

ESFA Copy

**PORTICO ACADEMY TRUST**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**PORTICO ACADEMY TRUST**  
**(A company limited by guarantee)**

**CONTENTS**

	Page
<b>Reference and administrative details</b>	1
<b>Trustees' report</b>	2 - 11
<b>Governance statement</b>	12 - 14
<b>Statement on regularity, propriety and compliance</b>	15
<b>Statement of Trustees' responsibilities</b>	16
<b>Independent auditors' report on the financial statements</b>	17 - 19
<b>Independent reporting accountant's assurance report on regularity</b>	20 - 21
<b>Statement of financial activities incorporating income and expenditure account</b>	22
<b>Balance sheet</b>	23
<b>Statement of cash flows</b>	24
<b>Notes to the financial statements</b>	25 - 52

**PORTICO ACADEMY TRUST**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

<b>Members</b>	David Amess Ian Booth Robert Hellen Gary Lowen Heather Oram
<b>Trustees</b>	Katherine Baynes, Trustee Robert Hellen, Chair of Trustees Graham Lane, Trustee Steven Levy, Trustee Clive Smith, Trustee (resigned 27 March 2017) Cheryl Woolf, Trustee Ben Sheppard, Trustee Alan Murkin, Trustee Frances Gretton, Trustee
<b>Company registered number</b>	09952066
<b>Company name</b>	Portico Academy Trust
<b>Principal and registered office</b>	West Leigh Junior School Ronald Hill Grove Leigh-On-Sea Essex SS9 2JB
<b>Chief executive officer</b>	Cheryl Woolf
<b>Senior management team</b>	Cheryl Woolf, Chief Executive Officer Richard Queenborough, Head of Learning & Teaching Christine Farrell, Headteacher of Hamstel Junior School Lisa Clark, Headteacher of Hamstel Infant School Jonathon Lear, Head of School of West Leigh Junior School Linda Snow, Head of School of Friars Primary School Donna Lees, Head of School of Friars Primary School Christopher McClay, Head of School of Porters Grange Primary School Deborah Henley, Head of School of Porters Grange Primary School
<b>Independent auditors</b>	MWS Chartered Accountants Registered Auditors Kingsridge House 601 London Road Westcliff-On-Sea Essex SS0 9PE
<b>Bankers</b>	Lloyds Bank 77 High St Southend-On-Sea Essex SS1 1HT

**PORTICO ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Portico Academy Trust for the year ended 31 August 2017. The company predominantly commenced activities when the first two Academies were formed on 1st April 2016. As a result the comparative figures for income and expenditure reflect the fact that the financial activities in the previous period were mostly for only five months for the two Academies. The Trustees confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Charities Commission Statement of Recommended Practice (SORP) (effective 1 January 2015). The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates 5 primary Academies serving a catchment area in Southend-on-Sea. The Academies have a combined capacity of 2,451 and had a roll of 2,374 in the January 2017 census.

**Structure, governance and management**

**a. CONSTITUTION**

The Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. The company registration number is 09952066. The charitable company was incorporated on 14 January 2016. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee and Director are interchangeable.

The Charitable Company includes the following Academies:

- West Leigh Junior School joined the Trust on 01/04/2016
- Porters Grange Primary School & Nursery converted and joined the Trust on 01/04/2016
- Friars Primary School & Nursery converted and joined the Trust on 01/09/2016
- Hamstel Infant School & Nursery converted and joined the Trust on 01/09/2016
- Hamstel Junior School converted and joined the Trust on 01/09/2016

The operation of The Trust's Academies and employment of staff are the responsibility of the Trustees. The Trust retains control of Academy budgets and finances, and monitors these through its Finance Committee. Each Academy has appointed Local Governing Bodies (LGB) who have delegated authority to administer their Academy within agreed budgets.

Within this Report the term Trustee refers to a member of the Board of Trustees and the term Governor to a member of an LGB. Details of the Trustees who served during the year are included in the Reference and Administrative Details section 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. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES**

The arrangements are as set out in the Articles and Funding Agreement.

Trustees are appointed for a fixed term. The Chief Executive Officer (CEO) is an ex officio member of the Board of Trustees. Other Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election.

**PORTICO ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

The Trust is committed to providing adequate opportunities for Trustees and Governors to undertake and receive suitable training so as to enable them to perform their role effectively. To this end The Trust links with a number of local training providers. New Trustees and Governors are required to attend a training programme. The induction programme would involve a tour of the relevant Academy, meetings with students and staff and provision of policy and procedures documents that are appropriate to the role they undertake with particular emphasis on the committee work that they will undertake.

**e. ORGANISATIONAL STRUCTURE**

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department for Education.

The Trustees of Portico Academy Trust are responsible for the strategic direction of the Trust. They are also responsible for setting strategic policy, adopting an annual plan and budget, monitoring The Trust by the use of those budgets, making major decisions about the direction of The Trust, capital expenditure and senior staff appointments. The Governors within their LGB's are responsible for implementing strategic policy, ensuring the appropriateness of annual budgets and capital expenditure projects for their Academy and monitoring performance against that budget and authorised capital limits.

The Senior Leadership Teams (SLT's) control the Academies at an executive level implementing policies and reporting to their LGB. Each SLT is responsible for the day to day operation of their Academy, in particular organising staff, resources and students. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment processes. The Trust's CEO is the Accounting Officer.

**f. RISK MANAGEMENT**

The Trustees regularly undertake a comprehensive assessment of possible risks to the future of the Academy (Risk Register). The chief risks identified include issues relating to academic performance, child welfare and finances. The Academy has developed policies and procedures to mitigate these risks. Where significant financial risk still remains, the school has ensured adequate insurance cover. There are effective systems of internal financial control (explained in more detail in the Governance Statement). The Risk Register is regularly reviewed by the Trustees.

**g. TRUSTEES' INDEMNITIES**

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business.

**h. PRINCIPAL ACTIVITIES**

The Trust's principle activity is to provide education to boys and girls between the ages of 3 and 11, without prejudice, by establishing, maintaining, carrying on, managing and developing Academies offering a broad and balanced curriculum, as set down in the Company's Memorandum and Articles of Association.

**PORTICO ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**i. ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL**

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust. Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the Academy group size, Individual School Range (ISR), the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration is approved by the appropriate sub-committee and ratified by the Board of Trustees.

**j. RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS**

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which members of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust cooperated with the following organisations during the academic year in pursuit of its charitable activities:

- MWS Accountants

The Trust does not have a formal sponsor

**Objectives and Activities**

**a. OBJECTIVES, STRATEGIES AND ACTIVITIES**

The principal object and aim of the Charitable Company is the operation of a number of Academies to provide free education and care for pupils of different abilities within its local community between the ages of 3 and 11.

The main objectives, strategies and activities for the period to 31st August 2017 were:

- Expansion of the trust to include other local primaries
- Mathematics attainment across the academies
- Sharing good practises in network groups, including for moderation
- Standardisation of assessments
- LGBs through targeted recruitment and training
- Development of Portico administration team
- Identify joint staff development opportunities
- Further develop and seek procurement opportunities

In September 2016, 3 additional local primary schools joined Portico Academy Trust, bringing the total number of academies in the trust to 5.

As a result of monitoring and high quality teaching we have managed to improve our Mathematics attainment across the Trust. This involved working collaboratively across the trust and with other local networks to share best practise.

