

Company Registration Number: 10653595 (England and Wales)

GENESIS EDUCATION TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

GENESIS EDUCATION TRUST
(A Company Limited by Guarantee)

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GENESIS EDUCATION TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

Laurence Jones
Fr Telen Salvador
Chika Ikegwu (resigned 10 September 2018)
Elwin Cookett
Anita Fenn (resigned 6 November 2017)
Graham Moss

Trustees

Graham Moss, Chair of Trustees
Rev Canon Ade Ademola, Vice Chair
Paul Powell, Trustee
Beverley Hall, Trustee
Chika Ikegwu, Trustee (resigned 10 September 2018)
Ruth Ejvet, Trustee (date office ended 19 April 2018)
Rev Young Lee, Trustee (resigned 7 December 2017)
Heather Boardman, Trustee
Carlene Reid, Trustee (resigned 4 November 2017)
Anita Fenn, Trustee (resigned 8 November 2017)
Elaine McDonald-James, Trustee (resigned 17 July 2018)
Nana Banton, Trustee (appointed 17 July 2018)
Lisa Collison, Trustee (appointed 19 April 2018)
Hilton Osagioduwa Idahosa, Trustee (appointed 19 April 2018)
Nicola King, Trustee (appointed 17 July 2018)
Samir Soni, Trustee (appointed 17 July 2018)

Company registered number

10653595

Company name

Genesis Education Trust

Principal and registered office

St Mary's C Of E Primary School, Brooke Road, Walthamstow, London, E17 9HJ

GENESIS EDUCATION TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Company secretary

Wendy Plattwood

Chief executive officer

Beverley Hall

Senior management team

Beverley Hall
Elaine McDonald-James
David Huntingford
Kerry Munden
Faye Rider
Matthew O'Brien

Independent auditors

Haslers, Old Station Road, Loughton, Essex, IG10 4PL

GENESIS EDUCATION TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2017 to 31 August 2018. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

The trust operates 9 Church of England schools within East London. The academies have a combined pupil capacity of 1,470.

The MAT formed in April 2017 and is working with other schools and academies to support school to school improvement.

Since the academy qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Trustees of Genesis Education Trust are also the directors of the charitable company for the purpose of company law.

Details of the Trustees who served during the are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Trustees' indemnities

The trust holds an insurance policy with the DfE Risk Protection Arrangement which includes Trustees liability insurance. This qualifies as third party indemnity insurance as defined in Section 236 of the Companies Act 2006

d. Method of recruitment and appointment or election of Trustees

The Trust Board consists of four members as at 31st August 2018.

The Trustees are appointed under the rules contained within the Trust's Memorandum and Articles of Association and Membership of the board of Trustees in accordance with the structure contained within it. The number of Trustees and the appointments made are in line with the guidance in the Articles of Association.

GENESIS EDUCATION TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

e. Policies and procedures adopted for the induction and training of Trustees

All newly appointed Trustees are given induction training which reflects their previous experience. The Trust will undertake an annual skills audit of Trustees and, when gaps are identified, training courses will be offered to address these issues. Any declarations of interest are requested at each full Trust Board meeting. A declaration of interest form is completed by each member of the Trust Board and monitored for conflicts of interest.

f. Organisational structure

The Trustees are responsible for exercising oversight of the governance and management of the Trust. In exercising their responsibilities, trustees consider the advice given by the CEO, other executive officers and LGB, as appropriate.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust by use of results and budgets; making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

g. Pay policy for key management personnel

The remuneration of key management personnel is determined by the LGB Personnel Committee. The committee is guided by the Pay Policy and supported by an HR partner ensuring that all available relevant information is considered including legislative obligations, teaching and support pay scales in relation to salaries and settlement levels, internal differentials, recruitment difficulties, the proposed cost and ability to pay.

Trade union facility time

Genesis Education Trust has no employees who were relevant union officials during this reporting period.

h. Connected organisations, including related party relationships

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

Objectives and Activities

a. Objects and aims

- To create a safe, secure and positive environment where young people feel listened to and valued
- Develop a stimulating, flexible curriculum in order to meet the needs and aspirations of different individuals
- Create varied learning and enrichment opportunities to encourage the personal development of young people so that they gain the positive attributes and ethical grounding needed to make a valuable contribution to society.
- Develop high quality teaching and learning provision alongside effective pupil support structures, so that every child is able to achieve their full academic potential
- Ensure access to relevant, engaging and effective professional development opportunities so that staff, as well as pupils, become lifelong learners
- Collaborate with the wider community and work in partnership with relevant organisations in order to enhance our educational provision and strengthen community spirit.
- Ensure high quality and effective communication and consultation with staff, pupils, parents/carers and the wider community
- Be an innovative and flexible organisation, receptive to new ideas that will bring further improvement to our learning community.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

b. Vision Statement

To deliver high quality and distinctive educational services that reflects our community.

c. Vision and Values

The Genesis Education Trust is the collaboration with partnership agreement between The Federated Schools of St Mary's and St Saviour's, Walthamstow with St Margaret's in Barking - forming an Independent Church Multi-Academy Trust with a desire to strengthen C of E unity within East London by implementing the good /outstanding provision we offer.

All GET schools have a strong emphasis on being involved in their communities. Current Good and Outstanding SIAMS reports show that each of the school's deliver, within a Christian context, the best educational, spiritual, physical, social and emotional outcomes for children and their families.

They are fully committed in ensuring pupils and staff achieve their full potential; believing in excellence through distinctiveness.

The GET MAT is currently in the process of establishing further partnerships in East London and the South East. We now have teaching school status and have been working in partnership with numerous schools. In addition we made a bid for SSIF funding with an aim to develop reading in targeted schools. Our bid was successful and the proposed reading project has been introduced to all schools involved and whilst it is ongoing, impact is already evident. Feedback from our application was very positive and as a result we were asked to present to potential applicants outlining our method and highlighting essential elements of the process.

