

PEAK EDGE
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

PEAK EDGE

(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 - 10
Governance statement	11 - 15
Statement on regularity, propriety and compliance	16
Statement of Trustees' responsibilities	17
Independent auditors' report on the financial statements	18 - 21
Independent reporting accountant's report on regularity	22 - 23
Statement of financial activities incorporating income and expenditure account	24 - 25
Balance sheet	26 - 27
Statement of cash flows	28
Notes to the financial statements	29 - 58

PEAK EDGE**(A company limited by guarantee)**

REFERENCE AND ADMINISTRATIVE DETAILS

Members	David Cates Paul Houghton John Lovell
Trustees	David Cates, Chair Elizabeth Cutting Dr Anthony Moody (resigned 22 October 2019) Dan Andrews Julie Vincent Martin Perryman (resigned 5 November 2019) Paul Houghton (resigned 12 November 2019) John Lovell (resigned 12 November 2019)
Company registered number	11650747
Company name	Peak Edge
Principal and registered office	Oughtibridge Primary School Naylor Road Sheffield South Yorkshire S350HG
Chief executive officer and Accounting officer	Jim Dugmore
Senior management team	Jim Dugmore, CEO and Headteacher at Oughtibridge Yvette Hawksworth, CFO (from January 2020) Steven Arbon-Davis, Headteacher at Nook Lane Sarah Binns, Headteacher at Stannington James Connolly, Headteacher at Loxley Helen Adams, Headteacher at Bradfield Matthew Gaughan, Headteacher at Wharnccliffe
Independent auditors	BHP LLP 2 Rutland Park Sheffield South Yorkshire S10 2PD

PEAK EDGE

(A company limited by guarantee)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The academy trust operates 6 primary schools serving catchment areas in North-West Sheffield which all converted to Academy status and joined the trust on 1 May 2019. They have a combined pupil capacity of 1,325 and had a roll of 1,315 in the school census at October 2020.

Structure, governance and management***a. Constitution***

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

The Trustees of Peak Edge are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Peak Edge.

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

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

The management of the academy trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

d. Policies adopted for the induction and training of Trustees

New Trustees are inducted by the Board through the support of experienced Trustees.

PEAK EDGE

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

e. Organisational structure

The Trustee Board is responsible for agreeing all policies covering Personnel, Health and Safety, Curriculum and Financial aspects of the work of all academies with Peak Edge although in practice some policies may be set at academy level depending on the Scheme of Delegation, which relates to individual school performance. Policies set at individual academy level are reviewed and agreed by Trustees periodically.

The full Trustee Board currently meets at least once every half term and is considered a full Board meeting at every occurrence. The Board's Finance and Audit committee meets on the same schedule. The Board has also constituted a Headteacher Board, which focuses on academy matters, which meets at least monthly. The day to day running of the academies is delegated by the Trustee Board to the respective Local Governing Board and Headteacher of each academy, as set out in the Trust Scheme of Delegation.

The Trustees also comprise the Finance and Audit committee:

Dan Andrews – Chair of the Finance and Audit committee
Jim Dugmore – Chief Executive Officer and Accounting Officer
Naomi Pearson – Chief Financial Officer (resigned 9 December 2019)
Yvette Hawksworth – Chief Financial Officer (appointed 6 January 2020)
Sarah Binns – Headteacher, Stannington Infant School
David Cates
Elizabeth Cutting
Julie Vincent
Dr Anthony Moody (resigned 22 October 2019)
Martin Perryman (resigned 5 November 2019)

The Headteachers of the Academies comprise the Headteacher Board:

Jim Dugmore – Chief Executive Officer and Accounting Officer/ Headteacher Oughtibridge Primary
Helen Adams – Headteacher, Bradfield Dungworth Primary
James Connolly – Headteacher, Loxley Primary
Steven Arbon-Davis – Headteacher, Nook Lane Junior
Sarah Binns, Headteacher, Stannington Infant
Matt Gaughan, Headteacher, Wharncliffe Side Primary