The Portico administration team continues to be established with the appointment of a Finance Director. Some economies of scale have already being identified for the academies within the trust. This will continue to develop with more central procurement structures commencing where opportunities arise.

**PORTICO ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**b. PUBLIC BENEFIT**

The Trust provides educational opportunities to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the public benefit guidance provided by the Charity Commission.

**c. OBJECTS AND AIMS**

The Academy Trust's objects ("the Objects") are specifically restricted to the following:

- a. to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum; and
- b. To promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

**Strategic Report**

**a. GOING CONCERN**

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

**b. KEY FINANCIAL PERFORMANCE INDICATORS**

The key performance indicators are used by Portico Academy Trust to monitor progress against the Schools Development Plan, whilst monitoring the net incoming and outgoing resources for the year, prior to any depreciation charge and other recognised gains and losses. Portico Academy Trust complies with all terms and conditions of its Funding Agreement

**PORTICO ACADEMY TRUST**  
(A company limited by guarantee)

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**c. ACHIEVEMENTS AND PERFORMANCE**

The outcomes for summer 2017 were:

**Early Years and Year 1**

	FRIARS PRIMARY		HAMSTEL INFANTS		PORTERS GRANGE		NATIONAL
	2017	2016	2017	2016	2017	2016	2016
EYFS Good level of development	73% (+10)	63%	69% (-1)	70%	69% (+7)	62%	-
Year 1 phonics screening check	67% (-2)	69%	75% (+5)	70%	72% (+9)	63%	81%

**End of Key Stage 1**

	FRAIRS PRIMARY		HAMSTEL INFANTS		PORTERS GRANGE		NATIONAL
	2017	2016	2017	2016	2017	2016	2016
Reading - % of pupil expected standard	71% (+3)	68%	75% (-3)	78%	63% (+1)	62%	74%
Reading - % of pupils high standard	19% (+5)	14%	34% (-2)	36%	19% (+6)	13%	-
Writing - % of pupils expected standard	68% (-)	68%	60% (-)	60%	54% (-2)	56%	66%
Writing - % of pupils working at greater depth	14% (+2)	12%	17% (+3)	14%	12% (+3)	9%	-
Maths - % of pupils expected standard	70% (-)	70%	71% (+1)	70%	59% (-5)	64%	73%
Maths - % of pupils high standard	20% (+6)	14%	17% (-4)	21%	19% (+6)	13%	-

**End of Key Stage 2**

**Attainment - Reading, Writing and Maths Combined**

	FRIARS PRIMARY		PORTERS GRANGE		WEST LEIGH		HAMSTEL JUNIORS		NATIONAL
	2017	2016	2017	2016	2017	2016	2017	2016	2017
% of pupils achieving expected standard	66% (+22)	44%	43% (+3)	40%	79% (+6)	73%	49% (-3)	52%	61%
% of pupils achieving a high score	4% (-)	4%	4% (+4)	0%	27% (+11)	16%	3% (-)	3%	9%



**PORTICO ACADEMY TRUST**  
(A company limited by guarantee)

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Progress Measures - KS1 to KS2**

	FRAIRS PRIMARY		PORTERS GRANGE		WEST LEIGH		HAMSTEL JUNIORS		NATIONAL
	2017	2016	2017	2016	2017	2016	2017	2016	2017
Reading progress score	+0.8 (+1.1)	-0.3	+1.2 (+3.5)	-2.3	+0.6 (-0.5)	+1.1	-0.8 (-)	-0.8	-
Writing progress score	-2.6 (-1.7)	-0.9	+5.5 (+2.0)	+3.5	+2.9 (+0.8)	+2.1	-2.6 (-1.7)	-0.9	-
Maths progress score	0.5 (-0.4)	0.9	+2.7 (+2.1)	+0.6	-0.7 (-0.6)	-0.1	-1.6 (-1.2)	-0.4	-

**Attainment - Individual Subjects**

	FRIARS PRIMARY		PORTERS GRANGE		WEST LEIGH		HAMSTEL JUNIORS		NATIONAL
	2017	2016	2017	2016	2017	2016	2017	2016	2017
Reading - % of pupils expected standard	70% (+10)	60%	49% (+7)	42%	84% (+3)	81%	66% (-2)	68%	71%
Reading - % of pupils high standard	26% (+6)	20%	12% (+10)	2%	42% (+4)	38%	19% (-)	19%	25%
Writing - % of pupils expected standard	77% (+6)	71%	67% (-7)	74%	91% (-2)	93%	69% (+2)	67%	76%
Writing - % of pupils high standard	9% (+2)	7%	20% (+1)	19%	53% (+17)	36%	6% (+4)	2%	18%
Maths - % of pupils expected standard	79% (+3)	76%	59% (-13)	72%	86% (+3)	83%	66% (+1)	65%	75%
Maths - % of pupils high standard	15% (-3)	18%	24% (+15)	9%	39% (+11)	28%	17% (-9)	26%	23%
GPS - % of pupils expected standard	77% (-3)	80%	57% (+13)	44%	88% (+3)	85%	78% (+5)	73%	77%
GPS - % of pupils high standard	38% (+18)	20%	20% (+6)	14%	51% (+9)	42%	32% (+5)	27%	31%

The Trust continued its mission to ensure that students achieved their potential; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left their Academy.

Specific achievements were as follows:

**West Leigh Junior School**

- Our disadvantaged pupils out-performed against other pupils nationally in all subject areas.
- The school achieved the Equality and Diversity Award - a programme that has had a very positive impact on the school.
- There were many impressive sporting achievements throughout the year including the Year 5/6 team becoming Essex Swimming Champions.

**PORTICO ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Porters Grange Primary school & Nursery**

- More children achieved higher standards in reading, writing and maths at both KS1 and KS2. For KS2 greater depth in writing and the higher score in maths the school was above national averages. This shows that as a school we are now providing better learning opportunities for our higher attaining children.
- The GLD in Early Years rose again to 69% leaving the school just 2% behind the national average.
- 72% of the children achieved the phonic pass compared to 63% in the previous year. Although the school is still 9% behind the national average – the gap is closing.

**Friars Primary School & Nursery**

- The percentage of children achieving a good level of development at the end of reception increased from 63% to 73%.
- Friars School continues to have a high profile within sporting events in Southend. Key stage 1 children were awarded the 'Active Essex Gold Award'.
- The school has been awarded the 'Enhanced Healthy School Award' and also achieved an award for 'Equality and Diversity'.

**Hamstel Infant School & Nursery**

- The school achieved the Inclusion Quality Mark for the second year and achieved National Centre of Excellence Status for our commitment to and excellence in the delivery of fully inclusive educational provision
- The school achieved the Enhanced Healthy Schools status for our work further improving the quality and provision of high quality healthy meals for all our children, increasing our offer and take up of sporting and health related extra-curricular clubs and improving the quality of Sex and Relationship Education across the whole school
- Pupils make very good progress in EYFS. During the last 3 years children have attained in line with national averages from very low baselines.

**Hamstel Junior School**

- The increased focus on writing resulted in the school achieving a higher number of children at age related expectation than in previous years (71%), including more children achieving greater depth compared to 2016. Additionally the school achieved higher than national in grammar, punctuation and spelling (79% compared to national 75%).
- The school's attendance average for the year was 96.3% above the target set and never dipped below the target of 95% for any year group in the school year.
- As part of the school's effort to encourage children to read for pleasure the school has had star author visits every half term for every year group throughout the year, which has inspired children's writing as well as their love of reading.

