

YAVNEH COLLEGE ACADEMY TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

YAVNEH COLLEGE ACADEMY TRUST
(A Company Limited by Guarantee)

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YAVNEH COLLEGE ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS OF YAVNEH COLLEGE ACADEMY TRUST
FOR THE YEAR ENDED 31 AUGUST 2017

Board of Trustees	Mr D I Album, Director, Vice-Chair Mr M Frazer, Director (appointed 7 March 2017) Mrs R G Hyams, Director Mrs H Kraines, Director (resigned 31 August 2017) Mrs R Levin, Director Mrs S Lewis, Executive Headteacher Mrs J Moore, Director (resigned 5 July 2017) Mrs D Morris, Director Mrs S A Nyman, Director, Chair Mr B E Raphael, Director Mr J S Reback, Director (resigned 7 March 2017) Mr D Summerfield, Director (appointed 20 June 2017)
Company registered number	07643712
Company name	Yavneh College Academy Trust
Registered and principal office	Hillside Avenue Borehamwood WD6 1HL
Members	Mr D I Album Mr M A Gordon Mrs S A Nyman Mr A Rubenstein Mr B E Perl
Company Secretary	Mrs H Fraser
Accounting Officer	Mr S Lewis
Executive Leadership Team	Mrs C Field, Primary Headteacher Mrs H Fraser, Business Manager Mr S Lewis, Executive Headteacher Rabbi A Davis, Director of Jewish Life
Senior Leadership Team of Yavneh College	Mr J Cordara Mr A Davis Mrs H Fraser Mrs M Lee Mr S Lewis, Headteacher Mr D Marcus (resigned 31 December 2016) Mrs R Seamark Mr M Kendler (appointed 1 September 2017)
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
Bankers	Lloyds Bank plc 25 Gresham Street London EC2N 7HN

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Advisers (continued)

Solicitors

Stone King
16 St Johns Lane
London
EC1M 4BS

YAVNEH COLLEGE ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their Annual Report with the financial statements and Auditors' Report for the year ended 31st August 2017 for Yavneh College Academy Trust (the Charitable Company or the Trust). The Annual Report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

Structure, Governance and Management

CONSTITUTION

Yavneh College Academy Trust (formally Yavneh College) is a Company limited by guarantee and an exempt charity. Its Memorandum and Articles of Association are the primary governing documents, together with its funding agreements with the Secretary of State for Education.

In May 2016 Yavneh College changed its name to Yavneh College Academy Trust and became a multi-academy trust (MAT) with two schools, Yavneh College and Yavneh Primary School (the Academies or the Schools). All Trustees of the MAT are Directors of the Trust for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, are included in the reference and administrative details on page 1 of these Reports and financial statements.

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.

TRUSTEES' INDEMNITIES

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

PRINCIPLE ACTIVITIES

The principle activities of the Trust are to advance, for the public benefit, education in the United Kingdom. In particular, but without prejudice to the generality of the foregoing, this is to be done by establishing, maintaining, carrying on, managing and developing Yavneh College and Yavneh Primary School with a designated Jewish religious character offering a broad and balanced curriculum as Modern Orthodox Jewish schools under the religious authority of the Chief Rabbi of the United Hebrew Congregations of the Commonwealth both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement with the Secretary of State for Education).

The principle activities are also to promote, for the benefit of the inhabitants of Borehamwood and the surrounding area, 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 interest of social welfare and with the object of improving the condition of life of the said inhabitants.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The appointment of the Trustees of the MAT is set out in the Articles of Association of the Trust. In summary, the key features are:

- Yavneh Foundation Trust shall appoint such number of Trustees as shall ensure that at all times the number of Trustees appointed by Yavneh Foundation Trust exceeds the other Trustees (including any Co-opted Trustees) by at least two
- Trustees may also be co-opted by the Trustees of the Trust.
- The Headteacher may be appointed an ex-officio Trustee by the Trustees.

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

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES AND GOVERNORS

The Board of Trustees of the MAT recognises the importance of Trustee induction and training. All new Trustees after appointment receive induction training.

The Trust buys into the Trustee training facility run by the Hertfordshire Local Authority and Trustees regularly attend these sessions. Bespoke training sessions are also run for the Trustees and Trustees also attend relevant training provided by other organisations.

Staff and Parent Governors are appointed to the Local Governing Bodies (LGBs) of Yavneh College and Yavneh Primary School, together with local Governors. They also receive induction on appointment and participate in on-going training together with the Trustees.

In this report the term Trustee or Director refers to a member of the Board of Trustees. The term Governor refers to a member of the Local Governing Body.

ORGANISATIONAL STRUCTURE

The Board of Trustees is responsible for setting the general policy, adopting an annual plan and making major decisions about the direction of the Trust. The Board of Trustees is responsible for the appointment of the Executive Headteacher of Yavneh College and the Headteacher of Yavneh Primary School and plays an active role in the recruitment of all members of the Senior Leadership Team (SLT) and Executive Leadership Team (ELT).