The Headteacher Board bears the responsibilities to:

- Discuss and co-ordinate operational matters arising across the Academies
- Co-ordinate inter-academy support and challenge in line with School Improvement Plans
- Make recommendations about Trust Policies
- Act as liaisons between the Trustee Board and Local Governing Boards
- Consider and advise upon safeguarding incidents, proceeding any areas of concern to Trustee level when required
- Consider and advise upon staffing matters between academies

PEAK EDGE

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

f. Arrangements for setting pay and remuneration of key management personnel

The Trust employs key management personnel to facilitate the work of the Trust. The key management personnel have an annual performance management review carried out by an expert in that particular field. The findings of these reviews are then used as a foundation for remuneration discussions within a prescribed pay banding. The remuneration proposals are then agreed by the Local Governing Board. The CEO's remuneration package is agreed in consultation with the Trustee Board. The remuneration package was benchmarked against the salary of other CEO's within Multi Academy Trusts of a similar size and with the support of officers from Capita Human Resources. The salary of the Chief Financial Officer was benchmarked using the Sheffield Local Authority Pay and Grading system and adheres to the framework set out for Sheffield Schools. Final remuneration packages are agreed by Trustees. Performance management of these roles are undertaken on an annual basis.

PEAK EDGE

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

a. Objects and aims

Peak Edge is based in North West Sheffield and was established in 2019 as a partnership between like minded partner schools with excellence at the heart of all that we do. The schools in the family share the same intention of ensuring every pupil we serve reaches their full potential and have track records of not only working together but providing school to school support across the city and beyond.

We believe every young person has the right to an excellent education, to feel safe and enjoy stimulating learning that inspires them. We aim to fully prepare them for the next stage of their life.

We are committed to supporting the schools led system and are committed as a group to deeper collaboration. Peak Edge brings schools together and provide a foundation for further growth by sharing our strengths while maintaining our individual characteristics.

Peak Edge prides itself on having high expectations of our pupils, staff and academies. Everyone involved with Peak Edge subscribes to the same core values and moral purpose so that we can best support each other and help our adults to develop alongside our young people.

These are:

- Trust - We respect the individuality of schools and their communities and always act with integrity. By allowing high levels of autonomy wherever possible, we are able to nurture personalised approaches to learning and focus on developing holistic people.
- Collaboration - Our Trust is based on positive relationships and close working across settings. Stakeholders treat each other with respect and work in productive partnerships that work for the greater good of the children.
- Ambition - We aspire for all children and adults in our communities to be the best they can be. Inspiring curricula for our pupils, clear development pathways for our staff and sustainable Trust growth all combine to ensure we all reach our potential.
- Responsibility - A school understands its context better than anybody and should be supported to utilise that knowledge in order to remain improvement focussed. We account for our actions and are outward facing.
- Innovation - Enjoyment and excitement should be an entitlement for all children and adults working in our Trust. We develop cutting edge, research informed and highly engaging pedagogies that ensure high levels of progress for children and rapid development of staff.

PEAK EDGE

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

b. Objectives, strategies and activities

At the heart of the Peak Edge offer is the goal of providing an excellent education for every child in every academy.

Peak Edge aims for children to make at least good progress in KS1 and KS2, considering their starting points from EYFS/ KS1. This will include comparing key areas from starting points with national data and comparing similar key areas at the end of KS1/ KS2. This will indicate good gains made across EYFS, KS1 and KS2 using this comparative data. The expectation is for children to make rapid progress that is sustained across their years in the primary school.

We seek to support the autonomy of our schools, under effective leadership, and to encourage them to flourish. In educational leadership terms, the trust is committed to the integrity of local governing bodies.

We aim to provide an effective combination of centrally driven improvement alongside effective monitoring to ensure that our schools demonstrate a high standard of provision.

The trust seeks to secure a positive, effective and communicative relationship with each of its academies.

Through working with school leadership and business support, the Trust seeks to foster the wellbeing and development of schools from within. We also aim, with agreement with our schools, to enable and facilitate working across the Trust.

