.

### **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 the Trust'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 at the Trust for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

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

**The risk and control framework**

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Trustees have appointed Buzzacott LLP, the external auditor, to perform additional checks.

The role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a periodic basis, the internal control reports are presented to the board of Trustees, through the finance and personnel committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

**Review of effectiveness**

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

- ◆ the work of the responsible officer;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self-assessment process;

**Governance statement** Year to 31 August 2018

**Review of effectiveness** (continued)

- ◆ the work of the Senior Management Team within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has advised the finance committee of the implications of his/her review of the system of internal control by the finance and personnel committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of Trustees on 17 December 2018 and signed on their behalf by:



Robert Janes  
(Chair of Trustees)



Timothy Plumb  
(Accounting Officer)

Approved on: 17.12.18

17.12.18

**Statement on regularity, propriety and compliance** Year to 31 August 2018

As accounting officer of PolyMAT, I have considered my responsibility to notify the board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State. 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 board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2017.

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



Timothy Plumb

Accounting Officer

Date: 17.12.18



## Statement of Trustees' responsibilities Year to 31 August 2018

The Trustees (who are also the directors of the Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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 Trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Trust 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 Trust applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 17 December 2018 and signed on its behalf by:

  
Robert Janes  
Chair of Trustees

**Independent auditor's report on the financial statements to the members of PolyMAT**

**Opinion**

We have audited the financial statements of PolyMAT (the 'charitable company') for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP 2015) and the Academies Accounts Direction 2017 to 2018.

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 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 Auditor's 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 auditor's report 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- ◆ the information given in the Trustees' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' report including the strategic 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 including the strategic report.

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

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records or 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 Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Responsibilities of trustees** (continued)

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.

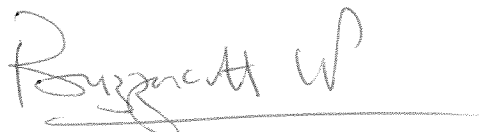
**Auditor's responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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



Avnish Savjani (Senior Statutory Auditor)  
for and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

18 December 2018

**Independent reporting auditor's assurance report on regularity to PolyMAT and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 13 July 2018 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 Woolwich Polytechnic School during the period from 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 Woolwich Polytechnic School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to PolyMAT 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 PolyMAT and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of PolyMAT's accounting officer and the reporting auditor**

The accounting officer is responsible, under the requirements of PolyMAT'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 from 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.

## Independent auditor's reports 31 August 2018

### Approach (continued)

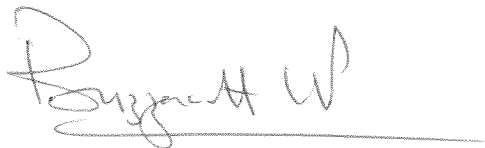
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the Trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

### 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 from 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.



Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

18 December 2018

**Statement of financial activities** Year to 31 August 2018

	Notes	Restricted funds			2018 Total funds £'000	2017 Total funds £'000
		Unrestricted general funds £'000	Restricted general funds £'000	Fixed assets funds £'000		
<b>Income from:</b>						
Donations and capital grants	1	—	—	345	345	606
Other trading activities	2	147	—	—	147	138
Investments	3	2	—	—	2	2
Charitable activities						
. Funding for the Trust's educational operations	4	35	10,352	—	10,387	10,464
<b>Total income</b>		<b>184</b>	<b>10,352</b>	<b>345</b>	<b>10,881</b>	<b>11,210</b>
<b>Expenditure on:</b>						
Charitable activities						
. Trust's educational operations	5	—	10,819	705	11,524	11,481
<b>Total expenditure</b>		<b>—</b>	<b>10,819</b>	<b>705</b>	<b>11,524</b>	<b>11,481</b>
Net income/(expenditure) for the year		184	(467)	(360)	(643)	(271)
<b>Transfer between funds</b>	16	(132)	51	81	—	—
<b>Other recognised gains and losses</b>						
Actuarial losses on defined benefit pension scheme	19	—	652	—	652	(39)
<b>Net movement in funds</b>		<b>52</b>	<b>236</b>	<b>(279)</b>	<b>9</b>	<b>(310)</b>
<b>Reconciliation of funds</b>						
Total fund balances brought forward at 1 September 2017		405	(3,310)	28,116	25,211	25,521
<b>Total fund balances carried forward at 31 August 2018</b>		<b>457</b>	<b>(3,074)</b>	<b>27,837</b>	<b>25,220</b>	<b>25,211</b>