The Board of Trustees delegates certain aspects of its functions to its sub-committees - Finance, Premises, Personnel and Admissions. Pupils Disciplinary, Staff Grievance and Staff Appeals Committees meet as required. In addition, Yavneh College and Yavneh Primary School each have LGBs the primary function of which is to deal with matters other than those dealt with by other committees of the MAT Board; in particular, standards and curriculum.

Governors are appointed as follows:

- Parent Governors of both Schools are appointed by election by the parents of pupils attending each School respectively
- Staff governors of both Schools are appointed by election by the staff employed by each School
- Other Governors are co-opted onto LGBs by the Board of Trustees.

The Executive Headteacher is an ex-officio Trustee and is the Accounting Officer.

An ELT has been established to oversee operational leadership for the two Schools. It consists of the Executive Headteacher, the Headteacher of Yavneh Primary School Mrs Caroline Field, the Business Manager Mrs Hayley Fraser, and the Director for Jewish Life Rabbi Andrew Davis.

The SLT of Yavneh College is responsible for the day-to-day operation of Yavneh College. The Executive Headteacher directly line-manages the members of the SLT at Yavneh College, which comprises of:

- 2 Deputy Heads – Rabbi Andrew Davis and Dr Melanie Lee (appointed in December 2016). During the financial year ended 31 August 2016 Mr Daniel Marcus was the Deputy Head.
- 3 Assistant Heads – Mr John Cordara, Ms Rebecca Seamark and Mr Matthew Kendler (appointed September 2017).
- Director of Jewish Life – Rabbi Andrew Davis.
- Business Manager – Mrs Hayley Fraser.

Yavneh Primary School is led by the Headteacher, Mrs Caroline Field. The Executive Headteacher line manages the Headteacher of Yavneh Primary School who is responsible for the day to day running of that School in all regards.

RISK MANAGEMENT

The Trust maintains a risk register identifying the major risks to which the Trust is exposed, and identifies actions and procedures to mitigate those risks. This register is approved and monitored by the Board of Trustees, together with the appropriate committees to which the risks relate. The principle risks facing the Trust are outlined below in the principle risks and uncertainties section; those facing the Trust at an operational level are addressed by its systems and by internal financial and other controls.

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

The Board of Trustees reports that the Trust's financial and internal controls conform to guidelines issued by the Education and Skills Funding Authority (ESFA), and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The Trust has a relationship with Yavneh Foundation Trust through certain Trustees who are also trustees of Yavneh Foundation Trust namely Mr Daniel Album and Mrs Susan Nyman.

On 1st September 2016, the land and buildings used by Yavneh College were transferred from Yavneh Foundation Trust to Yavneh College Academy Trust to facilitate the development of Yavneh Primary School and to secure the long term landholding interest for Yavneh College Academy Trust. There is a restrictive covenant in the transfer that the site will only be used for the purposes of Jewish Education whilst there is sufficient demand for it.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Board of Trustees had the following main objectives for the period ended 31 August 2017:

- To ensure that every pupil enjoys the same high quality education in terms of resourcing, tuition and pastoral care.
- To continue to raise the standard of educational achievement of all pupils and thereby to maintain the Trust's local and national reputation.
- To provide value for money for the funds expended.
- To ensure that all pupils receive a high standard of Modern Orthodox Jewish Education and education in British Values.

Objectives, Strategies and Activities

In keeping with its objectives for the period, the main activities provided by the Trust included:

- Teaching and learning opportunities for all pupils to attain appropriate academic qualifications.
- Training opportunities for all staff, and especially teaching staff.
- A programme of enrichment activities for all students in KS3.
- Extension opportunities for pupils to continue to grow their Jewish Identity including, among other activities, the Year 9 Israel tour, shabbaton, Bet Midrash Track programme and Year 12 Poland Trip.
- Setting the highest standards in the Early Learning Goals in Yavneh Primary School and ensuring that at least 75% of pupils achieve these.

Public Benefit

The Board of Trustees have complied with their duty to have due regard to the Guidance on Public Benefit published by the Charity Commission.

The Trust has operated in accordance with its Funding Agreement as a non charging, not for profit organisation throughout the period in question. Pupil admissions to Yavneh College and Yavneh Primary School have been conducted in accordance with the admissions policies for each School.

STRATEGIC REPORT

Achievements and Performance

Yavneh Primary School

Yavneh Primary School opened its doors to 60 reception age pupils in September 2016. Since 2016 the popularity of Yavneh Primary School has increased. Pupils at Yavneh Primary School have performed exceptionally well.

Capital Improvements

Planning permission for the permanent building for Yavneh Primary School was granted on 31st August 2017. The 2 storey building will be built within the current ground of Yavneh College, and is due to open for occupation by the School in early 2019. This project is being funded by the ESFA.

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

Measurement of Success

The Trust measures its success partly through a series of performance indicators. These indicators comprise:

- Number of applications to Yavneh College and Yavneh Primary School and number of pupils on roll at each School.
- Examination results and other indicators of pupil progress.
- Financial health.