**PORTICO ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Financial review**

**a. OVERVIEW**

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education Funding Agency (EFA). For the year ended 31 August 2017 the Trust received £11,427,066 (2016: £1,815,932) of GAG and other funding, as well as £517,746 (2016: £87,477) of self-generated income. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education.

During the year the Trust spent £1,228,680 and transferred £70,300 to support capital new build and improvement projects on the various academy sites. The Trust brought forward from 15/16, £59,985 restricted funds and £677,654 unrestricted funding. New academies that joined the trust in the year converted with total unrestricted reserves of £905,980. The carry forward for 16/17 is £552,539 restricted funding and £1,954,181 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £5,425,000 (2016: £2,152,000). This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. The deficit has been guaranteed by the Department for Education.

**b. PRINCIPAL RISKS AND UNCERTAINTIES**

The Trust works with the LGB's in maintaining a central risk register identifying the major risks, to which each Academy is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the Board of Trustees with a formal review of the process undertaken on an annual basis. The internal control systems and the exposure to identified risks were monitored by an internal audit report commissioned by the Trustees. The principal risks facing the Trust are outlined below; those facing the Academies at an operational level are addressed by their systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the EFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a group of academy schools, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- each Academy within the Trust has considerable reliance on continued Government funding through the EFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the individual Academies is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed;
- safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;

**PORTICO ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

- staffing - the success of the Academies is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - The Trust appointed Price Bailey Chartered Accountants to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any Academy ceasing to exist the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust and each Academy have continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

**c. RESERVES POLICY**

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Finance Director. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,963,456. This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

The Trustees have made a decision to designate unrestricted balances of £196,800 for future capital projects, and is holding other unrestricted funds to cover future increases in costs and expenditure that may arise from uninsurable losses. The Trust has budgeted to hold £150,000 for in year contingencies and always plans to have a sufficient carry forward to assist in making strategic decisions to keep in line with national funding changes and curriculum needs.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2017 was £2,506,721.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £3,159,397. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees' finance committee monitors cash flow as part of the Finance Director reports to ensure sufficient coverage of short term cash flow variances.

**d. INVESTMENTS POLICY**

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

For the period ended 31st August 2017, the charitable company's cash balances generated a return of £1,463 (2016: £229).

**PORTICO ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Plans for future periods**

**a. FUTURE DEVELOPMENTS**

The Trustee's priorities for the next year are

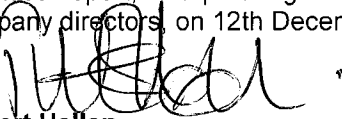
- Exploring the third sector for additional funding sources through fundraising and grant applications
- Narrow the gap between all pupils and dis-advantaged pupils
- Improve progress measures in all schools
- Increase the level of good/better/outstanding teaching by 10%
- Share subject leader expertise across the trust through collaboration
- Continue to explore further partnerships with a view to growing the trust.

**Auditor**

Insofar as the trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12th December 2017 and signed on the board's behalf by:



**Robert Hellen**  
**Chair of Trustees**

**PORTICO ACADEMY TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT**

**SCOPE OF RESPONSIBILITY**

As trustees, we acknowledge we have overall responsibility for ensuring that Portico Academy 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 Chief Executive Officer, 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 Portico Academy 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 10 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
Katherine Baynes, Trustee	10	10
Robert Hellen, Chair of Trustees	10	10
Graham Lane, Trustee	10	10
Steven Levy, Trustee	8	10
Clive Smith, Trustee	8	10
Cheryl Woolf, Trustee	9	10
Ben Sheppard, Trustee	10	10
Alan Murkin, Trustee	8	10
Frances Gretton, Trustee	10	10

All Trustees were appointed on the formation of the Trust.  
Clive Smith resigned as Trustee on 27th March 2017.

**REVIEW OF VALUE FOR MONEY**

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

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

**Educational outcome**

Educational standards in the academies within the trust continue to improve, as highlighted within the Trustee's report. Strong use of data has enabled targeted improvement to specific curriculum areas and individual pupils.

**Financial governance and oversight**

The Trustees, Accounting Officer and Senior Leadership Team maintain a strong oversight of the finance system within the academies. All purchase orders and payments are reviewed prior to authorisation so that budget holders can be challenged on the effectiveness of their spending proposals and that they are in line with budget plans previously submitted. Trustees receive regular management accounts which are discussed and challenged at the finance focused Trustee meetings. Each individual academy also faces further scrutiny from their Local Governing body.

A Finance Director was appointed during the year to oversee the financial management of the Trust. They work

**PORTICO ACADEMY TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)**

closely with the Business Managers to ensure value for money is being achieved in all spending.

**Better purchasing**

As the Trust has grown to 5 academies, schedules of lease's, service level agreements, maintenance & energy contracts, annual safety inspections and licenses required have been collated, making notes of renewal dates and notice periods. We are in the process of aligning these where possible to generate some economies of scale across the Trust. We have also started to exercise a stronger buying power over suppliers to secure trust wide discounts to ensure value for money. We will continue to seek central procurement where possible to ensure best value of services for the Trust.

**Reviewing controls and managing risks**

The Trust has in place a balanced budget and a three year forecast. We will be developing long term asset replacement plans and a building maintenance programme. These will be regularly reviewed by trustees to ensure the long term viability of the Trust and its objectives.

Regular reports are provided to budget holders, while detailed management accounts are provided for Local Governing Body meetings to assist in ensuring effective use of resources and minimising waste.

Assets are used effectively to generate additional income, such as the hire of premises and movement of surplus funds to interest paying accounts.

The Trust has a risk register in place which is reviewed annually to ensure risks are mitigated effectively.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

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

**CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance 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 Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**PORTICO ACADEMY TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)**

**THE RISK AND CONTROL FRAMEWORK**

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have engaged Price Bailey to perform a comprehensive internal control review during the year at all Academies

The appointee's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

On an annual basis, the appointee reports to the board of trustees through the finance and general purposes 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 Chief Executive Officer 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 external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

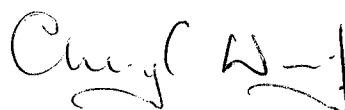
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Trustees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 12 December 2017 and signed on their behalf, by:

**Robert Hellen**  
**Chair of Trustees**



**Cheryl Woolf**  
**Accounting Officer**





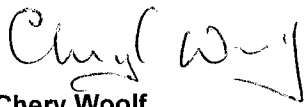
**PORTICO ACADEMY TRUST**  
**(A company limited by guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Portico Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the 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 2016.

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 2016.

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



**Cheryl Woolf**  
**Accounting Officer**

Date: 12 December 2017

**PORTICO ACADEMY TRUST**  
**(A company limited by guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees (who act as governors of Portico Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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:

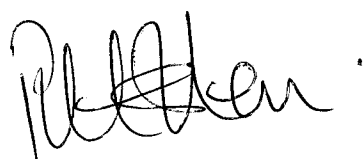
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 12 December 2017 and signed on its behalf by:



**Robert Hellen**  
**Chair of Trustees**

**PORTICO ACADEMY TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
PORTICO ACADEMY TRUST**

**OPINION**

We have audited the financial statements of Portico Academy Trust (the 'Academy Trust') for the year ended 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the Academy Trust'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 Trust'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 Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and 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 Trust 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 Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**PORTICO ACADEMY TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
PORTICO ACADEMY TRUST**

**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.

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 which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the Academy Trust 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' remunerations specified by law 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 Trust 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 Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

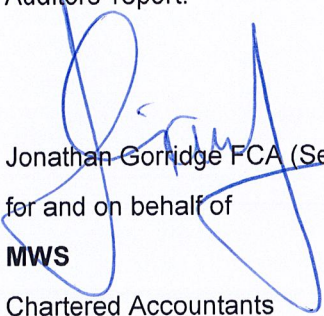
**PORTICO ACADEMY TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
PORTICO ACADEMY 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.