All of the Trust's activities derived from continuing operations during the above two financial periods.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

**Balance sheet** 31 August 2018

	Notes	2017 £'000	2017 £'000	2017 £'000	2017 £'000
<b>Fixed assets</b>					
Intangible fixed assets	11		2		6
Tangible fixed assets	12		27,815		28,110
			<u>27,817</u>		<u>28,116</u>
<b>Current assets</b>					
Stock		6		10	
Debtors	13	212		342	
Cash at bank and in hand		885		640	
		<u>1,103</u>		<u>992</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	14	(527)		(526)	
<b>Net current assets</b>			<u>576</u>		<u>466</u>
<b>Total assets less current liabilities</b>					
			<u>28,393</u>		<u>28,582</u>
<b>Creditors: amounts falling due after more than one year</b>					
	15		(63)		—
Pension scheme liability	19		(3,110)		(3,371)
<b>Total net assets</b>			<u>25,220</u>		<u>25,211</u>
<b>Funds of the Trust</b>					
Restricted income funds					
. Fixed assets fund	16		27,837		28,116
. General fund	16		36		61
. Pension reserve	16		(3,110)		(3,371)
			<u>24,763</u>		<u>24,806</u>
Unrestricted funds					
. General fund	16		457		405
<b>Total funds</b>			<u>25,220</u>		<u>25,211</u>

The financial statements on pages 29 to 53 were approved by the Trustees, and authorised for issue on 17 December 2018 and are signed on their behalf by:



Robert James  
Chair

PolyMAT  
Company Limited by Guarantee  
Registration Number: 09078530 (England and Wales)



**Statement of cash flows** Year to 31 August 2018

		2018 £'000	2017 £'000
<b>Net cash inflow from operating activities</b>			
Net cash provided by (used in) operating activities	A	226	(93)
<b>Cash flows from investing activities</b>			
	B	(59)	(38)
<b>Cash flows from financing activities</b>			
	C	78	—
<b>Change in cash and cash equivalents in the year</b>		<b>245</b>	<b>(131)</b>
<b>Reconciliation of net cash flow to movement in net funds:</b>			
Cash and cash equivalents at 1 September 2017		640	771
<b>Cash and cash equivalents at 31 August 2018</b>		<b>885</b>	<b>640</b>
<b>A Reconciliation of (expenditure) to net cash flow from operating activities</b>			
		2018 £'000	2017 £'000
<b>Net (expenditure) for the year (as per the statement of financial activities)</b>		<b>(643)</b>	<b>(271)</b>
<b>Adjusted for:</b>			
Amortisation (note 11)		4	14
Depreciation (note 12)		701	680
Capital grants from DfE and other capital income		(345)	(605)
Impairment loss on tangible fixed assets		—	21
Interest receivable (note 3)		(2)	(2)
Defined benefit pension scheme cost less contributions payable		306	295
Defined benefit pension scheme finance cost		85	63
Decrease in stocks		4	6
Decrease (increase) in debtors		130	(143)
Decrease in creditors		(14)	(151)
<b>Net cash provided by (used in) operating activities</b>		<b>226</b>	<b>(93)</b>
<b>B Cash flows from investing activities</b>			
		2018 £'000	2017 £'000
Dividends, interest and rents from investments		2	2
Purchase of tangible fixed assets		(406)	(645)
Capital grants from DfE/ESFA		345	605
<b>Net cash used in investing activities</b>		<b>(59)</b>	<b>(38)</b>
<b>C Cash flows from financing activities</b>			
		2018 £'000	2017 £'000
Cash inflows from new borrowing		78	—
<b>Net cash provided by financing activities</b>		<b>78</b>	<b>—</b>

### **Statement of accounting policies**

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

### **Basis of preparation**

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

PolyMAT meets the definition of a public benefit entity under 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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

### **Income**

All income is recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

### **Grants**

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

The General Annual Grant is recognised in full in the statement of financial activities 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.