The Trust positively encourages schools to continue to work with those local structures that are effective and worthwhile; this includes maintaining good links with local authority provision.

c. Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

PEAK EDGE

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance

a. Key performance indicators

Due to the cancellation of tests as a result of the COVID-19 pandemic, no SATs data is available for this reporting period. However, Teacher Assessment outcomes identified a positive picture across the Trust. We are certain that whole trust data would have evidenced outcomes above national for both attainment and progress at all key assessment points.

Whilst the impact of COVID-19 impacted significantly on the wider strategic plan, Peak Edge still:

- Developed leadership teams over last year in all schools to ensure they are 'Ofsted ready'. This has included 'preparedness' for the new Ofsted framework, developing subject leaders of the wider curriculum and continued coaching of senior leaders/core subject leaders through our review model.
- Facilitated practice sharing across the academies, with staff across all schools to develop a clear knowledge, skills, vocabulary curriculum in line with the new Ofsted framework.
- Ensured that staff are trained to teach in a way that ensures knowledge is correctly sequence and worked with subject leaders to ensure the content of their curriculums are well matched to the needs of pupils in the school, thus ensuring that children know and remember more.
- Centralised further a number of procurement streams to ensure best value for all schools.
- Realigned the strategic plan from March onwards to ensure that home working provision was fit for purpose, whilst at the same time ensuring in-school provision for key worker and vulnerable children was engaging in a safe environment for both pupils and staff.
- Ensured all Trust schools remained open during the COVID-19 pandemic, providing care for the children of key workers and vulnerable children throughout term and holiday time during Spring and Summer terms before opening more widely to selected year groups in late summer term.

b. Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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.

PEAK EDGE

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review

a. Investment policy

The trust has no investments and retains funds in a central account.

b. Principal risks and uncertainties

As a new Trust, Peak Edge is developing and reviewing its risk register and business continuity plan to help mitigate the main risks and uncertainties it faces.

The principal risks and uncertainties facing the trust are as follows:

Strategic:

- An academy in the trust receiving a negative Ofsted outcome – mitigated by shared development between academies and monitoring arrangements for the trust.
- Uncontrollable events e.g. fire, flood – mitigated by renewal of insurance with RPA.
- Change in Government Policy – mitigated by links with the National Society and use of Sheffield LA Legal Team for advice and support.
- Disruption caused by the COVID-19 pandemic and the associated global crisis – mitigated by site based risk assessments and COVID-secure operational changes.

Financial:

- Inaccurate or insufficient information – mitigated by partnership with Steel City Schools Partnership during the interim time between the CFO's resignation date and the appointment of the CFO Designate (who started in post in January 2020) to provide regular financial reporting to the trust and central support to complete budget monitoring returns.
- Poor cash flow or limited reserves – mitigated by monthly bank reconciliations, budget monitoring and production of cash flow forecasts and academy reserves.
- Unsuitable financial systems – mitigated by expert advice and training to ensure systems meet trust requirements.

c. Review of results

The statement of financial activities for the year ended 31 August 2020 shows a surplus on restricted funds (excluding pension reserve) plus unrestricted funds of £263,487. The trust held funds as at 31 August 2020 of £14,472,637 (2019: £10,009,337) consisting of £13,911,783 (2019: £9,564,790) restricted funds and £560,854 (2019: £444,547) unrestricted funds.

PEAK EDGE

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

d. Reserves policy

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

The Trustees also require a central revenue reserve to be created to fund future expenditure related to the Academy Development Plan's strategic long term aims and developments. The target level for these reserves is 5% to 10% of annual GAG funding and other income, which equates to £424,000 to £847,000.

At 31 August 2020 the Trust had free reserves of £970,441 (total funds less fixed asset and other restricted funds). Whilst free reserves are greater than the contingency reserves target, the Trust will use free reserves in 2021/2022 to cover budgeted deficits.

