

Registration number: 10647453

Potteries Educational Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the period from 2 March 2017 to 31 August 2018

Beever and Struthers
St George's House
215-219 Chester Road
Manchester
M15 4JE

Potteries Educational Trust

Contents

Reference and Administrative Details	1 to 2
Trustees' Report	3 to 11
Governance Statement	12 to 16
Statement on Regularity, Propriety and Compliance	17
Statement of Trustees' Responsibilities	18
Independent Auditor's Report on the Financial Statements	19 to 21
Independent Reporting Accountant's Report on Regularity	22 to 23
Statement of Financial Activities incorporating Income and Expenditure Account	24
Balance Sheet	25 to 26
Statement of Cash Flows	27
Notes to the Financial Statements	28 to 46

Potteries Educational Trust

Reference and Administrative Details

Members	L Barnes M Herbert T McMillan I Starkie M Jones
Trustees (Directors)	M Jones, Chairman S Ascroft (appointed 28 September 2017) K Clarke (resigned 28 September 2018) P Gavin D Hopwood (resigned 26 October 2018) J Hunter (appointed 28 September 2017) M Johnstone (resigned 25 September 2018) P Mangnall J Smart K Smith M Astley C Freeman, Vice Chairman
Company Secretary	S Hawley
Senior Management Team	M Kent, Chief Executive and Principal M Marshall, Deputy Principal S Murfin, Director of Finance and Resources R Jablonski, Assistant Principal C Gaygan, Assistant Principal E Swann, Director of TLA (STEM) P McPherson, Director of TLA (SPL,HSC) G Willis, Director of TLA (CAP)
Principal and Registered Office	C/O City of Stoke on Trent Sixth Form College Leek Road Stoke-On-Trent Staffordshire ST4 2RU
Company Registration Number	10647453

Potteries Educational Trust

Reference and Administrative Details (continued)

Auditors Beever and Struthers
 St George's House
 215-219 Chester Road
 Manchester
 M15 4JE
 22 August 2018

Solicitors Freeths LLP
 Federation House
 Station Road
 Stoke on Trent
 ST4 2SA

 Browne Jacobson
 Victoria House
 Victoria Square
 Birmingham
 B2 4BU

Potteries Educational Trust

Trustees' Report for the period from 2 March 2017 to 31 August 2018

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

The MAT operates the City of Stoke on Trent Sixth Form College. The College was first opened in 1970 to provide education to students aged 16-19 from schools within Stoke on Trent and North Staffordshire. It is located at the centre of the University Quarter and shares key science facilities with Staffordshire University. It also owns playing fields at Fenton Manor and has shared facilities within Fenton Manor Sports Hall. It has a capacity of 1,700 students and had 1,509 funded students at the census date in October 2017. It also provided a foundation degree programme for 50 students from Staffordshire University.

The City of Stoke on Trent Sixth Form College dissolved at midnight on 31 August 2017 and its activities, assets, liabilities and staff transferred to the Multi Academy Trust. The Governing Body of the City of Stoke on Trent Sixth Form College ceased to exist on 31 August 2017.

The Trust currently operates as an empty MAT with one associate member, Biddulph High School. There have been no transactions between the organisations but there have been joint staff development and management meetings to discuss progress towards the eventual joining as part of the MAT. There have been meetings of key managers of both organisations to discuss joint risk registers and strategic objectives. A joint procurement of audit services was carried out in February 2018. There have been no financial related activities. Further partner schools and academies are expected to join the Trust during 2018-19.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the multi academy trust. The company was incorporated on 2 March 2017. The company registration number is 10647453. The governors act as the trustees for the charitable activities of Potteries Educational Trust and are also the directors of the charitable company for the purposes of company law. The charitable company is known as the Potteries Educational Trust.

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

Members' liability

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

Trustees' indemnities

Trustees benefit from indemnity insurance purchased at the trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of negligence, default or breach of duty of which they may be guilty in relation to the Multi Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or not, and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Multi Academy Trust.

Potteries Educational Trust

Trustees' Report for the period from 2 March 2017 to 31 August 2018 (continued)

Method of recruitment and appointment or election of Trustees

The management of the Multi Academy Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

In accordance with the Articles of Association the Trust Board will comprise of:

- Up to 8 Trustees appointed by the Members
 - Additional co-opted Trustees as determined by the Trust Board (Employees including the Chief Executive shall not exceed one third of the total number of Trustees)
 - The Chief Executive Officer
 - A minimum of 2 parent Trustees if the Board does not establish a Local Governing Board
- The Board determined the establishment of a Local Governing Board which included
- 2 Elected parent governors
 - 2 Elected staff governors
 - 2 Elected student governors

Upon conversion to Academy status the Members appointed 8 Trustees. Five additional Trustees have been co-opted by the Board.

The term of office for a Trustee is usually four years (with the exception of the CEO/Principal). Any Trustee may be re-appointed or re-elected.

A Search Committee has been established to identify and attract suitable Trustees with a range of skills and background to provide the Multi Academy Trust with the best advice and support.