When we were granted status as a Teaching School Beverley Hall, our CEO, was also awarded National Leader of Education Status which is an official accreditation given to system leaders to both support and improve the quality of education and leadership in schools

We have further developed our effective structures for CPD both internally and externally and the GET schools work alongside other schools sharing expertise and good practice through their involvement in networks. Formal support and Outreach work over the past 7 years has been with large MATs, community schools, church schools and All-Through schools. Support has included leadership and management, teaching and learning, EYFS, Finances and curriculum provision.

We have worked at supporting and developing all staff within the MAT also, ensuring that new staff and established staff are meeting our high expectations. Within the Trust there is significant expertise and a strong track record in supporting in a variety of contexts. GET schools have a wide range of experiences in moving schools rapidly from requires improvement to good / outstanding. An essential principle of the Trust is sustainable growth and ensuring that the necessary capacity and expertise is in place to deliver continual educational improvements.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Achievements and performance

Strategic report

a. Key performance indicators

Current Grading

OFSTED

St Mary's C of E School - Outstanding (March 2016)
St Saviour's C of E School - Good, moving to Outstanding (September 2018)
St Margaret's Barking - Good (March 2013)

SIAMs:

St Mary's C of E - Outstanding (June 2016)
St Saviour's C of E School - Outstanding (May 2015) St Margaret's Barking - Good (October 2015)

St Mary's data

2018 KS2 results

	Expected	Greater Depth GDI	National Expected	National GD
Reading	86%	44%	75%	28%
Writing	91%	42%	78%	20%
GPS	94%	61%	78%	34%
Maths	89%	42%	76%	24%
Combined	82%	34%	64%	10%

All areas are good. A significant proportion had reached combined expected result and was well above the national average. A significant proportion reached greater depth which was also well above national average. Any data that is 10 or more percent from the National Average is considered significant – using this criteria, all areas are significantly above national averages.

St Saviour's data

2018 KS2 results

	Expected	Greater Depth GDI	National Expected	National GD
Reading	87%	45%	75%	28%
Writing	95%	21%	78%	20%
GPS	95%	53%	78%	34%
Maths	95%	29%	76%	24%
Combined	87%	18%	64%	10%

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

All areas are good and the differences from the national average are significant at the expected level. All areas are above the national average at greater depth with reading and GPS significantly above national average.

St Margaret's data

2018 KC2 results

	Expected	Greater Depth GDI	National Expected	National GD
Reading	75%	34%	75%	28%
Writing	83%	15%	78%	20%
GPS	89%	47%	78%	34%
Maths	75%	30%	76%	24%
Combined	62%	9%	64%	10%

Reading, writing and GPS are above the national average at the expected level with maths only -1% against the national average and combined only -2% against the national average. At greater depth St Margaret's data exceeds the national average in reading, GPS and maths. It is only -2% below in combined and -5% in writing.

b. Going concern

The Trust has reviewed and considered budgets and forecasts alongside the Academy Trust's ongoing development plan and robust measures being considered.

The Directors have a reasonable expectation based upon these measures 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.

Financial review

a. Financial report for the year

The company was incorporated on 6 March 2017 but the academies converted on 1 April 2017.

The multi-academy trust was formed on 1st April 2017 and the governance is outlined in the previous sections. The financial statements are from 1st September 2017 to 31st August 2018 for Genesis Academy Trust.

The majority of the Trust's income is from the Education and Skills Funding Agency and is based on pupil numbers. The use of the funding is restricted to educational purposes. A small amount of income is derived from lettings.

The results show an in year deficit of £77,913, and a net deficit position on the balance sheet of £1,492,558, largely due to the deficit from the pension reserve, as explained further in the going concern account policy (1.2).

b. Reserves policy

Our MAT has effective financial stewardship to enable it strategically to achieve efficiencies and economies of scale. We plan ahead and put robust, consistent systems in place for our medium and long term efficiency and sustainability; including financial planning and budget forecasting. All this is aligned with the vision for our MAT, anticipating possible changes and planning ahead making us more resilient and well placed to mitigate any risks.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

As a result of the regular monitoring and reviewing of our financial position we keep a reserve or contingency that is appropriate to all possible situations.

CAPITAL

Purpose

Academies are expected to create reserves from their annual GAG funding. During the early years of operation GAG Funding levels create little opportunity to achieve a surplus. Currently, the DfE provides minimal funding in the way of Devolved Formula Capital Grant. In addition academies are able to bid for a share of the Academies Capital Maintenance Fund.

The Board of Genesis Education Trust ("the Trust") require a capital reserve to be created to fund future capital expenditure.

Scope

The Chief Operations Officer, in conjunction with the Chief Executive Officer, is responsible for ensuring compliance with GET Policies and Procedures.

Procedure

The Chief Operations Officer should propose a capital reserve schedule to the Directors identifying the need to replace assets and the related sums required.

The Directors should agree the value of capital reserves to be created in a year as part of the budget approval process.

Funds should be transferred to a separate bank account at such a time that is clear that to do so would not create a deficit cash flow situation.

Any separate bank account should have instant access in order to ensure any "unknown" major expenditure can be moved to the current account in order to ensure cash flow does not indicate a deficit. Spend of the capital reserve fund should only occur as agreed budgeted spend which is approved by the Directors as part of the budget process.

REVENUE

Purpose

Academies are expected to hold contingency reserves from their annual GAG funding or other income. The Directors require a revenue reserve to be created to fund future expenditure related to the Trust's strategic long-term aims and developments.

Scope

The Chief Operations Officer, in conjunction with the Chief Executive Officer, is responsible for ensuring compliance with the Trust's Policies and Procedures.

Procedure

The policy of the Trust is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the DfE.

This Policy will be reviewed by the Board on a 3-yearly cycle and must be signed by the Chair of Directors and Chief Executive Officer.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

c. Material investments policy

Purpose and scope

The purpose of the Investments Policy is to set out the processes by which Genesis Education Trust ("the Trust") Directors will meet their duties under the Trust's Articles of Association and Academies Financial Handbook issued by the EFSA to invest monies surplus to operational requirements in furtherance of the Trust's charitable aims and to ensure that investment risk is properly and prudently managed.