Admissions: Yavneh College continues to be oversubscribed with over 497 applications for 150 places to start in September 2017. Yavneh Primary School received over 170 applications for 60 places to start in September 2017.

Academic results: At Yavneh College and Yavneh Primary School for 2017 academic results were outstanding. Yavneh College had a progress 8 score for 2017 of 0.59, which is well above the national average of 0. At A Level, Yavneh College's results made it the top performing non selective school in the UK. In Yavneh Primary School, 83% of pupils achieved a good level of development, compared with 69% nationally.

Financial Health: Yavneh College conducted its financial management in accordance with the Academies Financial Handbook.

Going concern

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

FINANCIAL REVIEW

Financial report for the year

Most of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities, incorporating the Income and Expenditure Account.

In addition, the Schools receive income from Yavneh Foundation Trust that is received in the form of a voluntary Education and Security Supplement, in order to support the pupils' Jewish Studies' learning and security costs.

Financial position

The Trust held fund balances at 31st August 2017 of £30,500,210, comprising £35,672 of restricted general funds, £132,338 of unrestricted general funds and a pension reserve deficit of £775,000.

At 31 August 2017 the net book value of fixed assets was £31,039,200 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

Due to the accounting rules for the Local Government Pension Scheme under FRS102 the Trust is recognising a significant pension fund deficit of £775,000. 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.

Reserves policy

Having reviewed the cash flow for the Trust, there are currently insufficient funds for it to hold cash reserves. The Trustees review the cash flow on an ongoing basis, and aim to work towards having sufficient reserves in place to allow them to manage any unforeseen expenditure.

Investment policy

In view of the level of cash resources held by the Trust, all of which are required to maintain sufficient cash reserves in the Trust as noted above, the Trustees do not invest surplus funds other than on short term deposit. At such time in the future when the trust has sufficient surplus funds an investment policy will be established.

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

FINANCIAL RISK MANAGEMENT AND OBJECTIVES

Principle risks and uncertainties

The Board of Trustees assesses the principal risks and uncertainties facing the Trust as follows:

- 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, and governance in general. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputational: the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards in both Yavneh College and Yavneh Primary School. To mitigate this risk, Trustees ensure that student attainment and progress 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 and safety and discipline.
- Staffing: the success of both Schools is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure recruitment, continued development (including performance reviews) and training of staff as well as ensuring there is clear succession planning.
- Fraud and mismanagement of funds: the Trust has appointed an Internal Auditor to carry out checks on financial systems and records as required by the Academies Financial Handbook.

PLANS FOR THE FUTURE

The Trustees will continue striving to maintain and improve the levels of performance of pupils at all levels.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the Charitable Company's Auditors are unaware, and
- that each Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the Charitable Company's Auditors in connection with preparing their report and to establish that the Charitable Company's Auditors are aware of that information.

AUDITORS

The Auditors, Price Bailey LLP, are willing to continue in office and a resolution to appoint them will be proposed at the appropriate Members meeting.

This Report was approved by the Trustees on 20 December 2017 and signed on their behalf, by:

Mrs S A Nyman
Chair of Trustees

YAVNEH COLLEGE ACADEMY TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

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

Trustee	Meetings attended	Out of a possible
Mr D I Album, Director, Vice-Chair	4	4
Mr M Frazer, Director	2	2
Mrs R G Hyams, Director	4	4
Mrs H Kraines, Director	3	4
Mrs R Levin, Director	4	4
Mrs S Lewis, Executive Headteacher	4	4
Mrs J Moore, Director	3	4
Mrs D Morris, Director	4	4
Mrs S A Nyman, Director, Chair	4	4
Mr B E Raphael, Director	3	4
Mr J S Reback, Director	1	2
Mr D Summerfield, Director	1	1

In 2016-17 the Trustees continued with their review of the Governance structures in relation to the roles and responsibilities of Members, Trustees and Local Governing Body committee members. This ongoing review process is intended to:

- Enhance and improve communication between Trustees to all stakeholders of the Trust, with specific emphasis on greater dialogue between Trustees, members of the Local Governing Bodies and staff.
- Clearly define the layers of accountability for members, Trustees and Local Governing Body committee members.
- Reduce duplication in governance and its monitoring.
- Improve the accountability framework across the Multi-Academy Trust.
- Improve communication between the Trust and the local community.
- Improve the monitoring and evaluation procedures between Trustees and the Local Governing Bodies of each of the Schools to enable and further enhance school improvement.
- Align the Governance structure based on the latest DFE recommendation to facilitate future growth of the Trust.

The Finance Committee is a sub-committee of the Board of Trustees. The Finance Committee meets at least 3 times each year. Its purpose is to agree and monitor the management of the Trust budget and the overall financial performance of the Trust. The Finance Committee is also responsible for maintaining the Trust's Risk Register and ensuring that an internal control system is in place. This is done via the appointment of an internal auditor who reports to the Finance Committee termly.

Attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
Mr N Arnold	4	4
Mrs R G Hyams	4	4
Mr S Lewis	4	4
Mrs F Mendel	1	1
Mrs S A Nyman, Chair	4	4
Mr J S Reback	3	3
Mr S H Rosenberg	3	4

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GOVERNANCE STATEMENT (continued)

There were new members appointed to the Finance Committee during 2016 / 17 to replace members who had stood down and to recognise additional skills needed. New members were also appointed to enable representation by Local Governors from each of the two Local Governing Bodies.

The Trust does not have a formal Audit Committee, instead a select number of Trustees/Governors from the Finance Committee form an Audit Committee annually.

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during 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 Trust has delivered improved value for money during the year by:

- Conducting a whole school curriculum review, which has enabled Yavneh College to ensure that the curriculum offer is broad and balanced.
- Joining teaching alliances in order to offer employees opportunity for continuing professional development and collaboration.
- Conducting an annual review of staffing levels for both Yavneh College and Yavneh Primary School.
- Providing monthly reports on expenditure of the Trust to the Finance Committee and appropriate challenges being made.
- Using targeted pupil funds to improve outcomes.
- Continuously tracking progress to ensure results across all key stages are above national averages.
- Ensuring that the staffing structure implemented at Yavneh Primary School is sustainable and meets the needs of its pupils.

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 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 the 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 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.

THE RISK AND CONTROL FRAMEWORK

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees.
- Regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- Setting targets to measure financial and other performance.
- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- Delegation of authority and segregation of duties.
- Identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Price Bailey LLP as Internal Auditor.

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GOVERNANCE STATEMENT (continued)

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a termly basis, the Internal Auditor reports to the Board of Trustees on the operation of the systems of the control and on the discharge of the Board of Trustees' financial responsibilities.

Price Bailey LLP delivered their schedule of works as planned and no material control issues were identified.

REVIEW OF EFFECTIVENESS

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

- the work of the Internal Auditor;
- the work of the external Auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the 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 Board of Trustees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by the Board of Trustees on 20 December 2016 and signed on their behalf, by:

Mrs S A Nyman
Chair of Trustees

Mr S Lewis
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Yavneh College Academy Trust I have considered my responsibility to notify the Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the 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 Board of Trustees are able to identify any material irregular or improper use of funds by Yavneh College Academy Trust, or material non-compliance with the terms and conditions of funding under Yavneh College 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.

Mr S Lewis
Accounting Officer

Date: 20 December 2017

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

The Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education and Skills Funding Agency (ESFA), United Kingdom Accounting Standards (UK GAAP) 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 GAAP Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by the Board of Trustees on 20 December 2017 and signed on its behalf by:

Mrs S A Nyman
Chair of Trustees

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF YAVNEH COLLEGE ACADEMY TRUST

OPINION

We have audited the financial statements of Yavneh College Academy Trust (the 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' and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This Report is made solely to the 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 Trust's Members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's 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 Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources 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 OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our Report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the 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.

YAVNEH COLLEGE ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF YAVNEH COLLEGE ACADEMY TRUST

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 (incorporating the Strategic Report and the Directors' Report) for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' 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 and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law 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 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 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 Trust or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

Mr Gary Miller (Senior Statutory Auditor)
for and on behalf of
Price Bailey LLP
Chartered Accountants, Statutory Auditors
Causeway House, 1 Dane Street
Bishops Stortford, Hertfordshire, CM23 3BT
Date: 21 December 2017

YAVNEH COLLEGE ACADEMY TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 23 October 2017 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 Yavneh College 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 Yavneh College 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 Yavneh College 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 Yavneh College Academy Trust and the ESFA, for our work, for this Report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF YAVNEH COLLEGE ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Yavneh College Academy Trust's funding agreement with the Secretary of State for Education dated 6 June 2011, 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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

YAVNEH COLLEGE ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO YAVNEH
COLLEGE 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.

Reporting Accountant

Price Bailey LLP

Chartered Accountants

21 December 2017

YAVNEH COLLEGE ACADEMY TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	-	874,124	160,488	1,034,612	29,148,912
Charitable activities	3	-	5,150,152	-	5,150,152	4,865,568
Other trading activities	4	89,684	210,376	-	300,060	281,517
Investments	5	317	-	-	317	472
TOTAL INCOME		<u>90,001</u>	<u>6,234,652</u>	<u>160,488</u>	<u>6,485,141</u>	<u>34,296,469</u>
EXPENDITURE ON:						
Charitable activities		560	6,542,353	76,601	6,619,514	6,387,167
TOTAL EXPENDITURE	6	<u>560</u>	<u>6,542,353</u>	<u>76,601</u>	<u>6,619,514</u>	<u>6,387,167</u>
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		89,441	(307,701)	83,887	(134,373)	27,909,302
Transfers between funds	16	-	138,043	(138,043)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		89,441	(169,658)	(54,156)	(134,373)	27,909,302
Actuarial gains/(losses) on defined benefit pension schemes	21	-	673,000	-	673,000	(611,000)
NET MOVEMENT IN FUNDS		<u>89,441</u>	<u>503,342</u>	<u>(54,156)</u>	<u>538,627</u>	<u>27,298,302</u>
RECONCILIATION OF FUNDS:						
Total funds brought forward		42,897	(1,242,670)	31,033,356	29,833,583	2,535,281
TOTAL FUNDS CARRIED FORWARD		<u><u>132,338</u></u>	<u><u>(739,328)</u></u>	<u><u>30,979,200</u></u>	<u><u>30,372,210</u></u>	<u><u>29,833,583</u></u>