**Income** (continued)

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***

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

***Donations***

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

***Other income***

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

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

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

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



### **Tangible fixed assets**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy.

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

◆ Long leasehold buildings (Main School Building)	2% per annum
◆ Other buildings (Modular Timber-clad building)	4% per annum
◆ Fixtures, fittings and equipment	20% per annum
◆ IT equipment	33% per annum

Depreciation is charged from the month of acquisition.

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

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

### **Financial instruments**

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

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

**Financial instruments** (continued)

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

**Liabilities**

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

**Leased assets**

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

**Stock**

Unsold stocks are valued at the lower of cost or net realisable value.

**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.

**Pensions benefits**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, 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.

**Pensions benefits** (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities 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.

**Fund accounting**

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

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

Restricted general funds comprise all other grants received from the Education and Skills Funding Agency and the Department for Education.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority, The Royal Borough of Greenwich.

**Critical accounting estimates and areas of judgement**

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

***Critical accounting estimates and assumptions***

The academy trust 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.

**Critical accounting estimates and areas of judgement** (continued)

***Critical accounting estimates and assumptions*** (continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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.



Notes to the Financial Statements Year to 31 August 2018

**1 Donations and capital grants**

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
Capital Grants	—	345	345	605
Other donations	—	—	—	1
	—	345	345	606

**2 Other trading activities**

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
Hire of facilities/lettings income	9	—	9	12
Trip income	90	—	90	80
Training income	12	—	12	10
Secondment of staff	20	—	20	23
Polytechnical income	3	—	3	6
Uniform sales	2	—	2	2
Miscellaneous income	11	—	11	5
	147	—	147	138

**3 Investment income**

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
Investment income	2	—	2	2
	2	—	2	2

**4 Funding for the Trust's educational operations**

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
<b>DfE / ESFA grants</b>				
. General Annual Grant (GAG)	—	9,533	9,533	9,643
. Start Up Grants	—	105	105	—
. Other DfE / ESFA	—	590	590	614
	—	10,228	10,228	10,257
<b>Other Government grants</b>				
. Local authority grants	—	124	124	140
	—	124	124	140
Other income from the academy trust's educational operations	35	—	35	67
	35	10,352	10,387	10,464

**5 Expenditure**

	Staff costs £'000	Premises £'000	Other costs £'000	2018 Total funds £'000	2017 Total funds £'000
Charitable activities:					
. Trust's educational operations					
.. Direct costs	7,730	705	830	9,265	9,268
.. Allocated support costs	1,170	536	553	2,259	2,213
	<u>8,900</u>	<u>1,241</u>	<u>1,383</u>	<u>11,524</u>	<u>11,481</u>
<b>Expenditure for the period includes:</b>					
Operating lease rentals				37	29
Depreciation				701	680
Amortisation				4	14
Fees payable to auditor					
. Statutory audit				15	15
. Other services				3	1

**6 Charitable activities – Trust's educational operations**

	2018 Total funds £'000	2017 Total funds £'000
Direct costs	9,265	9,268
Support costs	2,259	2,213
	<u>11,524</u>	<u>11,481</u>

	2018 Total funds £'000	2017 Total funds £'000
<b>Analysis of support costs</b>		
Support staff costs	1,170	1,137
Technology costs	52	36
Premises costs	536	588
Other support costs	483	436
Governance costs	18	16
<b>Total support costs</b>	<u>2,259</u>	<u>2,213</u>

**7 Comparative information**

Analysis of income and expenditure in the year ended 31 August 2017 between restricted and unrestricted funds:

	Unrestricted general funds £'000	Restricted funds		2017 Total funds £'000
		Restricted general funds £'000	Fixed assets funds £'000	
<b>Income from:</b>				
Donations and capital grants	1	—	605	606
Other trading activities	138	—	—	138
Investments	2	—	—	2
Charitable activities				
. Funding for the Trust's educational operations	—	10,464	—	10,464
<b>Total income</b>	<b>141</b>	<b>10,464</b>	<b>605</b>	<b>11,210</b>
<b>Expenditure on:</b>				
Charitable activities				
. Trust's educational operations	44	10,743	693	11,481
<b>Total expenditure</b>	<b>44</b>	<b>10,743</b>	<b>693</b>	<b>11,481</b>
<b>Net income (expenditure) before exceptional items</b>	<b>97</b>	<b>(279)</b>	<b>(88)</b>	<b>(271)</b>
Net income/(expenditure) for the year	97	(279)	(88)	(271)
<b>Transfer between funds</b>	<b>—</b>	<b>(22)</b>	<b>22</b>	<b>—</b>
<b>Other recognised gains and losses</b>				
Actuarial losses on defined benefit pension scheme	—	(39)	—	(39)
<b>Net movement in funds</b>	<b>97</b>	<b>(340)</b>	<b>(66)</b>	<b>(310)</b>
<b>Reconciliation of funds</b>				
Total fund balances brought forward at 1 September 2016	308	(2,970)	28,183	25,521
<b>Total fund balances carried forward at 31 August 2017</b>	<b>405</b>	<b>(3,310)</b>	<b>28,116</b>	<b>25,211</b>

## 8 Staff

### (a) Staff costs

Staff costs during the period were:

	2018 Total funds £'000	2017 Total funds £'000
Wages and salaries	6,858	6,987
Social security costs	747	711
Pension costs (includes FRS 102 charge of £306,000 (2017 – £296,000))	1,232	1,195
	<b>8,837</b>	<b>8,893</b>
Supply teacher costs	63	213
Staff restructuring costs	—	29
	<b>8,900</b>	<b>9,135</b>

	2018 £'000	2017 £'000
<b>Staff restructuring costs comprise</b>		
Redundancy payments	—	17
Severance payments	—	12
	<b>—</b>	<b>29</b>

### (a) Staff severance payments

All severance payments made during the period were statutory and contractual.

### (b) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2018 expressed as full-time equivalents was as follows:

	2018 No.	2017 No.
<b>Charitable activities</b>		
Teachers	110	108
Administration and support	67	67
Management	12	14
	<b>189</b>	<b>189</b>

**8 Staff (continued)**

**(c) Higher paid staff**

The number of employees whose emoluments fell within the following bands was:

	2018 No.	2017 No.
£60,001 - £70,000	13	9
£70,001 - £80,000	—	1
£80,000 - £90,000	1	1
£90,001 - £100,000	1	—
£140,001 - £150,000	1	1

Thirteen of the above employees participated in the Teachers' Pension Scheme, one employee participated in the LGPS. Two employees have opted out of the Teachers' Pension Scheme.

**(d) Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance contributions and employer pension contributions) received by key management personnel for their services to the academy trust was £1,065,000 (2017 – £1,238,000).

**9 Trustees' remuneration and expenses**

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

	2018 £'000	2017 £'000
B Parker (Co-Headteacher and Trustee)		
. Remuneration	90 – 100	80 – 90
. Employer's pension contributions	—	0 – 5
T Plumb (Co-Headteacher and Trustee)		
. Remuneration	140 – 150	140 – 150
. Employer's pension contributions	20 – 25	20 – 25

During the period ended 31 August 2018, £1,032 travel and subsistence expenses were reimbursed to two Trustees (2017 – £505 to two Trustees).

**10 Trustees' and Officers' insurance**

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2018 was £nil (2017 – £1,340). The cost of this insurance is included in the total insurance cost.

## 11 Intangible fixed assets

	Computer software £'000	Total £'
<b>Cost/valuation</b>		
At 1 September 2017	44	44
Additions	—	—
At 31 August 2018	44	44
<b>Amortisation</b>		
At 1 September 2017	38	38
Charge in year	4	4
At 31 August 2018	42	42
<b>Net book value</b>		
At 31 August 2018	2	2
At 31 August 2017	6	6