Definition of duties

The Trust's Articles gives Directors the power "to expend the funds of the Trust in such manner as they shall consider most beneficial for the achievement of the Objects and to invest in the name of the Trust such part of the funds as they may see fit and to direct the sale or transposition of any such investments and to expend the proceeds of any such sale in furtherance of the Objects."

Whilst the Board of Directors has responsibility for the Trust's finances, the Scheme of Delegation approved by the Board of Directors delegates responsibility to the Finance and Resources Committee:

To approve the Investments Policy to manage, control and track financial exposure, and ensure value for money; to review the trust's investments and investment policy on a regular basis.

The Chief Operations Officer is responsible for producing reliable cash flow forecasts as a basis for decision making. They are responsible for making investment decisions that comply with this Policy and for providing sufficient management information to the Finance Committee so it can review and monitor investment performance.

Objectives

The investment objectives are:

- To achieve best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation.
- Only invest funds surplus to operational need based on all financial commitments being met without the Trust bank account becoming overdrawn.

By complying with this policy, all investment decisions should be exercised with care and skill and consequently be in the best interests of the Trust, commanding broad public support.

Investment strategy

Investment risk will be managed through asset class selection and diversification to ensure that security of deposits takes precedence over revenue maximisation.

For selection, assets will only be considered with banking institutions which have credit ratings assessed by Fitch and or Moody to show good credit quality.

To manage the risk of default, deposits should be spread by banking institution and be subject to a maximum exposure of £500,000 with any PRA authorised institution by the Bank of England (refer to Financial Conduct Authority (FCA). Whilst this exceeds the protection limit of £75,000 provided by the FCA it is accepted that it is not always practicable to find a sufficient number of investments of this size that meet the prudent criteria outlined in this policy.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Spending and liquidity policy

Decisions on how much to invest and how long to invest for, will be based on operational requirements, demonstrated by cash flow forecasts produced by the Chief Operations Officer. The cash flow forecasts will take account of the annual budget and spending plans approved by the Board of Directors and updated on a monthly basis.

A sufficient balance must be held in the current account so that the Trust's financial commitments can always be met without the bank account going overdrawn. The size of the balance will be determined by a forecast of future need and kept under review.

Investments for a fixed term should not normally exceed one year in order to provide flexibility for the following year's plans, unless a clear rationale is provided for exceeding one year to the benefit of the Trust.

Monitoring and review

The Trust has authorised signatories, two of which are required to sign instructions to the deposit taking institution.

The Chief Operations Officer will monitor the cash position and cash flow forecast and report investments held and the performance of investments against objectives to the Finance Committee at appropriate intervals, depending on the terms of the investments. For example if investments are held one year then an annual report is appropriate.

This Investment Policy has been approved by the Finance Committee; it is reviewed by the Finance Committee on an annual basis to ensure continuing appropriateness.

d. Principal risks and uncertainties

The risks facing any academy trust are varied and complex and the Board of Directors are very well aware of these risks.

The Directors confirm that the major risks facing the Academy Trust have been identified and addressed. This has been undertaken through work of the Board of Directors, Committees and the work of the Academy Leadership Teams.

The risk register aims to ensure that the Genesis Trust complies with risk management best practice and sets out the current processes and responsibilities for risk management in the MAT. The requirements can be summarised as:

- The Directors acknowledge responsibility for the system of internal control
- An ongoing process is in place for identifying, evaluating and managing all significant risks
- An annual process is in place for reviewing the effectiveness of the system of internal control
- There is a system in place to deal with internal control weakness or failures

In assessing what constitutes a sound system of internal control, consideration should be given to:

- The nature and extent of the risks facing the organisation
- The extent and categories of risk which it regards as acceptable
- The likelihood of the risks concerned materialising
- The organisation's ability to reduce the incidence and impact of the risks that do materialise

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

The trust will ensure there is sufficient risk management in place to ensure that it and its schools remain compliant with legal and moral requirements. Such mitigations should ensure compliance with financial, operational as well as Health and Safety regulations, including activities that ensure safe working practice. These controls will be managed through a timetabled testing/audit system.

Plans for future periods

a. Future developments

We will continue to focus on the outreach work and the support we are giving to schools in Waltham Forest and beyond. We aim to increase the variety of training that we can offer, providing a cohesive approach to training and development as a way of driving school improvement. We want to further develop our bespoke initial teacher training, provide continuous professional development, leadership training, school-to-school support, promoting specialist leaders of education as well as becoming involved in research and development.

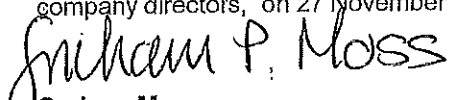
This will give teachers within our MAT the opportunity to develop mentoring skills, gaining professional and leadership development which in turn provides more opportunities for promotion, aiding in our retention of good teachers.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 27 November 2018 and signed on its behalf by:


Graham Moss
Chair of Trustees

GENESIS EDUCATION TRUST
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GOVERNANCE STATEMENT

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Graham Moss, Chair of Trustees	4	4
Rev Canon Ade Ademola, Vice Chair	4	4
Paul Powell, Trustee	4	4
Beverley Hall, Trustee	4	4
Chika Ifeagwu, Trustee	3	4
Ruth Ejvet, Trustee	0	3
Rev Young Lee, Trustee	1	1
Heather Boardman, Trustee	3	4
Carlene Reid, Trustee	1	1
Anita Fenn, Trustee	1	1
Elaine McDonald-James, Trustee	4	4
Nana Banton, Trustee	0	1
Lisa Collison, Trustee	2	2
Hilton Osagioduwa Idahosa, Trustee	2	2
Nicola King, Trustee	0	1
Samir Soni, Trustee	1	1

The Finance Committee is a sub-committee of the main board of trustees.