YAVNEH COLLEGE ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07643712

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	13		30,979,200		31,033,356
CURRENT ASSETS					
Debtors	14	171,377		265,030	
Cash at bank and in hand		294,627		177,210	
		<u>466,004</u>		<u>442,240</u>	
CREDITORS: amounts falling due within one year	15	(297,994)		(351,013)	
NET CURRENT ASSETS			<u>168,010</u>		<u>91,227</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>31,147,210</u>		<u>31,124,583</u>
Defined benefit pension scheme liability	21		(775,000)		(1,291,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>30,372,210</u></u>		<u><u>29,833,583</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	16	35,672		48,330	
Restricted fixed asset funds	16	30,979,200		31,033,356	
Restricted income funds excluding pension liability		31,014,872		31,081,686	
Pension reserve		(775,000)		(1,291,000)	
Total restricted income funds			<u>30,239,872</u>		<u>29,790,686</u>
Unrestricted income funds	16		132,338		42,897
TOTAL FUNDS			<u><u>30,372,210</u></u>		<u><u>29,833,583</u></u>

The financial statements on pages 17 to 37 were approved by the Trustees, and authorised for issue, on 20 December 2017 and are signed on their behalf, by:

Mrs S A Nyman
Trustee

Mr S Lewis
Accounting Officer

YAVNEH COLLEGE ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	18	139,545	149,051
Cash flows from investing activities			
Dividends, interest and rents from investments		317	472
Purchase of tangible fixed assets		(22,445)	(20,998)
Net cash used in investing activities		<u>(22,128)</u>	<u>(20,526)</u>
Change in cash and cash equivalents in the year		117,417	128,525
Cash and cash equivalents brought forward		177,210	48,685
Cash and cash equivalents carried forward		<u><u>294,627</u></u>	<u><u>177,210</u></u>

YAVNEH COLLEGE 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 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.

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

1.2 Company status

Yavneh College Academy Trust is a company limited by guarantee. The Members are noted on page 1. In the event of Yavneh College Academy Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member.

The registered office of the company is Hillside Avenue, Borehamwood, WD6 1HL, United Kingdom.

1.3 Fund accounting

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

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

1.4 Income

All income is recognised once the 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.

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.

YAVNEH COLLEGE 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 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 Trust's educational operations, including support costs and those costs relating to the governance of the Trust apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.6 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 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 Yavneh College Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

1.7 Tangible fixed assets and depreciation

All assets costing more than £2,000 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:

Freehold land	-	Held at fair value
Freehold buildings	-	50 years over residual value
Long term leasehold property	-	70 years straight line
Plant and machinery	-	5 years straight line
Motor vehicles	-	5 years straight line
Computer equipment	-	3 years straight line

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

YAVNEH COLLEGE ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.8 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.

1.9 Taxation

Yavneh College 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 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.

1.10 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.

1.11 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.

1.12 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 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.

1.13 Financial instruments

The Trust only holds financial instruments as defined in FRS 102. The financial assets and liabilities of the 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. 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 cost. 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.

1.14 Pensions

Retirement benefits to employees of the 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 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 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

YAVNEH COLLEGE 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 (continued)

The LGPS is a funded scheme and the assets are held separately from those of the 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 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 Trustees make estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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

	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	874,124	-	874,124	28,607,735
Donations in kind	-	-	-	460,000
Other grants	-	-	-	18,624
Capital grants	-	160,488	160,488	62,553
	<u>874,124</u>	<u>160,488</u>	<u>1,034,612</u>	<u>29,148,912</u>
<i>Total 2016</i>	<u>1,306,359</u>	<u>27,842,553</u>	<u>29,148,912</u>	

YAVNEH COLLEGE 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

	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants			
General Annual Grant (GAG)	5,013,826	5,013,826	4,512,071
Other DfE / ESFA grants	136,326	136,326	353,497
	<u>5,150,152</u>	<u>5,150,152</u>	<u>4,865,568</u>
<i>Total 2016</i>	<u>4,865,568</u>	<u>4,865,568</u>	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of facilities	77,351	-	77,351	67,514
Other income	12,333	210,376	222,709	214,003
	<u>89,684</u>	<u>210,376</u>	<u>300,060</u>	<u>281,517</u>
<i>Total 2016</i>	<u>153,465</u>	<u>128,052</u>	<u>281,517</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	317	317	472
	<u>317</u>	<u>317</u>	<u>472</u>
<i>Total 2016</i>	<u>472</u>	<u>472</u>	