Organisational structure

The Trustees are responsible for setting general policy, adopting an annual strategic plan and budget, monitoring performance and appointment of Senior Postholders. The Principal and Director of Finance and Resources are Senior Postholders.

The Senior Management Team (SMT) consists of:

- Principal (Accounting Officer)
- Deputy Principal
- Director of Finance and Resources
- Assistant Principal – Curriculum
- Assistant Principal – Student Services
- 3 Directors of Teaching, Learning and Assessment (TLA)

SMT control organisations within the MAT at an executive level implementing policies laid down by the Trustees and reporting back to them. As a group they are responsible for the authorisation of spending within approved budgets and the appointment of staff.

There is also a College Management Team consisting of curriculum and support managers, in addition to the SMT, the aim of which is to devolve responsibility and encourage decision making at all levels. This group also reviews Risk Management within the organisation.

Arrangements for setting pay and remuneration of key management personnel

Trustees make decisions on pay levels for senior postholders upon the recommendation of the Remuneration Committee. These are based on national and sector benchmarks as well as performance of individuals. Levels of pay for other senior managers are also based on the same criteria.

Potteries Educational Trust

Trustees' Report for the period from 2 March 2017 to 31 August 2018 (continued)

Connected organisations, including related party relationships

The Potteries Educational Trust works in partnership with local schools and in particular SASCAL, a headteachers group within the City of Stoke on Trent.

Biddulph High School are an associate member of the Trust and are due to make a formal decision on future full membership by March 2019. Other members are actively being sought and growth of the MAT is expected in 2018-19.

The Potteries Educational Trust recognises the importance of relationships with all of these bodies as well as a range of stakeholders and engages with them on a regular basis.

Objectives and activities

Objects and aims

In May 2017 the PET adopted strategic plan for the period 2017 to 2020 which included estates and financial plans for the City of Stoke on Trent Sixth Form College which form part of the overarching strategic plan. The Trustees monitored the performance against these plans. The plans are reviewed and updated each year. The MAT's continuing strategic ambitions are to:

1. Become the first choice provider of outstanding 16-19 education within the City and the region.
2. Build the capacity of staff to enhance the student experience.
3. To be the specialist local provider of 16-19 Level 3 programmes of study.
4. To make a powerful contribution to partnership working both within the PET and across the City and North Staffordshire.
5. Ensure an efficient and sustainable future by the effective use of financial and human resources.

Potteries Educational Trust

Trustees' Report for the period from 2 March 2017 to 31 August 2018 (continued)

Objectives, strategies and activities

The PET's specific objectives for 2017-18 and achievement of those objectives is addressed below.

- The College achieved 1,509 funded FTE learners against a target of 1,500 FTE learners.
- Student success rates were maintained at 0.9% above the Sixth Form College national average on Level 3 programmes. The improvements in achievement at A2 were maintained, and the proportion of AS students achieving a high grade has improved. Outstanding levels of achievement and high grade achievement on BTEC Level 3 programmes was maintained.
- Improved the quality of teaching, learning and assessment by ensuring appropriate levels of staff utilisation against a background of substantially reduced funding from central government.
- Enhanced the range of facilities and support available to students.

Financial objectives

The Trust sets annual financial objectives in order to continue to maintain high standards of education and support for learners by the efficient use of funding allocated to the College.

In addition the Trust wishes to remain financially sound so as to:

- Maintain and further develop the very highest levels of teaching and learning for all its students. We seek to be the centre for academic excellence in the region and to work to support colleagues in feeder schools in developing their practice also – working in a collegiate way that acknowledges we can learn as much from them as they from us and for the betterment of all young people's lives in the area.
- Protect itself from unforeseen adverse changes in enrolments and learner activity levels. It should be noted that although the concept of the current funding methodology reduces the risk of in-year reconciliation any under achievement of targets in one year could lead to rebasing of allocations and reduced funding in future years.
- Provide a safe, pleasant and secure working environment for learners and staff.
- Generate sufficient income to enable maintenance and improvement of its accommodation and equipment.
- Develop staff to their full potential to enable them to motivate learners to achieve their goals.

The Trust wishes to maintain the confidence of funders, suppliers, bankers and auditors whilst also raising the awareness of trust staff of the financial environment under which it operates.

Public benefit

The Potteries Educational Trust is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education. The Directors, who are Trustees of the charitable company are disclosed on page 1.

In setting and reviewing the MAT's objectives, the Trustees had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its mission, the MAT provides the following identifiable public benefits through the advancement of education:

- High-quality teaching
- Widening participation and tackling social exclusion
- Excellent employment record for students
- Strong student support systems
- Links with employers, industry and commerce.
- Links with Local Enterprise Partnerships (LEPs)

Potteries Educational Trust

Trustees' Report for the period from 2 March 2017 to 31 August 2018 (continued)

Strategic Report

Achievements and performance

Key non-financial performance indicators

A series of performance indicators have been agreed to monitor the successful implementation of the policies.