Jonathan Gorridge FCA (Senior statutory auditor)

for and on behalf of

**MWS**

Chartered Accountants  
Registered Auditors

Kingsridge House  
601 London Road  
Westcliff-On-Sea  
Essex  
SS0 9PE  
12 December 2017

**PORTICO ACADEMY TRUST**  
**(A company limited by guarantee)**

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

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

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

**RESPECTIVE RESPONSIBILITIES OF PORTICO ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Portico Academy Trust's funding agreement with the Secretary of State for Education dated 24 March 2016, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**APPROACH**

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

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

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

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

Based upon our risk assessment of material non-compliance, we carried out detailed testing of the specific income streams from the EFA, and the related expenditure streams, to which specific conditions had been attached.

We evaluated the control environment of the Academy Trust, extending the procedures required for the financial statements to include regularity. We tested a sample of the specific control activities over regularity of particular activities. We confirmed that the Academy Trust had not entered into any borrowing arrangements. We carried out substantive testing of fixed assets to confirm that no sales of any assets had taken place. We reviewed cash payments made by the school for any unusual transactions and verified the nature of said transactions. We reviewed the list of suppliers to consider whether any supplies were made by related parties connected to the Principal, Finance Manager or any Governor. We reviewed the nature and terms of any lettings to ensure that any lettings made to any related parties were made at the normal third party rates and not on any favourable terms.

**PORTICO ACADEMY TRUST**  
**(A company limited by guarantee)**

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

**CONCLUSION**

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



**MWS**

Chartered Accountants  
Reporting Accountant

Kingsridge House  
601 London Road  
Westcliff-On-Sea  
Essex  
SS0 9PE

12 December 2017

**PORTICO ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2017**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £	
<b>INCOME FROM:</b>						
Donations & capital grants:						
Transfer from Local Authority on conversion	2	905,980	(3,178,000)	13,456,311	11,184,291	5,028,826
Other donations and capital grants	2	172,386	-	1,316,022	1,488,408	32,923
Charitable activities	3	-	11,427,066	-	11,427,066	1,815,932
Other trading activities	4	517,746	-	-	517,746	87,477
Investments	5	1,463	-	-	1,463	229
<b>TOTAL INCOME</b>		<b>1,597,575</b>	<b>8,249,066</b>	<b>14,772,333</b>	<b>24,618,974</b>	<b>6,965,387</b>
<b>EXPENDITURE ON:</b>						
Charitable activities	7,8	159,954	11,731,812	465,200	12,356,966	2,029,672
Other expenditure	6	11,094	-	-	11,094	7,648
<b>TOTAL EXPENDITURE</b>		<b>171,048</b>	<b>11,731,812</b>	<b>465,200</b>	<b>12,368,060</b>	<b>2,037,320</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>		<b>1,426,527</b>	<b>(3,482,746)</b>	<b>14,307,133</b>	<b>12,250,914</b>	<b>4,928,067</b>
Transfers between Funds	21	(150,000)	125,820	24,180	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>1,276,527</b>	<b>(3,356,926)</b>	<b>14,331,313</b>	<b>12,250,914</b>	<b>4,928,067</b>
Actuarial gains/(losses) on defined benefit pension schemes	28	-	482,000	-	482,000	(790,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>1,276,527</b>	<b>(2,874,926)</b>	<b>14,331,313</b>	<b>12,732,914</b>	<b>4,138,067</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		677,654	(2,092,015)	5,552,428	4,138,067	-
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>1,954,181</b>	<b>(4,966,941)</b>	<b>19,883,741</b>	<b>16,870,981</b>	<b>4,138,067</b>



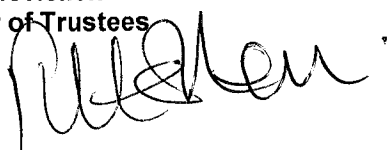
**PORTICO ACADEMY TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 09952066**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	17		19,763,061		5,543,270
<b>CURRENT ASSETS</b>					
Stocks	18	-		1,000	
Debtors	19	502,866		163,521	
Cash at bank and in hand		3,159,397		1,052,427	
		<u>3,662,263</u>		<u>1,216,948</u>	
<b>CREDITORS:</b> amounts falling due within one year	20	<u>(1,129,343)</u>		<u>(470,151)</u>	
<b>NET CURRENT ASSETS</b>			<u>2,532,920</u>		<u>746,797</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>22,295,981</u>		<u>6,290,067</u>
Defined benefit pension scheme liability	28		<u>(5,425,000)</u>		<u>(2,152,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>16,870,981</u></u>		<u><u>4,138,067</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	21	458,059		59,985	
Restricted fixed asset funds	21	19,883,741		5,552,428	
Restricted income funds excluding pension liability		<u>20,341,800</u>		<u>5,612,413</u>	
Pension reserve		<u>(5,425,000)</u>		<u>(2,152,000)</u>	
Total restricted income funds			<u>14,916,800</u>		<u>3,460,413</u>
Unrestricted income funds	21		<u>1,954,181</u>		<u>677,654</u>
<b>TOTAL FUNDS</b>			<u><u>16,870,981</u></u>		<u><u>4,138,067</u></u>

The financial statements on pages 22 to 52 were approved by the Trustees, and authorised for issue, on 12 December 2017 and are signed on their behalf, by:

**Robert Hellen**  
Chair of Trustees



**PORTICO ACADEMY TRUST**  
**(A company limited by guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

		<b>31 August</b>	<i>8 months ended</i>
	<b>Note</b>	<b>2017</b>	<i>31 August</i>
		<b>£</b>	<i>2016</i>
			<b>£</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	24	<b>2,018,165</b>	<i>1,066,317</i>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		<b>1,463</b>	<i>228</i>
Purchase of tangible fixed assets		<b>(1,228,679)</b>	<i>(23,274)</i>
Capital grants from DfE/ESFA		<b>1,316,021</b>	<i>9,156</i>
<b>Net cash provided by/(used in) investing activities</b>		<b>88,805</b>	<i>(13,890)</i>
<b>Change in cash and cash equivalents in the year</b>			
Cash and cash equivalents brought forward		<b>1,052,427</b>	<i>-</i>
<b>Cash and cash equivalents carried forward</b>		<b>3,159,397</b>	<i>1,052,427</i>

**PORTICO ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Portico Academy Trust constitutes a public benefit entity as defined by FRS 102.

**1.2 Fund accounting**

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

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

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

**PORTICO ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

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

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

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

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

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

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

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

**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 Trust's educational operations, including support costs and those costs relating to the governance of the Academy Trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**PORTICO ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.5 Going concern**

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

**1.6 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, 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:

Long-term leasehold property	-	Straight line 50 years for buildings, land is depreciated over the life of the lease.
Plant and machinery	-	Straight line 5 years
Fixtures and fittings	-	Straight line 5 years
Computer equipment	-	Straight line 3 years

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

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

**1.7 Operating leases**

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

**1.8 Stocks**

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

**PORTICO ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.9 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.

**1.10 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.

**1.11 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. 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.

**1.12 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 19. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 20. 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 instruments..