Fundraising

Potential fundraising and external income generation opportunities are regularly discussed at the Headteacher Board meetings. The main sources of fundraising is from grant awarding bodies such as Awards for All. The CFO, Headteachers and Administration staff will share knowledge of available funding and share information of any new grants that are available to schools and that they have successfully applied for.

Plans for future periods

The Trust is now established, with all academies having converted on May 1st 2019. There are no current plans for growth to report.

The trust will continue to review major purchase contracts in order to achieve best value for money for all schools within Peak Edge. The savings made on these areas will be reinvested in the front line education of pupils. Internal cost benchmarking will aim to create a hypothetical 'model' school in terms of cost management. This will be used to assess and validate practices that are outside of the 'model'.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

Auditors

The auditors, BHP LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 21 January 2021 and signed on its behalf by:

PEAK EDGE

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

D P Andrews
D P Andrews (Jan 26, 2021 07:10 GMT)

Dan Andrews
(Trustee)

PEAK EDGE

(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Peak Edge 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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 Peak Edge 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.

PEAK EDGE**(A company limited by guarantee)**

GOVERNANCE STATEMENT (CONTINUED)

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 7 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
David Cates, Chair	7	7
Elizabeth Cutting	4	7
Dr Anthony Moody	1	1
Dan Andrews	6	7
Julie Vincent	5	7
Martin Perryman	0	1
Paul Houghton	0	0
John Lovell	0	0

The Finance and Audit committee meets on the same schedule as the Board of Trustees. Its purpose is to:

- Support the aims and ethos of the Trust, focussing on the quality and extent of the provision of premises and equipment.
- Advise the Local Governing Boards on strategic priorities for the maintenance and development of the academy's premises and grounds, security and Health and Safety, for inclusion in the School Improvement Plan.
- Establish and implement a repairs and maintenance programme, within the budget established by the governing body, and in accordance with the priorities within the School Improvement Plan.
- Review on an annual basis the school's Health and Safety policy, and approve any amendments as necessary.
- Ensure that the school complies with Health and Safety regulations, in accordance with the Health and Safety policy.
- Review on an annual basis the school's Lettings policy for use of school premises outside school hours and determine the level of charges for such lettings.
- Establish, and keep under review, an Accessibility Plan, which meets the requirements of the Disability Discrimination Act 1995 to oversee the preparation and implementation of appropriate contracts, including the cleaning, grounds maintenance and school meals and ensure best value principles are applied.
- Monitor the quality of service provided by the above in accordance with the agreed contracts.
- Ensure that premises insurance arrangements are adequate.
- Oversee the trust's risk register and internal scrutiny procedures including internal audit.

Now that the Trust is established, and following two resignations from the Trustee Board, it will be necessary to recruit new Trustees to maintain the balance of skills and expertise on the Board.

PEAK EDGE

(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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:

- Appointing a new CFO who provided bursar support for the schools alongside strategic financial planning services.
- Securing RPA insurance from, leading to savings on items such as governor liability insurance, buildings and contents insurance etc.
- Securing accountancy and responsible officer visits for all academies.
- Securing MIS systems, financial planning systems and budget planning systems for all academies.
- Securing data tracking systems via Tracker+ for all academies.
- Securing staff absence cover for academies where needed.
- Securing Teaching and Learning reviews in all schools led by experts in their field focussing on key priorities (e.g. Phonics and Early Reading, SEND etc) which offered diagnostic analysis of school performance but also provided CPD opportunities for staff across the Trust.
- Securing CIF funding of over £3.5million, supporting seven estates projects across the Trust and ensuring health and safety and compliance standards are met and enhanced.
- Securing a new contract with a meals supplier, saving roughly £100,000 across the Trust.
- Securing a new IT support contract, leading to all schools making a saving on the previous year.
- Securing a new agreement with a local supply agency, leading to preferential rates for cover.
- Securing additional funding for a new Eco-classroom at Bradfield Dungworth Primary to accommodate increased pupil numbers in the Foundation Stage class, which allowed siblings to attend the same school.
- Securing an enhanced HR and Payroll contract, leading to savings in all schools.
- Supporting the delivery of formal networking groups which facilitate sharing of best practice and peer support and challenge at all levels across the Trust (e.g. Headteacher, Deputy Headteacher, EYFS, Year 2. And Year 6 networks).