Performance indicators:

Key Performance Indicators	Measure/ Target	Actual for 2017-18
Current ratio (after re-classification of creditors)	3.40	5.22
Cash days in hand	135.32	145.07
Total pay costs as a % of income	77.21%	73.25%
Dependency on ESFA funding	93.28%	93.06%
Premises costs per square metre (including staff)	£51.20	£52.89

The Trust is committed to observing the importance of sector measures and indicators and uses the Academy, Sixth Form College and Further Education data available on the GOV.UK website. The Trust is required to complete the BFRO and Accounting Return for the Education and Skills Funding Agency (ESFA). Although there are no formal measures of Academy financial health the Trust considers itself to be financially sound.

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies in note 1.

Financial review

The MAT receives the majority of its funding from the Education and Skills Funding Agency in the form of recurrent grant paid on a monthly basis. The grant received during the period is shown as 'Restricted Funds' in the Statement of Financial Activities.

The MAT also benefits from a Devolved Formula Capital Grant (£38,625 received in July 2018) which is used for maintenance projects and investment in resources. The MAT generated a surplus before depreciation actuarial gains in the period of £468,000 against a budgeted surplus of £355,000.

The MAT has accumulated reserves of £26,330,000 and cash and short term investment balances of £2,870,000. The MAT accumulated reserves and cash balances in order to create a contingency fund for future potential capital developments within the University Quarter including a potential extension to the main building and improved sports facilities.

Tangible fixed asset total £26,310,000 and movements during the year are shown in note 12 to the financial statements

The MAT has significant reliance on the education sector funding bodies for its principal funding source, largely from recurrent grants. In 2017-18 the ESFA provided 93.06% of the MAT's total income.

Actions taken by the City of Stoke on Trent Sixth Form College in each of the five years prior to academisation significantly reduced the operating cost base in order to provide some protection from future funding reductions.

Potteries Educational Trust

Trustees' Report for the period from 2 March 2017 to 31 August 2018 (continued)

Strategic Report

Reserves policy

MAT's are expected to create reserves from their annual funding. The Board of Trustees recognise the importance of reserves in the financial stability of any organisation, and ensure there are adequate reserves to support the MAT's core activities. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of the reserves. Due to funding restraints and increasing cost pressures this is becoming more challenging.

The MAT ended the period ending 31 August 2018 with net restricted reserves totalling £24,671k after taking into account the LGPS pension deficit provision.

The Trust wishes to continue to accumulate reserves and cash balances to enable future capital developments and cushion the effects of any further decreases in real terms funding levels. Plans for a building extension are currently being developed to accommodate anticipated increases in future learner numbers as well as specialist facilities for higher education level learners. This is expected to cost around £1.3m. In addition discussions are also taking place with partner organisations to develop further sports facilities to replace those at Fenton Manor following either the end of the current period or early termination outside of the control of the Trust.

Investment policy

Treasury management is the management of the MAT's cash flows, banking and money market transactions; the effective control of the risks associated with these activities; and the pursuit of optimum performance consistent with the associated risks. The MAT has a separate Treasury Management policy in place.

During the period there was no short term borrowing for temporary revenue purposes and the MAT has no outstanding bank loans. All borrowing requires the authorisation of the Trustees and must comply with the requirements of the Funding Agreement agreed with the ESFA.

The MAT has developed an Investment Policy that allows funds, identified as surplus to immediate requirements through cash flow monitoring, to be placed on short-term deposit with banks. The banks offer better return on short term investments through the money market. Should cash reserves increase sufficiently to consider longer term investment the MAT would seek further professional advice on suitable investment opportunities.

Potteries Educational Trust

Trustees' Report for the period from 2 March 2017 to 31 August 2018 (continued)

Strategic Report

Principal risks and uncertainties

The Trust has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the Trust's assets and reputation.

Based on the strategic plan, the Senior Leadership Team and wider Risk Management Group undertake regular comprehensive reviews of the risks to which the MAT is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the MAT. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to annual reviews, the Senior Leadership Team and wider Risk Management Group also consider any risks which may arise as a result of a new area of work being undertaken by the MAT.

A detailed risk register is maintained at MAT and College level which is reviewed at least termly by the Audit Committee and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Trust and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. This is supported by a risk management training programme to raise awareness of risk throughout the MAT.

Outlined below is a description of the principal risk factors that could affect the MAT although not all of the factors are within the MAT's control. Other factors besides those listed below may also adversely affect the MAT.

Government Funding

The MAT has considerable reliance on continued government funding through the further education sector funding bodies. In 2016-17, 92.53% of the College's revenue was ultimately publicly funded and, although this level of requirement is being addressed to minimise the impact of further funding cuts due either to national funding rates or local demographic trends, it rose slightly to 93.06% during 2017-18. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. Demographic trends also have a significant impact on recurrent funding.

The MAT is aware of several issues which may impact on future funding:

- The current 'lagged numbers' funding system which affects future capacity to increase enrolment targets. Significant increases in learner numbers would potentially have an in-year impact on staffing requirements, especially teaching.
- The adverse effect on funding of the continued cuts in public spending through stagnation of funding rates and non-funding of learner number growth.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements.
- By ensuring the MAT is rigorous in delivering high quality education and training.
- Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies.
- Ensuring the MAT is focused on those priority sectors which will continue to benefit from public funding.