## 12 Tangible fixed assets

	Assets under construction £'000	Leasehold land and buildings £'000	Furniture and equipment £'000	IT equipment £'000	Total £'
<b>Cost/valuation</b>					
At 1 September 2017	551	29,282	67	166	30,066
Transferred to leasehold land and buildings	(551)	551	—	—	—
Additions	66	261	56	23	406
At 31 August 2018	66	30,094	123	189	30,472
<b>Depreciation</b>					
At 1 September 2017	—	1,832	23	101	1,956
Charge in period	—	631	20	50	701
At 31 August 2018	—	2,463	43	151	2,657
<b>Net book value</b>					
At 31 August 2018	66	27,631	80	38	27,815
At 31 August 2017	551	27,450	44	65	28,110

The Trust's transactions relating to land and buildings included:

- ◆ Roof works have been completed and a certificate of practical completion has been received dated 27 October 2017. The valuation of the roof is £810,502, which includes fees of £61,876 and a 2.5% retention fee of £18,716. At 31 August 2017, an amount of £550,850 was included as an asset under construction which has been transferred to leasehold land and buildings in the year.
- ◆ Fire alarm and fire door works have commenced during the summer. The total value of contracted works is £174,956 and at 31 August 2018, works amounting to £65,666 have been completed. The balance of £109,290 is due to be completed by the end of December 2018 and is therefore a capital commitment at the balance sheet date (see note 21).

For the purposes of these financial statements, the leasehold land (125 year lease) is deemed to have no commercial value.

Notes to the Financial Statements Year to 31 August 2018

**13 Debtors**

	2018 £'000	2017 £'000
Trade debtors	7	6
VAT Debtor	45	113
Prepayments and accrued income	160	223
	<u>212</u>	<u>342</u>

**14 Creditors: amounts falling due within one year**

	2018 £'000	2017 £'000
Taxation and social security	314	319
Other creditors	51	11
Accruals and deferred income	147	196
Loans (see analysis below)	15	—
	<u>527</u>	<u>526</u>
<b>Deferred income</b>		
Deferred income at 1 September 2017	11	6
Released during the year	(11)	(6)
Resources deferred in the year	51	11
Deferred income at 31 August 2018	<u>51</u>	<u>11</u>

Deferred income relates predominantly for SEN funding received from the Royal Borough of Greenwich for the 2018/19 academic year. This amounted to £35,868 for the year ended 31 August 2018 (2017 – £nil).

**15 Creditors: amounts falling due in greater than one year**

	2018 £'000	2017 £'000
Loans (see analysis below)	63	—
Repayments due as follows:		
Within one year	15	—
Between 2 and 5 years	45	—
In more than 5 years	18	—
	<u>78</u>	<u>—</u>

The above loan balance relates wholly to loan funding received from the ESFA. The loan is part of a wider funding package for the cost of a new roof that is otherwise comprised of capital grant. Interest is at 2.13%, with repayments being made between 2018 and 2025. The total approved loan is for £78,282 split between a Condition Improvement Fund amount of £70,018 and a Salix loan of £8,264 and the balance recognised above represents the amount of the loan funding that had been received by 31 August 2018.

## 16 Funds

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
<b>ESFA revenue grant fund</b>					
. General Annual Grant (GAG)	61	9,533	(9,645)	51	—
. Start Up Grant	—	105	(69)	—	36
. Pupil Premium	—	487	(487)	—	—
. Other ESFA grants	—	103	(103)	—	—
	61	10,228	(10,304)	51	36
. Pension reserve	(3,371)	—	(391)	652	(3,110)
	(3,310)	10,228	(10,695)	703	(3,074)
<b>Fixed assets fund</b>					
. DfE/ESFA capital grants	1,969	345	(679)	81	1,716
. Donated fixed assets on conversion	25,776	—	(26)	—	25,750
. Capital expenditure from unrestricted funds	349	—	—	—	349
. Capital expenditure from GAG	22	—	—	—	22
	28,116	345	(705)	81	27,837
<b>Other Restricted Funds</b>					
. Local authority grants	—	124	(124)	—	—
<b>Total restricted funds</b>	<b>24,806</b>	<b>10,697</b>	<b>(11,524)</b>	<b>784</b>	<b>24,763</b>
<b>Unrestricted funds</b>					
. Unrestricted funds	405	184	—	(132)	457
<b>Total unrestricted funds</b>	<b>405</b>	<b>184</b>	<b>—</b>	<b>(132)</b>	<b>457</b>
<b>Total funds</b>	<b>25,211</b>	<b>10,881</b>	<b>(11,524)</b>	<b>652</b>	<b>25,220</b>

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

**ESFA revenue grant fund***General Annual Grant (GAG)*

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.