To support suppliers considered at risk the Trust has applied PPN 02/20 and PPN 04/20 by continuing to pay for the following services:

- Schools Sports Partnership.
- Catering Contract.
- Schools Library Service.

The Trust has worked in partnership with their suppliers to discuss contract termination and as appropriate have exited contractual liabilities.

PEAK EDGE

(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)**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 on-going 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 Peak Edge for the year 1 September 2019 to 31 August 2020 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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

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

Another firm of accountants will be appointed to undertake the internal audit for 2020/21, in the light of the new requirement to have a different firm from the external auditors.

The Board of Trustees considered the need for a specific internal audit function and decided to appoint BHP LLP as internal auditor. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trusts financial systems. In particular the checks carried out in the current period included transaction testing on Loxley Primary School and Nook Lane Junior School.

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 on-going 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.

On a periodic basis, the reviewer reports to the board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

PEAK EDGE

(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

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:

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the reviewer;
- 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 audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 21 January 2021 and signed on their behalf by:


D P Andrews (Jan 26, 2021 07:10 GMT)

Dan Andrews
Trustee



Jim Dugmore
Accounting Officer

PEAK EDGE

(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Peak Edge I have considered my responsibility to notify the academy trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust board of Trustees are able to identify any material irregular or improper use of all 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 2019.

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



Jim Dugmore

Accounting Officer

Date: 21 January 2021

PEAK EDGE**(A company limited by guarantee)**

STATEMENT OF TRUSTEES' RESPONSIBILITIES*FOR THE YEAR ENDED 31 AUGUST 2020*

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 Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial . 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 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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


D P Andrews (Jan 26, 2021 07:10 GMT)

Dan Andrews

(Trustee)

Date: 21 January 2021

PEAK EDGE

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PEAK EDGE

Opinion

We have audited the financial statements of Peak Edge (the 'academy trust') for the period ended 31 August 2020 which comprise the Statement of financial activities, 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

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 2020 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 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.

PEAK EDGE

(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PEAK EDGE
(CONTINUED)**

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. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. 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 incorporating the Strategic Report and the Directors Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Director's 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 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 Director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

PEAK EDGE

(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PEAK EDGE
(CONTINUED)**

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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.

Auditors' responsibilities for the audit of the financial statements

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

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

PEAK EDGE

(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PEAK EDGE
(CONTINUED)**

Use of our report

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.

Philip Allsop
Philip Allsop (Jan 26, 2021 08:29 GMT)

Philip Allsop (senior statutory auditor)

for and on behalf of

BHP LLP

2 Rutland Park

Sheffield

South Yorkshire

S10 2PD

Jan 26, 2021

PEAK EDGE

(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PEAK EDGE AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 20 September 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Peak Edge during the year 1 September 2019 to 31 August 2020 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 Peak Edge and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Peak Edge and 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 Peak Edge and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Peak Edge's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Peak Edge's funding agreement with the Secretary of State for Education dated [enter date here] and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

PEAK EDGE

(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PEAK EDGE AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- Detailed testing on a sample basis to assess the nature of expenditure and whether funds have been used appropriately;
- Review of the academy trust's internal financial procedures to ensure that controls are in place to prevent or identify regularity issues;
- Ensure that ESFA approval has been obtained for relevant transactions;
- Discussions with Trustees, Senior Leadership Team and the Accounting Officer throughout the audit process to ensure that all regularity threats have been addressed.