Potteries Educational Trust

Trustees' Report for the period from 2 March 2017 to 31 August 2018 (continued)

Strategic Report

Plans for future periods

The Trust remains concerned that future austerity plans will continue to impact negatively on the 16-19 sector. Continuation of policies to increase real terms funding will put the sector under more pressure to remain financially viable.

The challenges faced by the sector include:

- Maintaining learner numbers in a period of reducing or stagnant demographics
- Developing the curriculum to meet the needs of learners with the introduction of linear courses
- Meeting the challenge of continued restrictions in funding
- Potential significant increases in employer payroll on-costs (NI and pensions)
- Maintaining the quality and experience for students despite real terms funding cuts
- Maintaining the current high reputation of the MAT
- Growth of the MAT and continued collaboration with schools and academies in the best interests of learners.

Resources

The Trust has resources that it can deploy in pursuit of its strategic objectives:

- Tangible fixed assets with a net balance sheet value of £26,310,000
- Net current assets of £2,099,000
- Established and well trained staff of 120 people (expressed as full time equivalents), of which 63 are teaching staff
- It's reputation as an organisation that achieves excellent results, together with high quality learner support
- Excellent facilities and physical resources.

Events After the End of the Reporting period

There have been no significant or material events to report after the period end.

Potteries Educational Trust

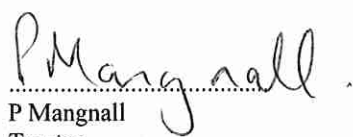
Trustees' Report for the period from 2 March 2017 to 31 August 2018 (continued)

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, was approved by order of the members of the Governing Body on 29 November 2018 and signed on its behalf by:

A handwritten signature in cursive script, appearing to read 'P Mangnall', written over a dotted line.

P Mangnall
Trustee

Potteries Educational Trust

Governance Statement

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Potteries Educational 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 Governing Body has delegated the day-to-day responsibility to M Kent, 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 Potteries Educational Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body 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 Governing Body has formally met 5 times during the period. Attendance during the period at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
S Ascroft	5	5
M Astley	5	5
K Clarke	4	5
C Freeman	4	5
P Gavin	4	5
D Hopwood	3	5
J Hunter	5	5
M Johnstone	2	5
M Jones	4	5
	5	5
P Mangnall	4	5
J Smart	4	5
K Smith	4	5

Governance

The Finance and General Purposes Committee is a sub-committee of the main Governing Body. Its purpose is to assist the Board in the discharge of its responsibilities for:

- monitoring the quality of the educational provision at the constituent institutions of the Potteries Educational Trust;
- monitoring the quality of teaching, learning and assessment within the Trust;
- monitoring the inclusiveness of the educational activities of the Trust.

Attendance at meetings during the period was as follows:

Potteries Educational Trust
Governance Statement (continued)

Trustee	Meetings attended	Out of a possible
M Astley	3	4
C Freeman	4	4
D Hopwood	3	4
M Johnstone	1	4
	3	4
K Smith	4	4

The Audit Committee is a sub-committee of the main Governing Body. Its purpose is to assist the Board through regular monitoring of its financial performance, approving capital projects and the monitoring of other key performance indicators. Attendance at meetings during the period was as follows:

Trustee	Meetings attended	Out of a possible
S Ascroft	3	4
A Clarke	1	4
P Gavin	4	4
J Gething	4	4
P Mangnall	4	4

Remuneration Committee

The purpose of this committee is to consider and advise on:

- the performance of the holders of senior posts as determined by the Board
- the remuneration, other terms and conditions of the holders of senior posts as determined by the Board.
- the appraisal of the holders of senior posts as determined by the Board.
- the staff development the holders of senior posts as determined by the Board.

The committee has formally met three times during the year. Attendance at the meetings of the Remuneration Committee was as follows:

Trustee	Meetings attended	Out of a possible
Joan Durose (Co-opted)	3	3
Charles Freeman (Chair)	3	3
Martin Jones	3	3

Potteries Educational Trust

Governance Statement (continued)

Local Governing Board

The Local Governing Board is a committee of the Board of Trustees. The constitution, membership and proceedings of the Local Governing Board is determined by the Board of Trustees and through the Scheme of Delegation. The Local Governing Board was evaluated at the end of the 2017-18 academic year and it was recommended to operate 2 sub-committees from September 2018 to focus on the details of the City of Stoke-on-Trent Sixth Form College: Teaching and Learning and Finance and Resources.