**1.13 Taxation**

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

**PORTICO ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.14 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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 28, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1.15 Conversion to an academy trust**

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

The assets and liabilities transferred on conversion from the Local Authority to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Land and buildings have been included at an estimate of fair value using depreciated replacement cost as prescribed by Charities SORP (FRS102). An independent valuation was conducted by the Local Authority prior to conversion which has been used as the basis for the amounts included.

The Trust also inherited a defined benefit pension deficit as a result of the conversion process. The value of this deficit was determined by an independent actuary.

Further details of the transaction are set out in note 26.

**PORTICO ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**1. ACCOUNTING POLICIES (continued)**

**1.16 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 28, 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 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Transfer from Local Authority on conversion	905,980	(3,178,000)	13,456,311	11,184,291	5,028,826
Donations and Educational Trips	172,386	-	-	172,386	23,767
ESFA Capital Grants	-	-	1,316,022	1,316,022	9,156
Subtotal	172,386	-	1,316,022	1,488,408	32,923
	<b>1,078,366</b>	<b>(3,178,000)</b>	<b>14,772,333</b>	<b>12,672,699</b>	<b>5,061,749</b>
Total 2016	794,920	(1,325,000)	5,591,828	5,061,748	



**PORTICO ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	9,238,696	9,238,696	1,529,280
Start Up Grants	-	20,000	20,000	63,171
Other DfE/ESFA grants	-	1,286,878	1,286,878	156,952
	-	<u>10,545,574</u>	<u>10,545,574</u>	<u>1,749,403</u>
<b>Other government grants</b>				
Local authority grants	-	826,095	826,095	66,529
	-	<u>826,095</u>	<u>826,095</u>	<u>66,529</u>
<b>Other funding</b>				
Other non-government grants	-	55,397	55,397	-
	-	<u>55,397</u>	<u>55,397</u>	-
	-	<u>11,427,066</u>	<u>11,427,066</u>	<u>1,815,932</u>
<i>Total 2016</i>	-	<u><u>1,815,932</u></u>	<u><u>1,815,932</u></u>	

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of facilities	127,662	-	127,662	18,316
Catering income	184,069	-	184,069	31,708
Services provided	181,352	-	181,352	35,924
School sales	14,367	-	14,367	1,529
Teacher training income	10,296	-	10,296	-
	<u>517,746</u>	-	<u>517,746</u>	<u>87,477</u>
<i>Total 2016</i>	<u><u>87,477</u></u>	-	<u><u>87,477</u></u>	

**PORTICO ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**5. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Short term deposits	1,463	-	1,463	229
<i>Total 2016</i>	229	-	229	

**6. OTHER EXPENDITURE**

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
School sales	11,094	11,094	7,648
<i>Total 2016</i>	7,648	7,648	

**7. DIRECT COSTS**

	Educational Operations £	Total 2017 £	Total 2016 £
Technology costs	47,746	47,746	2,533
Educational supplies	251,919	251,919	51,031
Staff development	56,232	56,232	4,236
Educational consultancy	40,163	40,163	5,924
Other direct costs	16,056	16,056	7,279
Wages and salaries	6,073,566	6,073,566	1,060,179
National insurance	522,350	522,350	100,517
Pension cost	619,926	619,926	186,360
	<b>7,627,958</b>	<b>7,627,958</b>	<b>1,418,059</b>
<i>At 31 August 2016</i>	1,418,059	1,418,059	

**PORTICO ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**8. SUPPORT COSTS**

	Educational Operations £	Total 2017 £	Total 2016 £
Pension finance cost	113,000	113,000	21,000
Technology costs	20,355	20,355	4,141
Maintenance of premises	242,113	242,113	30,242
Cleaning	255,934	255,934	43,890
Rent and rates	66,049	66,049	12,344
Energy costs	118,761	118,761	14,746
Insurance	78,087	78,087	16,682
Security and transport	38,785	38,785	14,702
Catering	387,798	387,798	45,657
Bank interest and charges	3,300	3,300	905
Indirect staff costs	18,166	18,166	246
Legal and professional fees	194,066	194,066	97,409
Other support costs	183,497	183,497	20,336
Wages and salaries	1,468,390	1,468,390	175,369
National insurance	109,184	109,184	12,163
Pension cost	966,323	966,323	39,106
Depreciation	465,200	465,200	62,675
	<u>4,729,008</u>	<u>4,729,008</u>	<u>611,613</u>
<i>At 31 August 2016</i>	<u>611,613</u>	<u>611,613</u>	

During the year ended 31 August 2017, the Academy Trust incurred the following Governance costs - Audit fees::

£15,000 (2016 - £12,000) included within the table above in respect of Educational Operations.

**9. EXPENDITURE**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Educational Operations:					
Direct costs	7,215,842	-	412,116	7,627,958	1,418,059
Support costs	2,546,564	1,148,057	1,034,387	4,729,008	611,613
	<u>9,762,406</u>	<u>1,148,057</u>	<u>1,446,503</u>	<u>12,356,966</u>	<u>2,029,672</u>
<i>Total 2016</i>	<u>1,573,694</u>	<u>156,533</u>	<u>299,445</u>	<u>2,029,672</u>	

**PORTICO ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**10. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	<b>Activities undertaken directly 2017 £</b>	<b>Support costs 2017 £</b>	<b>Total 2017 £</b>	<i>Total 2016 £</i>
Educational Operations	<u>7,627,958</u>	<u>4,729,008</u>	<u>12,356,966</u>	<u>2,029,672</u>
<i>Total 2016</i>	<u>1,418,059</u>	<u>611,613</u>	<u>2,029,672</u>	

**11. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	<b>31 August 2017 £</b>	<i>8 months ended 31 August 2016 £</i>
Depreciation of tangible fixed assets: - owned by the charity	<b>465,199</b>	62,675
Auditors' remuneration - audit	<u>15,000</u>	<u>12,000</u>

**PORTICO ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**12. STAFF COSTS**

Staff costs were as follows:

	<b>31 August 2017</b>	<i>8 months ended 31 August 2016</i>
	£	£
Wages and salaries	<b>7,541,956</b>	1,223,354
Social security costs	<b>631,534</b>	112,680
Operating costs of defined benefit pension schemes	<b>1,586,249</b>	225,465
	<hr/> <b>9,759,739</b>	<hr/> 1,561,499
Supply teacher costs	-	12,195
Staff restructuring costs	<b>2,667</b>	-
	<hr/> <b>9,762,406</b> <hr/>	<hr/> 1,573,694 <hr/>

Staff restructuring costs comprise:

	<b>31 August 2017</b>	<i>8 months ended 31 August 2016</i>
	£	£
Redundancy payments	<b>2,667</b>	-
	<hr/> <b>2,667</b> <hr/>	<hr/> - <hr/>

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

	<b>31 August 2017</b>	<i>8 months ended 31 August 2016</i>
	No.	No.
Teachers	<b>128</b>	70
Administration and educational support (including part time)	<b>240</b>	73
Management	<b>9</b>	2
	<hr/> <b>377</b> <hr/>	<hr/> 145 <hr/>

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

	<b>31 August 2017</b>	<i>8 months ended 31 August 2016</i>
	No.	No.
In the band £60,001 - £70,000	<b>6</b>	0
In the band £70,001 - £80,000	<b>2</b>	0
In the band £80,001 - £90,000	<b>1</b>	0
In the band £90,001 - £100,000	<b>1</b>	0

**PORTICO ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**12. STAFF COSTS (continued)**

**Key Management Personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £729,425 (2016: £83,633).

**13. CENTRAL SERVICES**

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

- Leadership staff
- Administration supplies
- Legal and professional conversion fees
- Set up fees

The Academy Trust charges for these services on the following basis:

5% of General Annual Grant (GAG) income.