Conclusion

In the course of our work, except for the matters listed below nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


Philip Allsop (Jan 26, 2021 08:29 GMT)

Philip Allsop
BHP LLP

Date: Jan 26, 2021

PEAK EDGE

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds Year ended 31 August 2020 £	Restricted funds Year ended 31 August 2020 £	Restricted fixed asset funds Year ended 31 August 2020 £	Total funds Year ended 31 August 2020 £	Total funds Period ended 31 August 2019 £
Income from:						
Donations and capital grants	3	17,947	(9,048)	1,490,026	1,498,925	10,596,619
Charitable activities	4	-	6,546,420	-	6,546,420	2,165,048
Other trading activities	5	179,614	246,641	-	426,255	119,554
Investments	6	769	-	-	769	291
Total income		198,330	6,784,013	1,490,026	8,472,369	12,881,512
Expenditure on:						
Charitable activities	7	71,523	6,870,007	29,419	6,970,949	2,378,175
Total expenditure		71,523	6,870,007	29,419	6,970,949	2,378,175
Net income/(expenditure)		126,807	(85,994)	1,460,607	1,501,420	10,503,337
Transfers between funds	18	(10,500)	(77,826)	88,326	-	-
Net movement in funds before other recognised gains/(losses)		116,307	(163,820)	1,548,933	1,501,420	10,503,337
Other recognised gains/(losses):						
Gains on revaluation of fixed assets	15	-	-	1,393,880	1,393,880	-
Actuarial gains/(losses) on defined benefit pension schemes	24	-	1,568,000	-	1,568,000	(494,000)
Net movement in funds		116,307	1,404,180	2,942,813	4,463,300	10,009,337
Reconciliation of funds:						
Total funds brought forward		444,547	(3,702,379)	13,267,169	10,009,337	-
Net movement in funds		116,307	1,404,180	2,942,813	4,463,300	10,009,337
Total funds carried forward		560,854	(2,298,199)	16,209,982	14,472,637	10,009,337

PEAK EDGE

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 29 to 58 form part of these financial statements.

PEAK EDGE**(A company limited by guarantee)**REGISTERED NUMBER: 11650747

BALANCE SHEET*AS AT 31 AUGUST 2020*

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	15	15,592,203	13,198,129
		<hr/>	<hr/>
		15,592,203	13,198,129
Current assets			
Debtors	16	1,212,415	630,058
Cash at bank and in hand		2,053,885	779,057
		<hr/>	<hr/>
		3,266,300	1,409,115
Creditors: amounts falling due within one year	17	(1,620,866)	(575,907)
		<hr/>	<hr/>
Net current assets		1,645,434	833,208
		<hr/>	<hr/>
Total assets less current liabilities		17,237,637	14,031,337
		<hr/>	<hr/>
Net assets excluding pension liability		17,237,637	14,031,337
Defined benefit pension scheme liability	24	(2,765,000)	(4,022,000)
		<hr/>	<hr/>
Total net assets		14,472,637	10,009,337
		<hr/> <hr/>	<hr/> <hr/>
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	18	16,209,982	13,267,169
Restricted income funds	18	466,801	319,621
		<hr/>	<hr/>
Restricted funds excluding pension asset	18	16,676,783	13,586,790
Pension reserve	18	(2,765,000)	(4,022,000)
		<hr/>	<hr/>
Total restricted funds	18	13,911,783	9,564,790
Unrestricted income funds	18	560,854	444,547
		<hr/>	<hr/>
Total funds		14,472,637	10,009,337
		<hr/> <hr/>	<hr/> <hr/>

PEAK EDGE

(A company limited by guarantee)

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2020

The financial statements on pages 24 to 58 were approved by the Trustees, and authorised for issue on 21 January 2021 and are signed on their behalf, by:

D P Andrews

D P Andrews (Jan 26, 2021 07:10 GMT)

Dan Andrews

(Trustee)

PEAK EDGE**(A company limited by guarantee)**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

		Year ended 31 August 2020	Period ended 31 August 2019
	Note	£	£
Cash flows from operating activities			
Net cash provided by operating activities	20	813,646	822,385
Cash flows from investing activities	21	461,182	(43,328)
Change in cash and cash equivalents in the year		1,274,828	779,057
Cash and cash equivalents at the beginning of the year		779,057	-
Cash and cash equivalents at the end of the year	22, 23	2,053,885	779,057

The notes on pages 29 to 58 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 historic 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the charity and rounded to the nearest £1.