The Local Governing Board has formally met four times during the year. Attendance at the meetings of the Local Governing Board was as follows:

Name	Meetings attended	Out of a possible
Nicola Beech	4	4
Paul Buren	4	4
Joan Durose (Chair)	4	4
Geoffrey Eze	1	4
John Gething	4	4
Aaron Green	4	4
Gemanie Hassell-Dendy	2	4
Rob Hewitt	3	4
Zina Ismail	4	4
Mark Kent	4	4
Lacho Krlev (resigned 31 Oct 2017)	1	1
Stewart McNicol (appointed 6 December 2017)	3	3
Penny Meakin	4	4
Kevin Onions (resigned 31 July 2017)	3	4
Jennifer Sieradzki (appointed 6 December 2017)	1	3
Ian Simmington (appointed 6 December 2017 – resigned 31 July 2017)	2	3
Stephen Wyn Williams (Vice Chair)	4	4
Richard Waller (appointed 27 June 2018)	1	1

Potteries Educational Trust

Governance Statement (continued)

Review of value for money

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

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

- Producing a positive financial outturn despite real term reductions in funding and significant pressure on pay and non-pay expenditure.
- Maintaining an outstanding level of financial health in order to safeguard against further potential downturns in demographics or government funding.
- Preparing detailed monthly management accounts which contain key performance indicators, particularly around areas of significant expenditure.
- Reviewing national benchmarking data and providing like for like comparisons of income and expenditure.
- Maintaining high quality buildings and curriculum resources.
- Maintaining high levels of learner achievement resulting in excellent progression to higher education (75% in 2018) compared with the extremely low rate in the area (bottom decile nationally) and to employment in LEP priority areas.
- The Academy Trust has strong links with other providers, particularly with local schools and academies and hosts regular meetings of the SASCAL head teachers group resulting in collaborative working across all curriculum areas.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Potteries Educational Trust for the period ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

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

Potteries Educational Trust

Governance Statement (continued)

- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided:

- to appoint Beever and Struthers as internal auditor

The role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- 16-19 study programme
- testing of purchase systems
- testing of control account/ bank reconciliations

On a termly basis, the reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

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

Review of effectiveness

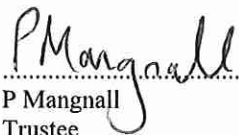
As Accounting Officer, M Kent has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board on 29 November 2018 and signed on its behalf by:


.....
M Kent
Accounting Officer


.....
P Mangnall
Trustee

Potteries Educational Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Potteries Educational Trust I have considered my responsibility to notify the academy trust Governing Body and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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


.....
M Kent

Accounting officer

29 November 2018

Potteries Educational Trust

Statement of Trustees' Responsibilities

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of 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 apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 29 November 2018 and signed on its behalf by:


.....
P Mangnall
Trustee

Potteries Educational Trust

Independent Auditor's Report on the Financial Statements to the Members of Potteries Educational Trust

Opinion

We have audited the financial statements of Potteries Educational Trust (the 'Academy') for the period from 2 March 2017 to 31 August 2018, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 and of its results for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Academy 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 Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

Potteries Educational Trust

Independent Auditor's Report on the Financial Statements to the Members of Potteries Educational Trust (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 18], 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.

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

Potteries Educational Trust

Independent Auditor's Report on the Financial Statements to the Members of Potteries Educational Trust (continued)

- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Academy to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Academy audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Academy's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's trustees 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 Academy and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Beeve and Struthers

.....
Sue Hutchinson (Senior Statutory Auditor)

For and on behalf of Beeve and Struthers, Statutory Auditor

St George's House
215-219 Chester Road
Manchester
M15 4JE

Date: *29 November 2018*

Potteries Educational Trust

Independent Reporting Accountant's Report on Regularity to Potteries Educational Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 22 August 2018 and further to the requirements of the Education & 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 Potteries Educational Trust during the period 2 March 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 Potteries Educational Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Potteries Educational Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Potteries Educational Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 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 2 March 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 ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review and testing of financial systems of internal control
- Sample testing of transactions
- Discussions with management

Potteries Educational Trust

Independent Reporting Accountant's Report on Regularity to Potteries Educational Trust and the Education & Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 2 March 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.

Beever and Struthers
.....

Sue Hutchinson

For and on behalf of Beever and Struthers, Chartered Accountants

St George's House
215-219 Chester Road
Manchester
M15 4JE

Date: *29 November 2018*
.....

Potteries Educational Trust

Statement of Financial Activities for the Period from 2 March 2017 to 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2018 Total £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	-	46	40	86
Transfer from City of Stoke Sixth Form College on conversion		867	(2,622)	27,084	25,329
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	3	-	6,529	-	6,529
Other trading activities	4	349	2	-	351
Investments	5	8	-	-	8
Total		<u>1,224</u>	<u>3,955</u>	<u>27,124</u>	<u>32,303</u>
Expenditure on:					
Raising funds	6	3	-	-	3
<i>Charitable activities:</i>					
Academy trust educational operations	7	<u>227</u>	<u>6,516</u>	<u>794</u>	<u>7,537</u>
Total		<u>230</u>	<u>6,516</u>	<u>794</u>	<u>7,540</u>
Net income/(expenditure)		994	(2,561)	26,330	24,763
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	23	<u>-</u>	<u>898</u>	<u>-</u>	<u>898</u>
Net movement in funds/(deficit)		<u>994</u>	<u>(1,663)</u>	<u>26,330</u>	<u>25,661</u>
Reconciliation of funds					
Total funds/(deficit) carried forward at 31 August 2018		<u>994</u>	<u>(1,663)</u>	<u>26,330</u>	<u>25,661</u>

Potteries Educational Trust
(Registration number: 10647453)
Balance Sheet as at 31 August 2018