*Start Up Grant*

Funding was received in the year from the ESFA to support the pre-opening costs of the new girls school.

*Pupil Premium*

This relates to income received from the ESFA to support disadvantaged children from low-income families.

*Other ESFA revenue grants*

This primarily includes rates relief, year 7 catch-up grants, school direct income receivable from the ESFA, plus out of borough pupil premium and SHINE income.



**16 Funds** (continued)

*Pension reserve*

The pension reserve relates to the Trust's share of the Local Government Pension Scheme. The Trust is carrying a net deficit of £3,074,000 (2017 – £3,310,000) on restricted general funds because of the deficit on its share of the Royal Borough of Greenwich Pension Fund.

*Fixed assets fund*

This fund represents the tangible fixed assets of the Trust including unspent grants received to fund works of a capital nature.

*Other restricted funds*

*Local authority grants*

These are grants receivable from the Royal Borough of Greenwich for specific purposes or projects.

**Comparative information**

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

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
<b>ESFA revenue grant fund</b>					
. General Annual Grant (GAG)	2	9,643	(9,562)	(22)	61
. Pupil Premium	—	517	(517)	—	—
. Other ESFA grants	—	97	(97)	—	—
	2	10,257	(10,176)	(22)	61
. Pension reserve	(2,972)	—	(360)	(39)	(3,371)
	(2,970)	10,257	(10,536)	(61)	(3,310)
<b>Fixed assets fund</b>					
. DfE/ESFA capital grants	1,390	605	(26)	—	1,969
. Donated fixed assets on conversion	26,444	—	(668)	—	25,776
. Capital expenditure from unrestricted funds	349	—	—	—	349
. Capital expenditure from GAG	—	—	—	22	22
	28,183	605	(694)	22	28,116
<b>Other Restricted Funds</b>					
Local authority grants	—	140	(140)	—	—
Other restricted funds	—	67	(67)	—	—
	—	207	(207)	—	—
<b>Total restricted funds</b>	<b>25,213</b>	<b>11,069</b>	<b>(11,437)</b>	<b>(39)</b>	<b>24,806</b>
<b>Unrestricted funds</b>					
. Unrestricted funds	308	141	(44)	—	405
<b>Total unrestricted funds</b>	<b>308</b>	<b>141</b>	<b>(44)</b>	<b>—</b>	<b>405</b>
<b>Total funds</b>	<b>25,521</b>	<b>11,210</b>	<b>(11,481)</b>	<b>(39)</b>	<b>25,211</b>

**16 Analysis of net assets between funds**

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2018 £'000
<b>Fund balances at 31 August 2018 are represented by:</b>				
Intangible fixed assets	—	—	2	2
Tangible fixed assets	—	—	27,815	27,815
Current assets	457	565	81	1,103
Current liabilities	—	(527)	—	(527)
Non-current liabilities	—	(2)	(61)	(63)
Pension scheme liability	—	(3,110)	—	(3,110)
<b>Total net assets</b>	<b>457</b>	<b>(3,074)</b>	<b>27,837</b>	<b>25,220</b>

**Comparative information**

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

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	Total 2017 £'000
<b>Fund balances at 31 August 2017 are represented by:</b>				
Intangible fixed assets	—	—	6	6
Tangible fixed assets	—	—	28,110	28,110
Current assets	405	587	—	992
Current liabilities	—	(526)	—	(526)
Pension scheme liability	—	(3,371)	—	(3,371)
<b>Total net assets</b>	<b>405</b>	<b>(3,310)</b>	<b>28,116</b>	<b>25,211</b>

**17 Commitments under operating leases**

**Operating leases**

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

	2018 £	2017 £
Amounts due within one year	42	18
Amounts due between two and five years inclusive	80	17
	<b>122</b>	<b>35</b>

**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 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £122,325 were payable to the schemes at 31 August 2018 (2017 – £133,765) and are included within creditors.