Its purpose is to:

- Draw any matters of significance or concern to the attention of the Governing Body
- Consider and recommend acceptance or non-acceptance of the Academy Budget for approval at the start of each financial year.
- Monitor and review expenditure on a regular basis and ensure compliance with overall financial planning and ESFA financial regulations.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Beverly Hall	3	3
Elaine Macdonald-James	3	3
Graham Moss	3	3
Rev Canon Ade Ademola	3	3
Lisa Collison	0	1

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GOVERNANCE STATEMENT (continued)

Review of Value for Money

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

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

We ensure that our Trust's use of resources has provided good value for money by securing the best possible outcomes for pupils, in the most efficient and effective way. Our main educational aims are to improve teaching and learning, pupil attainment, curriculum and leadership and management. All this needs to be achieved through the best value practise that ensures quality in all areas and reviews and evaluates impact.

Our MAT is also mindful of best value within every transaction we make. We explore alternative purchasing options, implementing tender processes where necessary and actively seek opportunities to procure products and services across a number of schools to create economies of scale, driving down costs and negotiating favourable rates. We review all contracts annually to ensure they remain fit for purpose.

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 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 Genesis Education Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

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GOVERNANCE STATEMENT (continued)

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

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

- Review of financial management
- Review of business interests
- Review of bank and system controls
- Review of expenses and procurements processes and controls
- Review of charge card processes and controls

On an annual basis, the auditor reports to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of Effectiveness

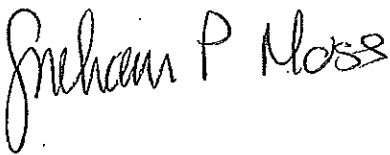
As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy 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 Local Governing Body and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 27 November 2018 and signed on their behalf, by:

Graham Moss
Chair of Trustees



Beverley Hall
Accounting Officer



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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Genesis Education Trust I have considered my responsibility to notify the academy trust board of trustees 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 board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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



Beverley Hall
Accounting Officer

Date: 27 November 2018

GENESIS EDUCATION TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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 issued 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:

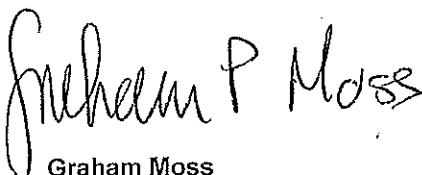
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 of trustees on 27 November 2018 and signed on its behalf by:



Graham Moss
Chair of Trustees

GENESIS EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
GENESIS EDUCATION TRUST**

Opinion

We have audited the financial statements of Genesis Education Trust (the 'academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

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 incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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'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 Auditors' 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.

GENESIS EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
GENESIS EDUCATION TRUST**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the 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.

GENESIS EDUCATION TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
GENESIS EDUCATION TRUST

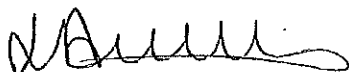
Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Laura Ambrose (Senior Statutory Auditor)

for and on behalf of

Haslers

Chartered Accountants
Statutory Auditor

Old Station Road
Loughton
Essex
IG10 4PL
27 November 2018

GENESIS EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO GENESIS
EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 21 March 2017 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 Genesis Education Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Genesis Education Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Genesis Education Trust's funding agreement with the Secretary of State for Education dated 29 March 2017, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes sample testing of the following:

- Review of governance procedures including inspection of Trustee and relevant Board minutes
- A review of internal auditor reports
- A review of Financial Controls Procedures and related records
- Discussions with the Accounting Officer and the Business Manager
- Reviewing the procedures for identifying and declaring related parties and other business interests
- Assessment and testing of a sample of the specific control activities over regularity of a particular activity

GENESIS EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO GENESIS
EDUCATION TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

- Perform sample testing of expenditure ensuring items are for the Trust's purposes and are appropriately authorised
- Carrying out substantive testing to cover authorisation of expenditure within internal delegated authorities and externally imposed limits.
- Obtaining formal representation from the Trustees and accounting officer acknowledging their responsibilities
- Scrutinising journals, and other adjustments posted during the year for evidence of unusual entries

Conclusion

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



Haslars

Chartered Accountants
Statutory Auditor

Old Station Road
Loughton
Essex
IG10 4PL

27 November 2018

GENESIS EDUCATION TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

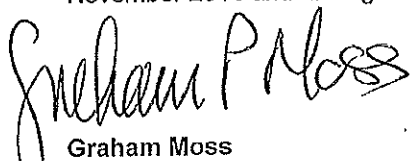
	Note	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<i>Income from:</i>						
Donations and capital grants	2	126,900	-	37,964	164,864	(1,229,537)
Charitable activities	3	7,260,377	27,317	-	7,287,694	3,048,462
Other trading activities	4	169,138	-	1,194,528	1,363,666	526,595
Investments	5	-	-	396	396	359
Total income		7,556,415	27,317	1,232,888	8,816,620	2,345,879
Expenditure on:						
Charitable activities		8,585,279	195,099	507,155	9,287,533	3,692,524
Total expenditure	7	8,585,279	195,099	507,155	9,287,533	3,692,524
Net income / (expenditure) before transfers		(1,028,864)	(167,782)	725,733	(470,913)	(1,346,645)
Transfers between Funds	16	845,838	45,875	(891,713)	-	-
Net expenditure before other recognised gains and losses		(183,026)	(121,907)	(165,980)	(470,913)	(1,346,645)
Actuarial gains/(losses) on defined benefit pension schemes	21	393,000	-	-	393,000	(68,000)
Net movement in funds		209,974	(121,907)	(165,980)	(77,913)	(1,414,645)
Reconciliation of funds:						
Total funds brought forward		(2,587,000)	787,504	384,851	(1,414,645)	-
Total funds carried forward		(2,377,026)	665,597	218,871	(1,492,558)	(1,414,645)


GENESIS EDUCATION TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 10653595