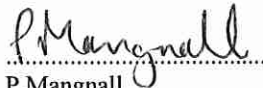
	Note	31 August 2018 £ 000
Fixed assets		
Tangible assets	11	26,310
Current assets		
Stocks	12	49
Debtors	13	125
Cash at bank and in hand		<u>2,870</u>
		3,044
Creditors: Amounts falling due within one year	14	<u>(945)</u>
Net current assets		<u>2,099</u>
Total assets less current liabilities		28,409
Creditors: Amounts falling due after more than one year	15	(798)
Provisions	16	<u>(252)</u>
Net assets excluding pension liability		27,359
Pension scheme liability	23	<u>(1,698)</u>
Net assets including pension liability		<u><u>25,661</u></u>
Funds of the Academy:		
Restricted funds		
Restricted general fund		39
Restricted fixed asset fund		26,330
Restricted pension fund		<u>(1,698)</u>
		24,671
Unrestricted funds		
Unrestricted general fund		<u>990</u>
Total funds		<u><u>25,661</u></u>

Potteries Educational Trust

(Registration number: 10647453)

Balance Sheet as at 31 August 2018 (continued)

The financial statements on pages 24 to 46 were approved by the Trustees, and authorised for issue on 29 November 2018 and signed on their behalf by:



P Mangnall
Trustee



M Kent
Chief Executive Officer

Potteries Educational Trust

Statement of Cash Flows for the Period from 2 March 2017 to 31 August 2018

	Note	31 August 2018 £ 000
Cash flows from operating activities		
Net cash provided by operating activities	19	2,842
Cash flows from investing activities	20	<u>28</u>
Change in cash and cash equivalents in the period		2,870
Cash and cash equivalents at 2 March		<u>-</u>
Cash and cash equivalents at 31 August	21	<u><u>2,870</u></u>

Potteries Educational Trust

Notes to the Financial Statements for the Period from 2 March 2017 to 31 August 2018

1 Accounting policies

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

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 ESFA, the Charities Act 2011 and the Companies Act 2006.

Conversion to an academy trust

The conversion from an incorporated sixth form college to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from an incorporated sixth form college to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in transfers from City of Stoke Sixth Form College on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in the notes.

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

Potteries Educational Trust

Notes to the Financial Statements for the Period from 2 March 2017 to 31 August 2018 (continued)

1 Accounting policies (continued)

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

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

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.

Transfer on conversion

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

Potteries Educational Trust

Notes to the Financial Statements for the Period from 2 March 2017 to 31 August 2018 (continued)

1 Accounting policies (continued)

Donated fixed assets

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.

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

Potteries Educational Trust

Notes to the Financial Statements for the Period from 2 March 2017 to 31 August 2018 (continued)

1 Accounting policies (continued)

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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

Asset class	Depreciation method and rate
Freehold buildings	50 years
Long leasehold buildings	Over the life of the lease
Refurbishments	50 years
Technical equipment	4 years
Computer equipment	4 years
Furniture, fixtures and fittings	8 years

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.

Potteries Educational Trust

Notes to the Financial Statements for the Period from 2 March 2017 to 31 August 2018 (continued)

1 Accounting policies (continued)

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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

Enhanced Pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by the Trust annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged to the Trust's income in the year that the member of the staff retires. In subsequent years a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet by the funding bodies.

Leased assets

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

Stock

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

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

Potteries Educational Trust

Notes to the Financial Statements for the Period from 2 March 2017 to 31 August 2018 (continued)

1 Accounting policies (continued)

Pension 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer 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 academy trust at the discretion of the trustees.

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

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

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.

Potteries Educational Trust

Notes to the Financial Statements for the Period from 2 March 2017 to 31 August 2018 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note x, 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 31/08/2018. 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.

Agency accounting

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 27.

2 Donations and capital grants

	Restricted funds £ 000	Restricted fixed asset funds £ 000	2018 Total £ 000
Other voluntary income			
Educational trips and visits	46	-	46
Capital grants	-	40	40
	<u>46</u>	<u>40</u>	<u>86</u>

3 Funding for the Academy Trust's educational operations

	Restricted funds £ 000	2018 Total £ 000
DfE/ESFA revenue grants		
General Annual Grant (GAG)	6,105	6,105
Other DfE/ESFA grants	119	119
	<u>6,224</u>	<u>6,224</u>

Potteries Educational Trust

Notes to the Financial Statements for the Period from 2 March 2017 to 31 August 2018 (continued)

3 Funding for the Academy Trust's educational operations (continued)

	Restricted funds £ 000	2018 Total £ 000
Other government grants		
Local authority grants	37	37
Staffordshire University	268	268
	<u>305</u>	<u>305</u>
Total grants	<u>6,529</u>	<u>6,529</u>

4 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	2018 Total £ 000
Hire of facilities	4	-	4
Other sales	345	2	347
	<u>349</u>	<u>2</u>	<u>351</u>

5 Investment income

	Unrestricted funds £ 000	2018 Total £ 000
Short term deposits	<u>8</u>	<u>8</u>

Potteries Educational Trust

Notes to the Financial Statements for the Period from 2 March 2017 to 31 August 2018 (continued)