### *Teachers' Pension Scheme*

#### *Introduction*

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

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

#### *Valuation of the Teachers' Pension Scheme*

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- ◆ employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge
- ◆ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- ◆ an employer cost cap of 10.9% of pensionable pay will be applied to future valuations

**19 Pension and similar obligations (continued)**

***Teachers' Pension Scheme (continued)***

- ◆ 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 will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed. Initial indications are that the employer's contribution rate will increase to 23.6% from September 2019 and that government funding will be made available to cover the increased costs.

The employer's pension costs paid to TPS in the period amounted to £726,028 (2017 – £713,628).

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

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

***Local Government Pension Scheme (LGPS)***

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £279,000 (2017 – £260,000), of which employer's contributions totalled £201,000 (2017 – £182,000) and employees' contributions totalled £78,000 (2017 – £78,000).

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.

<b>Principal Actuarial Assumptions</b>	<b>At 31 August 2018</b>	<b>At 31 August 2017</b>
Rate of increase in salaries	3.8%	4.2%
Rate of increase for pensions in payment / inflation	2.3%	2.7%
Discount rate for scheme liabilities	2.7%	2.6%

19 Pension and similar obligations (continued)

*Local Government Pension Scheme (LGPS) (continued)*

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

	At 31 August 2018	At 31 August 2017
<i>Retiring today</i>		
Males	22.7	22.6
Females	24.8	24.7
<i>Retiring in 20 years</i>		
Males	24.9	24.8
Females	27.1	27.0

	At 31 August 2018 £'000	At 31 August 2017 £'000
<b>Sensitivity analysis – net increase in liability</b>		
Discount rate +0.1%	(137)	(136)
Discount rate -0.1%	141	139
Salary increase +0.1%	19	20
Salary increase -0.1%	(19)	(20)
Mortality rate +1 year	183	181
Mortality rate -1 year	(177)	(175)

The Academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equity instruments	219	202
Debt instruments	424	387
Property	251	210
Cash	26	22
Other	1,531	1,306
<b>Total market value of assets</b>	<b>2,451</b>	<b>2,127</b>
<b>Present value of scheme liabilities</b>		
Funded	(5,561)	(5,498)
<b>Deficit in the scheme</b>	<b>(3,110)</b>	<b>(3,371)</b>

The actual return on scheme assets was £58,000 (2017 – £176,000).

**19 Pension and similar obligations** (continued)

**Local Government Pension Scheme (LGPS)** (continued)

<b>Amounts recognised in statement of financial activities</b>	<b>2018</b> £	<b>2017</b> £
Current service costs	505	477
Net interest cost	85	64
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	2	1
<b>Total operating charge</b>	<b>592</b>	<b>542</b>
<b>Changes in the present value of defined benefit obligations were as follows:</b>	<b>2018</b> £	<b>2017</b> £
At 1 September 2017	5,498	4,747
Current service cost	505	477
Interest cost	144	105
Employee contributions	78	78
Actuarial (gain)/loss	(653)	137
Benefits paid	(11)	(46)
<b>At 31 August 2018</b>	<b>5,561</b>	<b>5,498</b>
<b>Changes in the fair value of the Academy's share of scheme assets:</b>	<b>2018</b> £	<b>2017</b> £
At 1 September 2017	2,127	1,775
Interest income	59	41
Return on plan assets less interest	(1)	135
Actuarial gain/(loss)	—	(37)
Employer contributions	201	182
Employee contributions	78	78
Benefits paid	(11)	(46)
Administration expenses	(2)	(1)
<b>At 31 August 2018</b>	<b>2,451</b>	<b>2,127</b>

**20 Related party transactions**

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

No related party transactions took place in the period of account.

**21 Capital commitments**

At 31 August 2018, the Trust had contracted for and authorised capital commitments of £109,290 in respect of fire alarm and fire door installations (2017 – £259,652 in respect of the roofing works).

**22 Agency agreements**

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the year ended 31 August 2018 the trust received £34,652 (2017 – £29,931) and disbursed £22,607 (2017 – £22,583) from the fund. £12,045 is included in other creditors relating to undistributed funds that is repayable to ESFA (2017 – £7,348).