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	13		665,597		787,505
Current assets					
Debtors	14	375,249		381,383	
Cash at bank and in hand		731,074		624,570	
		<u>1,106,323</u>		<u>1,005,953</u>	
Creditors: amounts falling due within one year	15	<u>(847,478)</u>		<u>(621,103)</u>	
Net current assets			<u>258,845</u>		<u>384,850</u>
Total assets less current liabilities			<u>924,442</u>		<u>1,172,355</u>
Defined benefit pension scheme liability	21	<u>(2,417,000)</u>		<u>(2,587,000)</u>	
Net liabilities including pension scheme liabilities			<u><u>(1,492,558)</u></u>		<u><u>(1,414,645)</u></u>
Funds of the academy trust					
Restricted income funds:					
Restricted income funds	16	39,974		-	
Restricted fixed asset funds	16	665,597		787,504	
Restricted income funds excluding pension liability		<u>705,571</u>		<u>787,504</u>	
Pension reserve		<u>(2,417,000)</u>		<u>(2,587,000)</u>	
Total restricted income funds			<u>(1,711,429)</u>		<u>(1,799,496)</u>
Unrestricted funds	16		<u>218,871</u>		<u>384,851</u>
Total deficit			<u><u>(1,492,558)</u></u>		<u><u>(1,414,645)</u></u>

The financial statements on pages 22 to 49 were approved by the Trustees, and authorised for issue, on 27 November 2018 and are signed on their behalf, by:


Graham Moss
Chair of Trustees


Beverley Hall
Accounting Officer

GENESIS EDUCATION TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	18	179,696	288,073
Cash flows from investing activities:			
Purchase of tangible fixed assets		(73,192)	(61,589)
Surplus on conversion		-	398,086
Net cash (used in)/provided by investing activities		(73,192)	336,497
Change in cash and cash equivalents in the year		106,504	624,570
Cash and cash equivalents brought forward		624,570	-
Cash and cash equivalents carried forward	19	731,074	624,570

GENESIS EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

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

Genesis Education Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Trust shows an in year deficit of £77,913, and a total deficit of £1,492,558. The deficit is largely driven by pension obligations of £2,417,000. The schools which are included within the Trust have their buildings owned by the Diocese, and for this reason the asset values are not included within the accounts. This has the effect of having a reduced fixed assets, which directly impacts the total Net Asset/Liability position. With this in mind, it is appropriate the accounts are prepared on a going concern basis.

Furthermore, the future outlook of all schools is positive, as they are showing a balanced budget for the next 12 months.

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

GENESIS EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies (continued)

1.3 Income

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

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

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

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

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

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

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

GENESIS EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised 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 incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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 these assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture and fixtures	-	10% straight line
Motor vehicles	-	25% reducing balance
Computer equipment	-	25% straight line

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 incorporating Income and Expenditure Account.

1.6 Debtors

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

1.7 Cash at Bank and in hand

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

1.8 Liabilities and provisions

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

GENESIS EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies (continued)

1.9 Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.10 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

GENESIS EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting Policies (continued)

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

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

1.12 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 Group.

1.13 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

GENESIS EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

2. Income from donations and capital grants

	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	126,900	-	37,964	164,864	3,136
Transfer from local authority on conversion	-	-	-	-	(1,232,673)
	<u>126,900</u>	<u>-</u>	<u>37,964</u>	<u>164,864</u>	<u>(1,229,537)</u>
<i>Total 2017</i>	<u>(2,435,000)</u>	<u>804,241</u>	<u>401,222</u>	<u>(1,229,537)</u>	

3. Funding for Academy's educational operations

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	5,862,521	-	5,862,521	2,483,426
Capital Grants	27,317	-	27,317	26,904
Other DfE/ESFA Grants	1,156,704	-	1,156,704	444,478
	<u>7,046,542</u>	<u>-</u>	<u>7,046,542</u>	<u>2,954,808</u>
Other government grants				
Local Authority Grants	241,152	-	241,152	93,654
	<u>241,152</u>	<u>-</u>	<u>241,152</u>	<u>93,654</u>
	<u>7,287,694</u>	<u>-</u>	<u>7,287,694</u>	<u>3,048,462</u>
<i>Total 2017</i>	<u>3,048,462</u>	<u>-</u>	<u>3,048,462</u>	

GENESIS EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

4. Other trading activities

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Catering Income	169,138	-	169,138	80,005
Music Income	-	8,492	8,492	3,800
Trip Income	-	45,518	45,518	11,606
Self Generated Income	-	650,600	650,600	237,689
Lettings Income	-	152,857	152,857	63,084
Staff Consultancy	-	337,061	337,061	130,411
	<u>169,138</u>	<u>1,194,528</u>	<u>1,363,666</u>	<u>526,595</u>
<i>Total 2017</i>	<u>80,005</u>	<u>446,590</u>	<u>526,595</u>	

5. Investment income

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank Interest	-	396	396	359
	<u>-</u>	<u>396</u>	<u>396</u>	
<i>Total 2017</i>	<u>-</u>	<u>359</u>	<u>359</u>	

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6. Charitable activities

	Total funds 2018 £	<i>Restated Total funds 2017 £</i>
Direct costs - educational operations		
Wages and salaries	3,908,001	1,610,209
National insurance	364,216	147,545
Pension cost	451,780	172,049
Educational supplies	369,769	146,607
Staff development	107,004	76,010
Depreciation	195,099	78,325
Agency Supply Cover	420,152	108,746
	<u>5,816,021</u>	<u>2,339,491</u>
Support costs - educational operations		
Wages and salaries	1,204,062	455,614
National insurance	72,340	30,787
Pension cost	578,000	231,000
Pension expense	61,000	26,000
Support staff costs	15,995	15,934
Recruitment & support	6,538	399
Maintenance of premises & equipment	391,051	32,000
Cleaning	64,723	18,086
Rent & rates	62,095	36,006
Energy costs	99,189	42,568
Insurances	27,274	11,378
Security & transport	34,290	10,200
Letting costs	20,528	-
Bank interest & charges	269	482
Other support costs	208,104	55,952
Legal & professional fees	164,733	105,481
Pension admin costs	11,000	4,000
Catering costs	388,236	252,103
Technology costs	62,085	25,043
	<u>3,471,512</u>	<u>1,353,033</u>
	<u><u>9,287,533</u></u>	<u><u>3,692,524</u></u>

The prior year balances have been restated due to a reclassification of direct and support costs. This has a £nil effect on the total surplus.