YAVNEH COLLEGE ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Provision of Education:					
Direct costs	4,143,179	-	770,741	4,913,920	4,493,733
Support costs	601,754	447,564	656,276	1,705,594	1,893,434
	<u>4,744,933</u>	<u>447,564</u>	<u>1,427,017</u>	<u>6,619,514</u>	<u>6,387,167</u>
<i>Total 2016</i>	<u>4,345,539</u>	<u>363,471</u>	<u>1,678,157</u>	<u>6,387,167</u>	

7. CHARITABLE ACTIVITIES

	2017 £	2016 £
Direct costs -educational operations	4,913,920	4,493,733
Support costs - educational operations	1,705,594	1,893,434
	<u>6,619,514</u>	<u>6,387,167</u>
Total	<u>6,619,514</u>	<u>6,387,167</u>

Analysis of support costs	2017 £	2016 £
Support staff costs	601,754	552,027
Depreciation	76,601	9,515
Technology costs	276,578	123,532
Premises costs	387,564	363,471
Other support costs	295,088	789,552
Governance costs	68,009	55,337
	<u>1,705,594</u>	<u>1,893,434</u>
Total	<u>1,705,594</u>	<u>1,893,434</u>

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by or leased to by the Trust	76,601	9,515
Governance Internal Audit costs	1,500	1,500
Auditor's fees	10,000	7,750
Auditor's remuneration - non-audit costs	6,350	4,500
	<u>94,951</u>	<u>23,265</u>

YAVNEH COLLEGE ACADEMY TRUST
(A Company Limited by Guarantee)

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

9. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	3,554,404	3,447,670
Social security costs	344,654	274,024
Operating costs of defined benefit pension schemes	830,518	569,240
	<u>4,729,576</u>	<u>4,290,934</u>
Apprenticeship levy	1,357	-
Supply teacher costs	-	54,605
Staff restructuring costs	14,000	-
	<u>4,744,933</u>	<u>4,345,539</u>

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

	2017 No.	2016 No.
Teachers	71	65
Administration and support	56	78
Management	7	7
	<u>134</u>	<u>150</u>

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

	2017 No.	2016 No.
In the band £ 60,001 - £ 70,000	4	0
In the band £ 70,001 - £ 80,000	1	0
In the band £ 80,001 - £ 90,000	0	1
In the band £100,001 - £110,000	1	1

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2017 pension contributions for these staff amounted to £30,416 (2016 - £27,074).

The key management personnel of the Trust comprise the Trustees, Executive Leadership Team and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £656,311 (2016: £638,330)

10. CENTRAL SERVICES

No central services were provided by the Trust to its Schools during the year and no central charges arose.

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11. TRUSTEES' REMUNERATION AND EXPENSES

One Trustee has been paid remuneration or has received benefits from an employment with Yavneh College Academy Trust. The Executive Headteacher only receives remuneration in respect of services provided undertaking the role of Headteacher under their contract of employment, and not in respect of his role as Trustee. The value of Trustees' remuneration and other benefits was as follows:

		2017 £	2016 £
Mr S Lewis, Headteacher	Remuneration	105,000-110,000	100,000-105,000
	Pension contributions paid	15,000-20,000	15,000-20,000

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

12. TRUSTEES' AND OFFICERS' INSURANCE

Yavneh College 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, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees, Governors and Officers indemnity element from the overall cost of the RPA scheme.

13. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 September 2016	31,000,000	38,094	21,000	16,502	31,075,596
Additions	-	-	-	22,445	22,445
At 31 August 2017	<u>31,000,000</u>	<u>38,094</u>	<u>21,000</u>	<u>38,947</u>	<u>31,098,041</u>
Depreciation					
At 1 September 2016	-	10,258	21,000	10,982	42,240
Charge for the year	60,000	7,619	-	8,982	76,601
At 31 August 2017	<u>60,000</u>	<u>17,877</u>	<u>21,000</u>	<u>19,964</u>	<u>118,841</u>
Net book value					
At 31 August 2017	<u>30,940,000</u>	<u>20,217</u>	<u>-</u>	<u>18,983</u>	<u>30,979,200</u>
At 31 August 2016	<u>31,000,000</u>	<u>27,836</u>	<u>-</u>	<u>5,520</u>	<u>31,033,356</u>

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14. DEBTORS

	2017 £	2016 £
Trade debtors	93,889	140,462
VAT	49,294	26,396
Other debtors	12,157	-
Prepayments and accrued income	16,037	98,172
	171,377	265,030

15. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	181,733	200,439
Other taxation and social security	89,961	91,014
Other creditors	9,950	48,060
Accruals and deferred income	16,350	11,500
	297,994	351,013

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	-	1,800
Amounts released from previous years	-	(1,800)
	-	-

16. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General funds - all funds	42,897	90,001	(560)	-	-	132,338
	42,897	90,001	(560)	-	-	132,338
Restricted funds						
General Annual Grant (GAG)	-	5,013,826	(5,013,826)	-	-	-
Pupil Premium	-	52,818	(52,818)	-	-	-
SEN	-	55,390	(55,390)	-	-	-
Trips	-	33,553	(33,553)	-	-	-
Restricted donations	-	840,571	(840,571)	-	-	-
Yavneh Primary School, Start up fund	48,330	-	(48,330)	-	-	-
Other restricted grants	-	238,494	(340,865)	138,043	-	35,672
Pension reserve	(1,291,000)	-	(157,000)	-	673,000	(775,000)
	(1,242,670)	6,234,652	(6,542,353)	138,043	673,000	(739,328)

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16. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
Restricted fixed asset funds - all funds	31,033,356	-	(76,601)	(138,043)	-	30,818,712
Other Capital Income	-	160,488	-	-	-	160,488
	<u>31,033,356</u>	<u>160,488</u>	<u>(76,601)</u>	<u>(138,043)</u>	<u>-</u>	<u>30,979,200</u>
Total restricted funds	<u>29,790,686</u>	<u>6,395,140</u>	<u>(6,618,954)</u>	<u>-</u>	<u>673,000</u>	<u>30,239,872</u>
Total of funds	<u>29,833,583</u>	<u>6,485,141</u>	<u>(6,619,514)</u>	<u>-</u>	<u>673,000</u>	<u>30,372,210</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2016 £
Unrestricted funds						
General funds - all funds	74,658	153,937	(185,698)	-	-	42,897
	<u>74,658</u>	<u>153,937</u>	<u>(185,698)</u>	<u>-</u>	<u>-</u>	<u>42,897</u>
Restricted funds						
General Annual Grant (GAG)	(181,250)	4,512,071	(4,309,823)	(20,998)	-	-
Pupil Premium	-	77,263	(77,263)	-	-	-
SEN	-	60,938	(60,938)	-	-	-
Trips	-	51,009	(51,009)	-	-	-
Donation in kind	3,220,000	460,000	(460,000)	(3,220,000)	-	-
Restricted donations	-	776,726	(776,726)	-	-	-
Yavneh Primary School, Start up fund	-	210,330	(162,000)	-	-	48,330
Other restricted grants	-	151,642	(151,642)	-	-	-
Pension reserve	(600,000)	-	(80,000)	-	(611,000)	(1,291,000)
	<u>2,438,750</u>	<u>6,299,979</u>	<u>(6,129,401)</u>	<u>(3,240,998)</u>	<u>(611,000)</u>	<u>(1,242,670)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

	Balance at 1 September 2015 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2016 £
Restricted fixed asset funds - all funds	21,873	27,780,000	(9,515)	3,240,998	-	31,033,356
Devolved Formula Capital	-	35,472	(35,472)	-	-	-
Other ESFA capital grants	-	27,081	(27,081)	-	-	-
	<u>21,873</u>	<u>27,842,553</u>	<u>(72,068)</u>	<u>3,240,998</u>	<u>-</u>	<u>31,033,356</u>
Total restricted funds	<u>2,460,623</u>	<u>34,142,532</u>	<u>(6,201,469)</u>	<u>-</u>	<u>(611,000)</u>	<u>29,790,686</u>
Total of funds	<u>2,535,281</u>	<u>34,296,469</u>	<u>(6,387,167)</u>	<u>-</u>	<u>(611,000)</u>	<u>29,833,583</u>

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16. STATEMENT OF FUNDS (continued)

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

Unrestricted Funds

This represents income received that does not have restrictions.

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure.

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

Pupil Premium

This represents funding to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

SEN Funding

This represents funding from the Local Authority and it is used towards the education of pupils with special educational needs and disabilities.

Restricted trip donations

This represents contributions made by parents towards the running costs of trips for the pupils of Yavneh College Academy Trust and the associated costs.

Restricted donations

This represents donations from Yavneh Foundation Trust which contributes to the costs of Jewish Studies teaching and the additional security costs of Yavneh College Academy Trust.

Yavneh Primary School, Start Up Fund

This represents start up costs for Yavneh Primary School.

Donations in kind

This fund represents the rent free occupation of the land and buildings owned by the Yavneh Foundation Trust.

Other restricted income

This represents income received from other bodies which is restricted in nature.

Pension reserve

The fund represents Yavneh College Academy Trust's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to Yavneh College Academy Trust on conversion from a state controlled school.

Restricted fixed asset fund

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

Devolved Formula Capital (DFC) fund

This represents funding received from the ESFA specifically for the maintenance and improvement of Yavneh College Academy Trust's buildings and facilities.

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

16. STATEMENT OF FUNDS (continued)

Other ESFA capital grants

This represents funding from the ESFA received for a specific capital project.