6 Expenditure

	Non Pay Expenditure			2018
	Staff costs £ 000	Premises £ 000	Other costs £ 000	Total £ 000
Expenditure on raising funds				
Allocated support costs	-	-	3	3
Academy's educational operations				
Direct costs	4,147	-	549	4,696
Allocated support costs	973	1,251	617	2,841
	<u>5,120</u>	<u>1,251</u>	<u>1,169</u>	<u>7,540</u>

7 Charitable activities

	2018 £ 000
Direct costs - educational operations	4,696
Support costs - educational operations	<u>2,841</u>
	<u>7,537</u>

	Educational operations £ 000	2018 Total £ 000
Analysis of support costs		
Support staff costs	973	973
Depreciation	794	794
Technology costs	62	62
Premises costs	457	457
Other support costs	544	544
Governance costs	11	11
Total support costs	<u>2,841</u>	<u>2,841</u>

Potteries Educational Trust

Notes to the Financial Statements for the Period from 2 March 2017 to 31 August 2018 (continued)

8 Staff

Staff costs

	2018 £ 000
Staff costs during the period were:	
Wages and salaries	3,925
Social security costs	381
Operating costs of defined benefit pension schemes	814
	<u>5,120</u>

Staff numbers

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

	2018 No
Charitable Activities	
Teachers	63
Administration and support	49
Management	8
	<u>120</u>

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	31 August 2018 No
£60,001 - £70,000	1
£70,001 - £80,000	1
£90,001 - £100,000	1
	<u>3</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £638,000.

Potteries Educational Trust

Notes to the Financial Statements for the Period from 2 March 2017 to 31 August 2018 (continued)

9 Related party transactions - trustees' remuneration and expenses

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

Other related party transactions involving the trustees are set out in note 24.

10 Trustees' and officers' insurance

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

11 Tangible fixed assets

	Freehold land and buildings £ 000	Leasehold land and buildings £ 000	Plant and equipment £ 000	Total £ 000
Cost				
Acquisition	25,011	1,556	517	27,084
Additions	12	-	10	22
Disposals	-	-	(64)	(64)
At 31 August 2018	<u>25,023</u>	<u>1,556</u>	<u>463</u>	<u>27,042</u>
Depreciation				
Charge for the year	542	36	216	794
Eliminated on disposals	-	-	(62)	(62)
At 31 August 2018	<u>542</u>	<u>36</u>	<u>154</u>	<u>732</u>
Net book value				
At 31 August 2018	<u>24,481</u>	<u>1,520</u>	<u>309</u>	<u>26,310</u>

12 Stock

	31 August 2018 £ 000
First Bus Tickets	<u>49</u>

Potteries Educational Trust

Notes to the Financial Statements for the Period from 2 March 2017 to 31 August 2018 (continued)

13 Debtors

	31 August 2018 £ 000
Trade debtors	1
VAT recoverable	23
Other debtors	7
Prepayments	94
	<u>125</u>

14 Creditors: amounts falling due within one year

	31 August 2018 £ 000
Trade creditors	86
Other taxation and social security	100
Other creditors	639
Accruals	113
Deferred income	7
	<u>945</u>

15 Creditors: amounts falling due after one year

	31 August 2018 £ 000
Deferred income	798
	<u>798</u>
	31 August 2018 £ 000
Deferred income	
Deferred income at 2 March 2017	810
Amounts released from previous periods	(5)
Deferred income at 31 August 2018	<u>805</u>

The deferred income is funds received in advance from City of Stoke Council for the use of the sports playing field and is released annually over the lifetime of the lease.

Potteries Educational Trust

Notes to the Financial Statements for the Period from 2 March 2017 to 31 August 2018 (continued)

16 Provisions

	Enhanced pensions £ 000	Total £ 000
At 2 March 2017	252	252
Charged to SOFA	12	12
Utilised during period	(12)	(12)
At 31 August 2018	<u>252</u>	<u>252</u>

The enhanced pension provision relates to the cost of staff who have already left the academy's employ and commitments for reorganisation costs from which the academy cannot reasonably withdraw at the balance sheet date. This provision has been recalculated in accordance with guidance issued by the funding bodies.

The principal assumptions for this calculation are:

ENTER INFLATION/DISCOUNT RATES - TBC @ 27.11.18

17 Funds

	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Restricted general funds				
General Annual Grant (GAG)	6,105	(5,802)	-	303
Other DFE/EFA Grants	119	(119)	-	-
Local Authority Grants	305	(305)	-	-
Other Income/Donations	279	(279)	-	-
Transferred on conversion	(264)	-	-	(264)
	<u>6,544</u>	<u>(6,505)</u>	<u>-</u>	<u>39</u>
Restricted fixed asset funds				
Capital grants	40	(794)	-	(754)
Transferred on conversion	27,084	-	-	27,084
	<u>27,124</u>	<u>(794)</u>	<u>-</u>	<u>26,330</u>
Restricted pension funds				
Pension fund	(2,358)	(238)	898	(1,698)
Total restricted funds	31,310	(7,537)	898	24,671