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7. Expenditure

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Restated Total 2017 £
Educational operations:					
Direct costs	5,144,149	-	671,872	5,816,021	2,339,491
Support costs	1,854,402	530,132	1,086,978	3,471,512	1,353,033
	<u>6,998,551</u>	<u>530,132</u>	<u>1,758,850</u>	<u>9,287,533</u>	<u>3,692,524</u>
Total 2017	<u>2,755,950</u>	<u>130,008</u>	<u>806,566</u>	<u>3,692,524</u>	

8. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	195,099	78,326
Auditors' remuneration - audit	16,000	15,000
Auditors' remuneration - other services	<u>6,850</u>	<u>10,850</u>

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9. Staff costs

a. Staff costs

Staff costs were as follows:

	2018 £	<i>Restated</i> 2017 £
Wages and salaries	5,112,063	2,065,823
Social security costs	436,556	178,332
Operating costs of defined benefit pension schemes	1,029,780	403,049
	<u>6,578,399</u>	<u>2,647,204</u>
Agency staff costs	420,152	108,746
	<u>6,998,551</u>	<u>2,755,950</u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	106	74
Admin and support	114	166
Management	11	19
	<u>231</u>	<u>259</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	3	1
In the band £70,001 - £80,000	1	3
In the band £90,001 - £100,000	0	1
In the band £100,001 - £200,000	1	0

The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £443,466 (2017: £172,484 for a 5 month period).

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NOTES TO THE FINANCIAL STATEMENTS
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10. Central services

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

- Central audit services
- Finance
- HR and governance
- IT Services

The academy charges for these services on the following basis:

The Genesis Education Trust core services make sure that each school is concentrating on children first, setting the standards and is capacity rich. As the Trust grows it will recruit experienced personnel to key positions for example, School Improvement, HR and Estate Management.

The charge for each school is a 5% contribution, which is applied to the General Annual Grant excluding SEN funding, PFI funding, and Pupil Premium.

The actual amounts charged during the year were as follows:

	2018 £	2017 £
St Mary's academy	100,216	29,378
St Saviour's academy	66,755	19,865
St Margaret's academy	85,893	25,203
	<u>252,864</u>	<u>74,446</u>
Total		

11. Trustees' remuneration and expenses

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

		2018 £	2017 £
Beverley Hall (Executive Head Teacher)	Remuneration	120,000-125,000	90,000-95,000
	Pension contributions paid	15,000-20,000	15,000-20,000
Ruth Ejvet (Head Teacher - date office ended as trustee 19 April 2018)	Remuneration	30,000-35,000	70,000-75,000
	Pension contributions paid	0-5,000	10,000-15,000
Elaine McDonald-James (Chief Operating Office - resigned as trustee 17 July 2018)	Remuneration	65,000-70,000	55,000-60,000
	Pension contributions paid	15,000-20,000	15,000-20,000

During the year ended 31 August 2018, expenses totalling £1,678 (2017 - £NIL) were reimbursed to 2 Trustees (2017 - Nil).

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12. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

13. Tangible fixed assets

	Furniture and fixtures £	Computer Equipment £	Motor vehicles £	Total £
Cost				
At 1 September 2017	642,867	187,963	35,000	865,830
Additions	48,292	24,899	-	73,191
At 31 August 2018	691,159	212,862	35,000	939,021
Depreciation				
At 1 September 2017	37,658	37,021	3,646	78,325
Charge for the year	108,574	78,686	7,839	195,099
At 31 August 2018	146,232	115,707	11,485	273,424
Net book value				
At 31 August 2018	544,927	97,155	23,515	665,597
At 31 August 2017	605,209	150,942	31,354	787,505

The land and buildings of the schools within the academy trust are owned by the Diocese and therefore have not been recognised in the financial statements of the academy.

The trust has worked towards obtaining a valuation during the year of a section of playing fields at one of the schools, which was inherited on conversion in the prior year. However the trust has identified the cost of obtaining this would outweigh the benefit of having this valuation to the users of the financial statements. As a result, this valuation is not shown in the above tangible fixed assets note.

14. Debtors

	2018 £	2017 £
Trade debtors	41,473	116,227
Other debtors	99,982	110,520
Prepayments and accrued income	233,794	154,636
	375,249	381,383

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15. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	351,877	198,579
Other taxation and social security	116,183	107,225
Other creditors	13,020	240
Accruals and deferred income	366,398	315,059
	<u>847,478</u>	<u>621,103</u>

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	315,061	-
Resources deferred during the year	216,819	315,061
Amounts released from previous years	(315,061)	-
Deferred income at 31 August 2018	<u>216,819</u>	<u>315,061</u>

Deferred income is in respect of free school meals and other income for 2018/2019 received in advance.

16. Statement of funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	384,851	1,232,888	(507,155)	(891,713)	-	218,871
Restricted funds						
General Annual Grant (GAG)	-	5,862,521	(6,708,359)	845,838	-	-
Other DFE/ESFA Grants	-	623,761	(623,761)	-	-	-
Pupil Premium	-	316,690	(316,690)	-	-	-
Local Authority Grants	-	241,152	(241,152)	-	-	-
Catering funds	-	169,138	(169,138)	-	-	-
St. Margaret's Property Fund	-	117,900	(86,926)	-	-	30,974
Fence donation	-	9,000	-	-	-	9,000
Teaching School	-	216,253	(216,253)	-	-	-
Pension reserve	(2,587,000)	-	(223,000)	-	393,000	(2,417,000)
	<u>(2,587,000)</u>	<u>7,556,415</u>	<u>(8,585,279)</u>	<u>845,838</u>	<u>393,000</u>	<u>(2,377,026)</u>

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16. Statement of funds (continued)

Restricted fixed asset funds

Fixed assets transferred on conversion	728,373	-	(183,122)	-	-	545,251
Capital Expenditure	59,131	27,317	(11,977)	45,875	-	120,346
	<u>787,504</u>	<u>27,317</u>	<u>(195,099)</u>	<u>45,875</u>	<u>-</u>	<u>665,597</u>
Total restricted funds	<u>(1,799,496)</u>	<u>7,583,732</u>	<u>(8,780,378)</u>	<u>891,713</u>	<u>393,000</u>	<u>(1,711,429)</u>
Total of funds	<u>(1,414,645)</u>	<u>8,816,620</u>	<u>(9,287,533)</u>	<u>-</u>	<u>393,000</u>	<u>(1,492,558)</u>

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

General Annual Grant (GAG) grant fund - Funds received from the ESFA under the General Annual Grant arrangements for the recurrent expenditure of the school as defined in the Funding Agreement.