ANALYSIS OF SCHOOLS BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Yavneh College	85,012	25,311
Yavneh Primary School	82,998	65,916
Total before fixed asset fund and pension reserve	<u>168,010</u>	<u>91,227</u>
Restricted fixed asset fund	30,979,200	31,033,356
Pension reserve	(775,000)	(1,291,000)
Total	<u><u>30,372,210</u></u>	<u><u>29,833,583</u></u>

ANALYSIS OF SCHOOLS BY COST

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

	Staff costs £	Premises £	Other costs excluding depreciation £	Total 2017 £	Total 2016 £
Yavneh College	4,393,972	330,701	1,195,967	5,920,640	6,289,553
Yavneh Primary School	350,961	47,863	223,449	622,273	88,099
	<u>4,744,933</u>	<u>378,564</u>	<u>1,419,416</u>	<u>6,542,913</u>	<u>6,377,652</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	30,979,200	30,979,200
Current assets	132,338	333,666	-	466,004
Creditors due within one year	-	(297,994)	-	(297,994)
Provisions for liabilities and charges	-	(775,000)	-	(775,000)
	<u>132,338</u>	<u>(739,328)</u>	<u>30,979,200</u>	<u>30,372,210</u>

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17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2016 £	2016 £	2016 £	2016 £
Tangible fixed assets	-	-	31,033,356	31,033,356
Current assets	42,897	399,343	-	442,240
Creditors due within one year	-	(351,013)	-	(351,013)
Provisions for liabilities and charges	-	(1,291,000)	-	(1,291,000)
	<u>42,897</u>	<u>(1,242,670)</u>	<u>31,033,356</u>	<u>29,833,583</u>

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

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(134,373)	27,909,302
Adjustment for:		
Depreciation charges	76,601	9,515
Interest	(317)	(472)
Decrease in debtors	93,653	3,179,332
Decrease in creditors	(53,019)	(28,626)
Defined benefit pension scheme finance cost	157,000	80,000
Non-cash donations of assets	-	(31,000,000)
Net cash provided by operating activities	<u>139,545</u>	<u>149,051</u>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	294,627	177,210
Total	<u>294,627</u>	<u>177,210</u>

20. 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.

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

21. PENSION COMMITMENTS

The Yavneh College 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 Hertfordshire County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (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; and
- 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 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £427,233 (2016 - £684,240).

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

Under the definitions set out in FRS 102, the TPS is 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.

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NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £156,000 (2016 - £123,000), of which employer's contributions totalled £118,000 (2016 - £115,000) and employees' contributions totalled £38,000 (2016 - £38,000). The agreed contribution rates for future years are 26.6% for employers and between 5.5 and 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:

	2017	2016
Rate of increase in salaries	2.50 %	3.60 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %
Discount rate	2.50 %	2.10 %

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

	2017	2016
Retiring today		
Males	22.5	22.3
Females	24.9	24.5
Retiring in 20 years		
Males	24.1	24.3
Females	26.7	26.7

	At 31 August 2017 £	At 31 August 2016 £
Sensitivity analysis		
Discount rate +0.1%	2,328,000	2,457,752
Discount rate -0.1%	2,472,000	2,620,248
Mortality assumption - 1 year increase	2,419,200	2,554,234
Mortality assumption - 1 year decrease	2,380,800	2,523,766
CPI rate +0.1%	2,452,800	2,584,702
CPI rate -0.1%	2,347,200	2,493,298

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NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,100,000	786,000
Bonds	423,000	350,000
Corporate bonds	119,000	87,000
Cash and other liquid assets	51,000	25,000
	<u>1,693,000</u>	<u>1,248,000</u>

The actual return on scheme assets was £225,000 (2016 - £159,000).

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

	2017 £	2016 £
Current service cost	(247,000)	(171,000)
Interest income	28,000	38,000
Interest cost	(56,000)	(62,000)
	<u>(275,000)</u>	<u>(195,000)</u>
Actual return on scheme assets	<u>28,000</u>	<u>38,000</u>

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

	2017 £	2016 £
Opening defined benefit obligation	2,539,000	1,537,000
Current service cost	247,000	171,000
Interest cost	56,000	62,000
Employee contributions	38,000	38,000
Actuarial (gains)/losses	(476,000)	732,000
Benefits paid	(4,000)	(1,000)
	<u>2,400,000</u>	<u>2,539,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	1,248,000	937,000
Interest income	28,000	38,000
Actuarial losses	197,000	121,000
Employer contributions	118,000	115,000
Employee contributions	38,000	38,000
Benefits paid	(4,000)	(1,000)
	<u>1,625,000</u>	<u>1,248,000</u>

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

22. OPERATING LEASE COMMITMENTS

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

	2017 £	2016 £
Amounts payable:		
Within 1 year	9,125	9,415
Between 1 and 5 years	10,784	4,224
Total	<u>19,909</u>	<u>13,639</u>

23. RELATED PARTY TRANSACTIONS

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

Any transactions where the Trustee has a pecuniary interest is only undertaken in accordance with the 'at cost' principle stated in the Academies Financial Handbook.

Trustees' remuneration and expenses have already disclosed in note 11.

Yavneh College Academy Trust received £823,570 (2016: £776,726) from Yavneh Foundation Trust, as a restricted donation. The balance due from them at the year end was £85,900 (2016: £35,566).