1.2 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income

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

- **Grants**

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

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

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

- **Donations**

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

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.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.5 Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Depreciation is provided on the following basis:

Long-term leasehold property	-	2%	Straight line
Furniture and equipment	-	25%	Straight line
Computer equipment	-	20%	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.

1.6 Debtors

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

1.7 Cash at bank and in hand

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

1.8 Liabilities

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.9 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 bases 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 16. Prepayments are not financial instruments. Amounts due to the academy trust are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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 as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy trust are held at face value less any impairment.

1.10 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.11 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 funders where the asset acquired or created is held for a specific purpose.

Investment income, gains and losses are allocated to the appropriate fund.

2. 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

PEAK EDGE**(A company limited by guarantee)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. Income from donations and capital grants

	Unrestricted funds Year ended 31 August 2020 £	Restricted funds Year ended 31 August 2020 £	Restricted fixed asset funds Year ended 31 August 2020 £	Total funds Year ended 31 August 2020 £	Total funds Period ended 31 August 2019 £
Donations	17,947	10,500	-	28,447	5,721
Capital grants	-	-	1,490,026	1,490,026	38,871
Transfer on conversion	-	(19,548)	-	(19,548)	10,552,027
Total 2020	17,947	(9,048)	1,490,026	1,498,925	10,596,619
Total 2019	424,853	(3,098,403)	13,270,169	10,596,619	

Transfer on conversion

During the prior period estimations of the income transferred in on conversion were used as confirmed figures were not available. Upon finalisation of these figures it was observed the estimations were overstated by £19,548, this has therefore been corrected in the financial statements for the year to 31 August 2020.

PEAK EDGE**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Funding for the academy trust's educational operations

	Restricted funds Year ended 31 August 2020 £	Total funds Year ended 31 August 2020 £	Total funds Period ended 31 August 2019 £
<i>DfE/ESFA grants</i>			
General Annual Grant (GAG)	5,115,757	5,115,757	1,707,475
Pupil Premium	242,862	242,862	83,891
Rates Reclaim	40,699	40,699	-
PE and Sports Grant	106,978	106,978	36,088
Other ESFA Grants	275,103	275,103	78,955
<i>DfE/ ESFA grants total</i>	5,781,399	5,781,399	1,906,409
<i>Other government grants</i>			
Universal Infant Free School Meals	224,296	224,296	74,144
SEN	425,334	425,334	110,615
Early Years Funding	74,339	74,339	39,993
Other LA Income	32,452	32,452	33,887
<i>Other government grants total</i>	756,421	756,421	258,639
<i>Exceptional government funding</i>			
Coronavirus Job Retention Scheme grant	8,600	8,600	-
<i>Total 2020</i>	6,546,420	6,546,420	2,165,048
Total 2019	2,165,048	2,165,048	

The academy furloughed some of its Breakfast and Afterschool Club staff and one member of Nursery staff under the government's CJRS. The funding received of £8,600 relates to staff costs in respect of these staff which are included within note 12 below as appropriate.

PEAK EDGE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Income from other trading activities

	Unrestricted funds Year ended 31 August 2020 £	Restricted funds Year ended 31 August 2020 £	Total funds Year ended 31 August 2020 £	Total funds Period ended 31 August 2019 £
Other trading activities	179,614	246,641	426,255	119,554
Total 2019	79,117	40,437	119,554	

6. Investment income

	Unrestricted funds Year ended 31 August 2020 £	Total funds Year ended 31 August 2020 £	Total funds Period ended 31 August 2019 £
Investment income	769	769	291
Total 2019	291	291	