The actual amounts charged during the year were as follows:

	<b>31 August</b>	<i>8 months ended</i>
	<b>2017</b>	<i>31 August</i>
	£	£
West Leigh Junior School	<b>88,784</b>	37,222
Porters Grange Primary School and Nursery	<b>93,671</b>	39,242
Hamstel Infant School and Nursery	<b>93,565</b>	-
Hamstel Junior School	<b>98,711</b>	-
Friars Primary School and Nursery	<b>87,204</b>	-
Start up grants	-	63,171
Generated funds	-	29
	<hr/> <b>461,935</b> <hr/>	<hr/> <b>139,664</b> <hr/>
<b>Total</b>		

**PORTICO ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**14. TRUSTEES' REMUNERATION AND EXPENSES**

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

		<b>31 August</b>	<i>8 months ended</i>
		<b>2017</b>	<i>31 August</i>
		<b>£</b>	<i>2016</i>
			<b>£</b>
C J Woolf	Remuneration	<b>90,000-95,000</b>	<i>35,000-40,000</i>
	Pension contributions paid	<b>15,000-20,000</b>	<i>5,000-10,000</i>

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £NIL).

**15. TRUSTEES' AND OFFICERS' INSURANCE**

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

**16. OTHER FINANCE INCOME / (EXPENDITURE)**

	<b>31 August</b>	<i>8 months ended</i>
	<b>2017</b>	<i>31 August</i>
	<b>£</b>	<i>2016</i>
		<b>£</b>
Interest on pension scheme liabilities	<b>(113,000)</b>	<i>(21,000)</i>

**PORTICO ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**17. TANGIBLE FIXED ASSETS**

	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Assets under constructio n £	Total £
<b>Cost</b>						
At 1 September 2016	5,407,918	-	125,680	72,347	-	5,605,945
Additions	495,018	10,965	130,602	102,998	489,097	1,228,680
Transfer on conversion	13,389,671	-	-	66,639	-	13,456,310
At 31 August 2017	<u>19,292,607</u>	<u>10,965</u>	<u>256,282</u>	<u>241,984</u>	<u>489,097</u>	<u>20,290,935</u>
<b>Depreciation</b>						
At 1 September 2016	42,548	-	10,079	10,048	-	62,675
Charge for the year	361,722	683	44,993	57,801	-	465,199
At 31 August 2017	<u>404,270</u>	<u>683</u>	<u>55,072</u>	<u>67,849</u>	<u>-</u>	<u>527,874</u>
<b>Net book value</b>						
At 31 August 2017	<u>18,888,337</u>	<u>10,282</u>	<u>201,210</u>	<u>174,135</u>	<u>489,097</u>	<u>19,763,061</u>
At 31 August 2016	<u>5,365,370</u>	<u>-</u>	<u>115,601</u>	<u>62,299</u>	<u>-</u>	<u>5,543,270</u>

**18. STOCKS**

	2017 £	2016 £
Catering stocks	-	1,000

**19. DEBTORS**

	2017 £	2016 £
Trade debtors	5,836	-
VAT repayable	256,815	27,784
Prepayments and accrued income	240,215	135,737
	<u>502,866</u>	<u>163,521</u>



**PORTICO ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**20. CREDITORS: Amounts falling due within one year**

	2017	2016
	£	£
Trade creditors	5,139	-
Other taxation and social security	534,459	321,839
Pension scheme creditors	77,578	-
Other creditors	3	110
Accruals and deferred income	512,164	148,202
	<b>1,129,343</b>	<b>470,151</b>
	<b>1,129,343</b>	<b>470,151</b>
	2017	2016
	£	£
<b>Deferred income</b>		
Deferred income at 1 September 2016	38,552	-
Resources deferred during the year	221,901	38,552
Amounts released from previous years	(38,552)	-
	<b>221,901</b>	<b>38,552</b>
	<b>221,901</b>	<b>38,552</b>

Deferred income includes amounts received from the ESFA in respect of Universal Infant Free School Meals, Growth Funding received in advance and amounts received in advance for school trips.

**PORTICO ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**21. STATEMENT OF FUNDS**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>Designated funds</b>						
Central funds designated for future capital projects	-	-	-	196,800	-	196,800
<b>General funds</b>						
General Funds	677,654	1,597,575	(171,048)	(346,800)	-	1,757,381
Total Unrestricted funds	677,654	1,597,575	(171,048)	(150,000)	-	1,954,181
<b>Restricted funds</b>						
Central funds	6,790	-	(285,458)	461,935	-	183,267
General Annual Grant (GAG)	-	9,238,694	(8,128,787)	(835,115)	-	274,792
Other DfE/EFA grants	53,195	1,286,879	(1,340,074)	-	-	-
Local Authority grants	-	826,096	(826,096)	-	-	-
MAT Conversion grants	-	20,000	(20,000)	-	-	-
Other grants	-	55,397	(55,397)	-	-	-
Pension reserve	(2,152,000)	(3,178,000)	(1,076,000)	499,000	482,000	(5,425,000)
	(2,092,015)	8,249,066	(11,731,812)	125,820	482,000	(4,966,941)
<b>Restricted fixed asset funds</b>						
Assets inherited on conversion	5,520,710	13,456,311	(429,828)	-	-	18,547,193
DfE/EFA grants	9,156	1,316,022	-	(1,025,815)	-	299,363
Assets purchased from grants and other funds	22,562	-	(35,372)	1,049,995	-	1,037,185
	5,552,428	14,772,333	(465,200)	24,180	-	19,883,741
Total restricted funds	3,460,413	23,021,399	(12,197,012)	150,000	482,000	14,916,800
Total of funds	4,138,067	24,618,974	(12,368,060)	-	482,000	16,870,981

**PORTICO ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**21. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	<i>Balance at 14 January 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2016 £</i>
<b>Designated funds</b>	-	-	-	-	-	-
<b>General funds</b>						
General Funds	-	882,627	(111,632)	(93,341)	-	677,654
	-	882,627	(111,632)	(93,341)	-	677,654
Total Unrestricted funds	-	882,627	(111,632)	(93,341)	-	677,654
<b>Restricted funds</b>						
Central funds	-	63,170	(132,844)	76,464	-	6,790
General Annual Grant (GAG)	-	1,529,280	(1,522,882)	(6,398)	-	-
Other DfE/EFA grants	-	156,952	(103,757)	-	-	53,195
Local Authority grants	-	66,530	(66,530)	-	-	-
Pension reserve	-	(1,325,000)	(37,000)	-	(790,000)	(2,152,000)
	-	490,932	(1,863,013)	70,066	(790,000)	(2,092,015)
<b>Restricted fixed asset funds</b>						
Assets inherited on conversion	-	5,582,672	(61,962)	-	-	5,520,710
DfE/EFA grants	-	9,156	-	-	-	9,156
Assets purchased from grants and other funds	-	-	(713)	23,275	-	22,562
	-	5,591,828	(62,675)	23,275	-	5,552,428
Total restricted funds	-	6,082,760	(1,925,688)	93,341	(790,000)	3,460,413
Total of funds	-	6,965,387	(2,037,320)	-	(790,000)	4,138,067

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

**Restricted general funds**

These funds relate to the Academy's development and operational activities.