Other DfE/ ESFA grants - Other government grants received for restricted educational purposes not forming part of General Annual Grant.

Pupil Premium - Funds received from the ESFA under the Pupil Premium grant arrangements for the recurrent expenditure of the school as defined in the Funding Agreement.

Local authority grants - Grants received from the local authority received for restricted educational purposes.

Catering funds - represent monies received from the sale of school dinners to pupils.

St. Margaret's property fund - Funding received from the Diocese for remedial building works carried out.

Pension reserve - The pension reserve recognises the deficit of the local government pension scheme.

The transfers shown in the Statement of Funds relate to fixed assets purchases using GAG funding.

The purpose of the Restricted Fixed Asset Fund is to hold the Academy's fixed assets recorded net of depreciation.

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16. Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
St Mary's academy	26,111	19,872
St Saviour's academy	6,815	5
St Margaret's academy	166,565	358,588
Genesis Education Trust	59,354	6,386
	<u>258,845</u>	<u>384,851</u>
Total before fixed asset fund and pension reserve		
	258,845	384,851
Restricted fixed asset fund	665,597	787,504
Pension reserve	(2,417,000)	(2,587,000)
	<u>(1,492,558)</u>	<u>(1,414,645)</u>
Total		

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2018 £	Total 2017 £
St Mary's academy	2,377,185	542,007	165,774	718,573	3,803,539	1,503,657
St. Saviour's academy	1,519,638	428,346	86,702	384,412	2,419,098	1,057,140
St. Margaret's academy	1,800,471	306,049	109,918	453,413	2,669,851	986,693
Genesis Education Trust	-	-	-	199,946	199,946	66,709
	<u>5,697,294</u>	<u>1,276,402</u>	<u>362,394</u>	<u>1,756,344</u>	<u>9,092,434</u>	<u>3,614,199</u>

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16. Statement of funds (continued)

Statement of funds - prior period

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds	-	848,171	-	(463,320)	-	384,851
Restricted funds						
General Annual Grant (GAG)	-	2,483,426	(2,912,062)	428,636	-	-
Other DfE/ESFA grants	-	228,441	(228,441)	-	-	-
Pupil Premium	-	135,175	(135,175)	-	-	-
Local authority grants	-	174,516	(174,516)	-	-	-
Other restricted funds	-	80,005	(80,005)	-	-	-
Pension reserve	-	(2,435,000)	(84,000)	-	(68,000)	(2,587,000)
	-	666,563	(3,614,199)	428,636	(68,000)	(2,587,000)
Restricted fixed asset funds						
Fixed assets transferred on conversion	-	804,241	(75,868)	-	-	728,373
Capital Expenditure	-	26,904	(2,457)	34,684	-	59,131
Total restricted funds	-	1,497,708	(3,692,524)	463,320	(68,000)	(1,799,496)
Total of funds	-	2,345,879	(3,692,524)	-	(68,000)	(1,414,645)

17. Analysis of net assets between funds

	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	665,597	-	665,597
Current assets	937,617	-	168,706	1,106,323
Creditors due within one year	(849,753)	-	2,275	(847,478)
Provisions for liabilities and charges	(2,417,000)	-	-	(2,417,000)
Difference	(47,890)	-	47,890	-
	(2,377,026)	665,597	218,871	(1,492,558)

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17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Unrestricted funds</i>	<i>Total funds</i>
	<i>2017</i>	<i>2017</i>	<i>2017</i>	<i>2017</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Tangible fixed assets	-	787,504	-	787,504
Current assets	621,103	-	370,596	1,005,954
Creditors due within one year	(621,103)	-	-	(621,103)
Provisions for liabilities and charges	(2,587,000)	-	-	(2,587,000)
	<u>(2,587,000)</u>	<u>787,504</u>	<u>370,596</u>	<u>(1,414,645)</u>

18. Reconciliation of net movement in funds to net cash flow from operating activities

	<i>2018</i>	<i>2017</i>
	<i>£</i>	<i>£</i>
Net expenditure for the year (as per Statement of Financial Activities)	(470,913)	(1,346,645)
Adjustment for:		
Depreciation charges	195,099	78,325
Increase in debtors	(177,873)	(381,383)
Increase in creditors	410,383	621,103
Defined benefit pension scheme obligation inherited	-	2,435,000
Defined benefit pension scheme cost less contributions payable	151,000	54,000
Defined benefit pension scheme finance cost	61,000	26,000
Net (loss) on assets and liabilities from local authority on conversion	-	(1,202,327)
Administrative costs per actuary report	11,000	4,000
Net cash provided by operating activities	<u>179,696</u>	<u>288,073</u>

19. Analysis of cash and cash equivalents

	<i>2018</i>	<i>2017</i>
	<i>£</i>	<i>£</i>
Cash in hand	731,074	624,570
Total	<u>731,074</u>	<u>624,570</u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. Contingent liabilities

The trust is aware of a potential legal claim which arose from an event prior to the conversion into an academy trust. The trust have obtained legal advice on the matter and no provision has been made in these accounts.

The trust is involved in a dispute with two former employees over a wrongful termination. The trust have obtained legal advice on the matter and no provision has been made in these accounts.