Potteries Educational Trust

Notes to the Financial Statements for the Period from 2 March 2017 to 31 August 2018 (continued)

17 Funds (continued)

	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Unrestricted funds				
Unrestricted general funds	993	(3)	-	990
Total funds	<u>32,303</u>	<u>(7,540)</u>	<u>898</u>	<u>25,661</u>

18 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	26,310	26,310
Current assets	990	2,034	20	3,044
Current liabilities	-	(945)	-	(945)
Creditors over 1 year	-	(798)	-	(798)
Provisions	-	(252)	-	(252)
Pension scheme liability	-	(1,698)	-	(1,698)
Total net assets	<u>990</u>	<u>(1,659)</u>	<u>26,330</u>	<u>25,661</u>

19 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2018 £ 000
Net income	24,763
Depreciation	794
Capital grants from DfE and other capital income	(40)
Interest receivable	(8)
Defined benefit pension scheme cost less contributions payable	177
Defined benefit pension scheme finance cost	61
Increase in stocks	(49)
Increase in debtors	(125)
Increase in creditors	1,743
Increase/(decrease) in provisions	252
Adjustment in respect of transfer in of existing academy trust	<u>(24,726)</u>
Net cash provided by Operating Activities	<u>2,842</u>

Potteries Educational Trust

Notes to the Financial Statements for the Period from 2 March 2017 to 31 August 2018 (continued)

20 Cash flows from investing activities

	2018 £ 000
Dividends, interest and rents from investments	8
Purchase of tangible fixed assets	(22)
Proceeds from sale of tangible fixed assets	2
Capital funding received from sponsors and others	40
Net cash provided by investing activities	<u>28</u>

21 Analysis of cash and cash equivalents

	31 August 2018 £ 000
Cash at bank and in hand	<u>2,870</u>
Total cash and cash equivalents	<u>2,870</u>

22 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

23 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 . 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.

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

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.

Potteries Educational Trust

Notes to the Financial Statements for the Period from 2 March 2017 to 31 August 2018 (continued)

23 Pension and similar obligations (continued)

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £672,000.

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2018 was £259,000, of which employer's contributions totalled £199,000 and employees' contributions totalled £60,000. The actuary has estimated that the Employers contributions for the year to 31 August 2019 will be approximately £217,000.

Potteries Educational Trust

Notes to the Financial Statements for the Period from 2 March 2017 to 31 August 2018 (continued)

23 Pension and similar obligations (continued)

As described in the notes the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

Principal actuarial assumptions

	31 August 2018 %
Rate of increase in salaries	2.80
Rate of increase for pensions in payment/inflation	2.40
Discount rate for scheme liabilities	<u>2.80</u>

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

	31 August 2018
Retiring today	
Males retiring today	22.10
Females retiring today	24.40
Retiring in 20 years	
Males retiring in 20 years	24.10
Females retiring in 20 years	<u>26.40</u>

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

	31 August 2018 £ 000
Equities	4,588
Other bonds	1,245
Property	524
Cash and other liquid assets	<u>197</u>
Total market value of assets	<u>6,554</u>

The actual return on scheme assets was £407,000.

Potteries Educational Trust

Notes to the Financial Statements for the Period from 2 March 2017 to 31 August 2018 (continued)

23 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2017/18 £ 000
Current service cost	376
Interest income	152
Interest cost	(213)
Total amount recognized in the SOFA	<u>315</u>

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

	2017/18 £ 000
Conversion of academy trusts	8,381
Current service cost	376
Interest cost	213
Employee contributions	60
Actuarial (gain)/loss	(643)
Benefits paid	(135)
At 31 August	<u>8,252</u>

Changes in the fair value of academy's share of scheme assets:

	2017/18 £ 000
Conversion of academy trusts	6,023
Interest income	152
Actuarial gain/(loss)	255
Employer contributions	199
Employee contributions	60
Benefits paid	(135)
At 31 August	<u>6,554</u>

24 Related party transactions

Owing to the nature of the academy trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Biddulph High School is an Associate Member of the Multi Academy Trust, however no financial transactions took place between the two academy trusts during the period.

Potteries Educational Trust

Notes to the Financial Statements for the Period from 2 March 2017 to 31 August 2018 (continued)

25 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the academy trust received £331,041 and disbursed £287,502 from the fund. An amount of £30,170 is included in other creditors relating to undistributed funds that is repayable to ESFA.

26 Conversion to an academy trust

On the converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Potteries Educational Trust from the City of Stoke Sixth Form College for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as Donations- transfer from City of Stoke Sixth Form College.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted fund £ 000	Restricted general fund £ 000	Restricted fixed asset fund £ 000	Total £ 000
Tangible fixed assets				
Freehold land and buildings	-	-	25,011	25,011
Leasehold land and buildings	-	-	1,556	1,556
Other tangible fixed assets	-	-	517	517
LGPS pension deficit	-	(2,358)	-	(2,358)
Other identified assets and liabilities	867	(264)	-	603
Net assets/(liabilities)	<u>867</u>	<u>(2,622)</u>	<u>27,084</u>	<u>25,329</u>