**Restricted pension funds**

These funds represent the LGPS obligation to the employees of the Academy Trust.

**PORTICO ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**21. STATEMENT OF FUNDS (continued)**

**Restricted fixed asset fund**

These funds relate to long term assets held by the Academy Trust and grants to purchase or maintain these assets.

**Unrestricted funds**

These funds relate to amounts generated or acquired with no restricted covenants attached to them other than for use within the charitable objects of the Academy.

**Restriction on surplus GAG**

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2017 were allocated as follows:

	<b>Total 2017 £</b>	<i>Total 2016 £</i>
West Leigh Junior School	<b>430,058</b>	291,313
Porters Grange Primary School and Nursery	<b>467,338</b>	439,509
Hamstel Infant School and Nursery	<b>458,405</b>	-
Hamstel Junior School	<b>239,232</b>	-
Friars Primary School and Nurusery	<b>633,418</b>	-
Central funds	<b>183,789</b>	6,817
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	<b>2,412,240</b>	737,639
Restricted fixed asset fund	<b>19,883,741</b>	5,552,428
Pension reserve	<b>(5,425,000)</b>	(2,152,000)
	<hr/>	<hr/>
Total	<b>16,870,981</b>	4,138,067
	<hr/> <hr/>	<hr/> <hr/>

**PORTICO ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**21. STATEMENT OF FUNDS (continued)**

**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 2017 £	Total 2016 £
West Leigh Junior School	1,302,396	397,679	57,069	340,006	2,097,150	861,995
Porters Grange Primary School and Nursery	1,560,034	394,006	60,098	253,732	2,267,870	979,806
Hamstel Infant School and Nursery	1,460,424	543,413	38,649	466,628	2,509,114	-
Hamstel Junior School	1,620,036	504,982	97,903	373,621	2,596,542	-
Friars Primary School and Nursery	1,088,775	763,452	45,902	227,010	2,125,139	-
Central funds	188,639	53,364	-	-	242,003	132,844
	<u>7,220,304</u>	<u>2,656,896</u>	<u>299,621</u>	<u>1,660,997</u>	<u>11,837,818</u>	<u>1,974,645</u>

**22. TRANSFERS BETWEEN FUNDS**

£461,935 has been transferred from restricted funds General Annual Grant (GAG) to central funds representing contributions to central funds.

£150,000 has been transferred from unrestricted funds to restricted general funds to cover a deficit on the GAG fund.

£24,180 has been transferred from unrestricted funds to restricted fixed asset funds representing long term assets purchased from unrestricted funds.

£196,800 has been transferred from unrestricted general funds to unrestricted designated funds representing funds designated for specific future projects.

£499,000 has been transferred from the restricted fund for General Annual Grant (GAG) to the pension reserve representing the employer contributions made against the LGPS defined benefit pension scheme.

**PORTICO ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	19,763,062	19,763,062
Current assets	1,954,181	1,408,717	299,364	3,662,262
Creditors due within one year	-	(950,658)	(178,685)	(1,129,343)
Provisions for liabilities and charges	-	(5,425,000)	-	(5,425,000)
	<u>1,954,181</u>	<u>(4,966,941)</u>	<u>19,883,741</u>	<u>16,870,981</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	<i>Unrestricted funds</i> 2016 £	<i>Restricted funds</i> 2016 £	<i>Restricted fixed asset funds</i> 2016 £	<i>Total funds</i> 2016 £
Tangible fixed assets	-	-	5,543,271	5,543,271
Current assets	696,835	510,956	9,157	1,216,948
Creditors due within one year	(19,181)	(450,971)	-	(470,152)
Provisions for liabilities and charges	-	(2,152,000)	-	(2,152,000)
	<u>677,654</u>	<u>(2,092,015)</u>	<u>5,552,428</u>	<u>4,138,067</u>

**24. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	31 August 2017 £	8 months ended 31 August 2016 £
Net income for the year (as per Statement of Financial Activities)	12,250,914	4,928,067
<b>Adjustment for:</b>		
Depreciation charges	465,199	62,675
Dividends, interest and rents from investments	(1,463)	(229)
Decrease/(increase) in stocks	1,000	(1,000)
Increase in debtors	(339,345)	(160,378)
Increase in creditors	659,192	467,010
Capital grants from DfE and other capital income	(1,316,021)	(9,156)
Defined benefit pension scheme obligation inherited	3,178,000	1,325,000
Defined benefit pension scheme cost less contributions payable	464,000	16,000
Defined benefit pension scheme finance cost	113,000	21,000
Net (loss) on assets and liabilities from local authority on conversion	(13,456,311)	(5,582,672)
<b>Net cash provided by operating activities</b>	<u>2,018,165</u>	<u>1,066,317</u>

**PORTICO ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**25. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>31 August 2017 £</b>	<i>8 months ended 31 August 2016 £</i>
Cash in hand	<b>3,159,397</b>	<i>1,052,427</i>
Total	<b><u>3,159,397</u></b>	<i><u>1,052,427</u></i>

**26. CONVERSION TO AN ACADEMY TRUST**

**Friars Primary School and Nursery**

On 1 September 2016 Friars Primary School and Nursery converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Portico Academy Trust from Southend on Sea Borough Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Restricted fixed asset funds £</b>	<b>Total funds £</b>
Tangible fixed assets				
- Leasehold land and buildings	-	-	<b>3,936,443</b>	<b>3,936,443</b>
- Other tangible fixed assets	-	-	<b>47,288</b>	<b>47,288</b>
Budget surplus/(deficit) on LA funds	<b>392,918</b>	-	-	<b>392,918</b>
LGPS pension surplus/(deficit)	-	<b>(734,000)</b>	-	<b>(734,000)</b>
Net assets/(liabilities)	<b><u>392,918</u></b>	<b><u>(734,000)</u></b>	<b><u>3,983,731</u></b>	<b><u>3,642,649</u></b>

The above net assets include £392,918 that were transferred as cash.

On conversion the leasehold land and buildings were transferred to the Academy Trust from the Local Authority on a 125 year lease.

**PORTICO ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**26. CONVERSION TO AN ACADEMY TRUST (continued)**

**Hamstel Infant School and Nursery**

On 1 September 2016 Hamstel Infant School and Nursery converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Portico Academy Trust from Southend on Sea Borough Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	£	£	£	£
Tangible fixed assets				
- leasehold land and buildings	-	-	4,501,537	4,501,537
- Other tangible fixed assets	-	-	19,351	19,351
Budget surplus on LA funds	309,073	-	-	309,073
LGPS pension surplus/(deficit)	-	(1,582,000)	-	(1,582,000)
	<u>309,073</u>	<u>(1,582,000)</u>	<u>4,520,888</u>	<u>3,247,961</u>
Total	<u>309,073</u>	<u>(1,582,000)</u>	<u>4,520,888</u>	<u>3,247,961</u>

The above net assets include £309,073 that were transferred as cash.

On conversion the leasehold land and buildings were transferred to the Academy Trust from the Local Authority on a 125 year lease.