21. Pension commitments

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Waltham Forest and London Borough of Barking. Both are Multi-Employer Defined Benefit Pension Schemes.

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

Contributions amounting to £44,874 were payable to the schemes at 31 August 2018 (2017 - £28,480) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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21. Pension commitments (continued)

- 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 £427,000 (2017 - £176,909).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £522,000 (2017 - £216,000), of which employer's contributions totalled £427,000 (2017 - £177,000) and employees' contributions totalled £95,000 (2017 - £39,000). The agreed contribution rates for future years are 19.6% for employers and 5.5 - 7.5% for employees.

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

St Mary's academy

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.40 %
Rate of increase in salaries	3.60 %	3.70 %
Rate of increase for pensions in payment / inflation	2.20 %	2.20 %
Inflation assumption (CPI)	2.10 %	2.20 %

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21. Pension commitments (continued)

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

	2018	2017
Retiring today		
Males	22.5	22.4
Females	25.5	25.4
Retiring in 20 years		
Males	24.7	24.6
Females	27.9	27.7

St Saviour's Academy

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.60 %	3.70 %
Rate of increase for pensions in payment / inflation	2.20 %	2.20 %
Inflation assumption (CPI)	2.10 %	2.20 %

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

	2018	2017
Retiring today		
Males	22.5	22.4
Females	25.5	25.4
Retiring in 20 years		
Males	24.7	24.6
Females	27.9	27.7

St Margaret's Academy

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.90 %	2.90 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

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21. Pension commitments (continued)

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

	2018	2017
Retiring today		
Males	22	22.0
Females	24.7	24.7
Retiring in 20 years		
Males	24	24.0
Females	26.4	26.4

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21. Pension commitments (continued)

Sensitivity Analysis

The below information has been provided from the Actuary reports. However, St Mary's and St Saviour's were prepared by a different firm to St Margaret's which has resulted in the information being shown slightly different below.

St Mary's

If the discount rate increases by 0.1% the approximate deficit would be £1,282,000 (2017: £1,368,000).
If the increase in life expectancy increases by 1 year the approximate deficit would be £1,350,000 (2017: £1,431,000).
If pay growth were to increase by 0.1% the approximate deficit would be £1,329,000 (2017: £1,412,000).

St Saviour's

If the discount rate increases by 0.1% the approximate deficit would be £636,000 (2017: £702,000).
If the increase in life expectancy increases by 1 year the approximate deficit would be £671,000 (2017: £733,000).
If pay growth were to increase by 0.1% the approximate deficit would be £658,000 (2017: £722,000).

St Margaret's

If there was a 0.5% decrease in the real discount rate the approximate monetary movement would be a £171,000 (2017: £147,000) increase in the defined benefit obligation.
If there was a 0.5% increase in the salary increase rate the approximate monetary movement would be a £23,000 (2017: £24,000) increase in the defined benefit obligation.
If there was a 0.5% increase in the pension increase rate the approximate monetary movement would be a £147,000 (2017: £121,000) increase in the defined benefit obligation.

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,053,000	651,000
Corporate bonds	212,000	159,000
Property	104,000	57,000
Cash and other liquid assets	35,000	9,000
Other	65,000	15,000
Total market value of assets	1,469,000	891,000

The actual return on scheme assets was £41,000 (2017 - £30,000).

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21. Pension commitments (continued)

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018 £	2017 £
Current service cost	(578,000)	(231,000)
Interest cost	(61,000)	(26,000)
Admin expenses	(11,000)	(4,000)
Total	<u>(650,000)</u>	<u>(261,000)</u>
Actual return on scheme assets	<u>41,000</u>	<u>30,000</u>

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

	2018 £	2017 £
Opening defined benefit obligation	3,478,000	-
Upon conversion	-	3,077,000
Current service cost	578,000	231,000
Interest cost	90,000	33,000
Employee contributions	95,000	39,000
Actuarial (gains)/losses	(352,000)	98,000
Benefits paid	(3,000)	-
Closing defined benefit obligation	<u>3,886,000</u>	<u>3,478,000</u>

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

	2018 £	2017 £
Opening fair value of scheme assets	891,000	-
Upon conversion	-	642,000
Interest income	29,000	7,000
Actuarial losses	41,000	30,000
Employer contributions	427,000	177,000
Employee contributions	95,000	39,000
Benefits paid	(3,000)	-
Admin expenses	(11,000)	(4,000)
Closing fair value of scheme assets	<u>1,469,000</u>	<u>891,000</u>

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22. Operating lease commitments

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	1,072	10,789
Between 1 and 5 years	1,010	590
Total	<u>2,082</u>	<u>11,379</u>

23. 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.

24. Related party transactions

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

During the period the academy received rent of £150,000 (2017: £62,500) and staff secondment income of £227,166 (2017: £120,560) from the Little Learners Nurseries at St. Mary's and St. Saviours, of which Elaine McDonald-James is a director and Beverley Hall was a director but resigned on 14 February 2018.

At the year end, £12,163 (2017: £nil) was due to Little Learners Nursery of St. Mary's in association with reimbursement of expenditure.

At the year end, £nil (2017: £103,531) was due from the Little Learners Nurseries of St. Mary's and St. Saviour's.

At the year end, £153 (2017: £nil) was owed to key management personnel in relation to expenses reimbursed.

At the year end date, the Academy was owed £137,594 by the Chelmsford Diocesan Board of Education in connection with reimbursement for building works performed at St. Margaret's, and capital income contributions.

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25. Teaching school trading account

	2018 £	2018 £	2017 £	2017 £
Income				
Direct income				
NCTL Income	95,600		-	
Government Grants	60,000		-	
Total Direct income	<u>155,600</u>		<u>-</u>	
Other income				
Self-generated income	60,653		-	
Total income		216,253		-
Expenditure				
Direct expenditure				
Direct staff costs	180,253		-	
Direct depreciation	36,000		-	
Total Direct expenditure	<u>216,253</u>		<u>-</u>	
Total expenditure		216,253		-
Surplus from all sources		<u>-</u>		<u>-</u>