**PORTICO ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**26. CONVERSION TO AN ACADEMY TRUST (continued)**

**Hamstel Junior School**

On 1 September 2016 Hamstel Junior School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Portico Academy Trust from Southend on Sea Borough Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Restricted fixed asset funds</b>	<b>Total funds</b>
	£	£	£	£
Tangible fixed assets	-	-	-	-
- leasehold land and buildings	-	-	4,951,691	4,951,691
Budget surplus on LA funds	203,989	-	-	203,989
LGPS pension surplus/(deficit)	-	(862,000)	-	(862,000)
	<u>203,989</u>	<u>(862,000)</u>	<u>4,951,691</u>	<u>4,293,680</u>
Total	<u>203,989</u>	<u>(862,000)</u>	<u>4,951,691</u>	<u>4,293,680</u>

The above net assets include £203,989 that were transferred as cash.

On conversion the leasehold land and buildings were transferred to the Academy Trust from the Local Authority on a 125 year lease.

**PORTICO ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**27. CAPITAL COMMITMENTS**

At 31 August 2017 the Academy Trust had capital commitments as follows:

	2017	2016
	£	£
Contracted for but not provided in these financial statements	<u>162,060</u>	<u>-</u>

**28. PENSION COMMITMENTS**

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex Pension Fund. 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 £77,578 were payable to the schemes at 31 August 2017 (2016 - £62,242) 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 (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012

**PORTICO ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**28. PENSION COMMITMENTS (continued)**

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 £623,000 (2016 - £136,000).

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](http://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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

**Local Government Pension Scheme**

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 2017 was £630,000 (2016 - £95,000), of which employer's contributions totalled £499,000 (2016 - £75,000) and employees' contributions totalled £131,000 (2016 - £20,000). The agreed contribution rates for future years are 21.8% - 25.0% for employers and 5.5% - 12.5% for employees.

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

Principal actuarial assumptions:

	<b>2017</b>	<i>2016</i>
Discount rate for scheme liabilities	<b>2.60 %</b>	2.20 %
Rate of increase in salaries	<b>4.20 %</b>	3.90 %
Rate of increase for pensions in payment / inflation	<b>2.70 %</b>	2.40 %
Commutation of pensions to lump sums	<b>50.00 %</b>	60.00 %

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

	<b>2017</b>	<i>2016</i>
Retiring today		
Males	<b>22.2</b>	22.1
Females	<b>24.7</b>	24.5
Retiring in 20 years		
Males	<b>24.3</b>	24.2
Females	<b>27.0</b>	26.9

	<b>At 31 August 2017</b>	<i>8 months ended At 31 August 2016</i>
	<b>£</b>	<b>£</b>
<b>Sensitivity analysis</b>		
Discount rate +0.1%	<b>230,000</b>	75,000
Discount rate -0.1%	<b>(236,000)</b>	(77,000)
Mortality assumption - 1 year increase	<b>(290,000)</b>	(90,000)
Mortality assumption - 1 year decrease	<b>280,000</b>	88,000

**PORTICO ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**28. PENSION COMMITMENTS (continued)**

The Academy Trust's share of the assets in the scheme was:

	<b>Fair value at 31 August 2017 £</b>	<i>Fair value at 31 August 2016 £</i>
Equities	<b>2,366,000</b>	941,000
Gilts	<b>227,000</b>	49,000
Corporate bonds	<b>141,000</b>	62,000
Property	<b>352,000</b>	152,000
Cash and other liquid assets	<b>112,000</b>	41,000
Alternative assets and other managed funds	<b>431,000</b>	127,000
	<hr/>	<hr/>
Total market value of assets	<b>3,629,000</b>	1,372,000
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £445,000 (2016 - £139,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	<b>31 August 2017 £</b>	<i>8 months ended 31 August 2016 £</i>
Current service cost	<b>(963,000)</b>	(91,000)
Interest cost	<b>(113,000)</b>	(21,000)
	<hr/>	<hr/>
Total	<b>(1,076,000)</b>	(112,000)
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>31 August 2017 £</b>	<i>8 months ended 31 August 2016 £</i>
Opening defined benefit obligation	<b>3,524,000</b>	-
Upon conversion	<b>4,533,000</b>	2,463,000
Current service cost	<b>963,000</b>	91,000
Interest cost	<b>180,000</b>	39,000
Employee contributions	<b>131,000</b>	20,000
Benefits paid	<b>(8,000)</b>	-
Change in financial assumptions	<b>(269,000)</b>	911,000
	<hr/>	<hr/>
Closing defined benefit obligation	<b>9,054,000</b>	3,524,000
	<hr/> <hr/>	<hr/> <hr/>

**PORTICO ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**28. PENSION COMMITMENTS (continued)**

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

	<b>31 August 2017 £</b>	<i>8 months ended</i> <b>31 August 2016 £</b>
Opening fair value of scheme assets	<b>1,372,000</b>	-
Upon conversion	<b>1,355,000</b>	1,138,000
Return on plan assets (excluding net interest on the net defined pension liability)	<b>378,000</b>	121,000
Interest income	<b>67,000</b>	18,000
Employer contributions	<b>499,000</b>	75,000
Employee contributions	<b>131,000</b>	20,000
Benefits paid	<b>(8,000)</b>	-
Other actuarial gains/(losses)	<b>(165,000)</b>	-
	<b>3,629,000</b>	1,372,000
Closing fair value of scheme assets	<b>3,629,000</b>	1,372,000

**29. OPERATING LEASE COMMITMENTS**

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	<b>2017 £</b>	<b>2016 £</b>
<b>Amounts payable:</b>		
Within 1 year	<b>8,748</b>	6,548
Between 1 and 5 years	<b>4,008</b>	6,950
	<b>12,756</b>	13,498
Total	<b>12,756</b>	13,498

**30. 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.

**PORTICO ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**31. RELATED PARTY TRANSACTIONS**

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

**H Jones**

H Jones step daughter of G Lowen was employed by the Academy Trust as a Teacher during the period remuneration of £26,192 (2016: £10,000) was paid in respect of this employment.

H Jones was an employee of West Leigh Junior School prior to conversion and her contract was transferred under Transfer of Undertakings (Protection of Employment) regulations.

- G Lowen has not participated in any discussions regarding H Jones' employment or remuneration.

**A R Marcus**

A R Marcus brother of C J Woolf provided legal advice to the Academy Trust amounting to £nil (2016: £1,693) for the period ending 31 August 2017.

- In undertaking the above transactions the Academy Trust followed its agreed procurement process in which C J Woolf neither participated nor influenced.

**West Leigh Swim School Limited**

West Leigh Swim School Limited a registered charity of which C J Woolf is a Director and Trustee leased a swimming pool from the Academy Trust during the reporting period. The rental charged was set by an independent Trustee of PORTICO Academy Trust and is considered a fair market rent for the use of the swimming pool.

Rent charged during the accounting period amounted to £14,000 (2016: £15,000) and £14,000 (2016: £15,000) was outstanding at the end of the reporting period.

**MWS**

Clive Smith is a partner of MWS the Academy Trust's auditors. Clive Smith did not participate in the audit work of the Academy Trust nor the procurement of the service. Total amounts charged during the period were £15,000 (2016: £12,000) and £15,000 (2016: £12,000) was outstanding at the end of the reporting period. Clive Smith resigned as Trustee of Portico Academy Trust on 27th March 2017

In entering into the above transactions the trust has complied with the requirements of the Academies Financial Handbook 2016.