PEAK EDGE**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

7. Expenditure

	Staff Costs Year ended 31 August 2020 £	Premises Year ended 31 August 2020 £	Other Year ended 31 August 2020 £	Total Year ended 31 August 2020 £	Total Period ended 31 August 2019 £
Direct costs	4,911,081	-	425,088	5,336,169	1,828,567
Support costs	777,997	230,289	626,494	1,634,780	549,608
Total 2020	5,689,078	230,289	1,051,582	6,970,949	2,378,175
Total 2019	1,942,595	91,279	344,301	2,378,175	

8. Analysis of expenditure by activities

	Activities undertaken directly Year ended 31 August 2020 £	Support costs Year ended 31 August 2020 £	Total funds Year ended 31 August 2020 £	Total funds Period ended 31 August 2019 £
Educational operations	5,336,169	1,634,780	6,970,949	2,378,175
Total 2019	1,828,567	549,608	2,378,175	

PEAK EDGE**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. Analysis of expenditure by activities (continued)**Analysis of support costs**

	Educational operations Year ended 31 August 2020 £	Total funds Year ended 31 August 2020 £	Total funds Period ended 31 August 2019 £
Staff costs	777,997	777,997	251,427
Depreciation	29,419	29,419	3,000
Other staff costs	20,701	20,701	-
Technology	88,940	88,940	16,752
Maintenance of premises	236,983	236,983	91,279
Catering	230,411	230,411	112,443
Other support costs	100,271	100,271	32,532
Professional fees	123,962	123,962	27,785
Legal fees	520	520	-
Governance costs (note 9)	25,576	25,576	14,390
	<hr/>	<hr/>	<hr/>
	1,634,780	1,634,780	549,608
	<hr/>	<hr/>	<hr/>
Total 2019	549,608	549,608	
	<hr/>	<hr/>	

9. Governance costs

	2020 £	2019 £
Audit fees	13,350	13,000
Other non audit services	6,150	-
Governor services	6,076	1,390
	<hr/>	<hr/>
	25,576	14,390
	<hr/>	<hr/>

PEAK EDGE**(A company limited by guarantee)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020	2019
	£	£
Depreciation of tangible fixed assets	29,419	3,000
Fees paid to auditors for:		
- audit	13,350	13,000
- other services	6,150	-
	=====	=====

PEAK EDGE**(A company limited by guarantee)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. Staff**a. Staff costs**

Staff costs during the year were as follows:

	Year ended 31 August 2020 £	Period ended 31 August 2019 £
Wages and salaries	4,097,678	1,307,376
Social security costs	333,402	105,749
Pension costs	1,138,607	482,073
	<hr/> 5,569,687	<hr/> 1,895,198
Agency staff costs	119,391	47,397
	<hr/> 5,689,078 <hr/>	<hr/> 1,942,595 <hr/>

b. Staff numbers

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

	Year ended 31 August 2020 No.	Period ended 31 August 2019 No.
Teachers	65	66
Admin and support	145	138
Management	16	18
	<hr/> 226 <hr/>	<hr/> 222 <hr/>

PEAK EDGE**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

11. Staff (continued)**b. Staff numbers (continued)**

The average headcount expressed as full-time equivalents was:

	Year ended 31 August 2020 No.	Period ended 31 August 2019 No.
Teachers	49	49
Admin and support	70	74
Management	16	17
	<hr/> 135 <hr/>	<hr/> 140 <hr/>

c. Higher paid staff

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

	31 August 2020 No.	Period ended 31 August 2019 No.
In the band £60,001 - £70,000	2	-
In the band £70,001 - £80,000	2	-
	<hr/> 2 <hr/>	<hr/> - <hr/>

d. Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £575,324 (2019: £162,472).

PEAK EDGE**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

12. Central services

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

- Bursar and strategic financial services
- Legal support
- Statutory HR
- Pupil data tracking software
- Financial software access
- School improvement support

The academy trust charges for these services on the following basis:

1.9% of GAG between September - March 2020

2.6% of GAG between April - June 2020

2.9% of GAG between July - August 2020

The actual amounts charged during the year were as follows:

	2020	2019
	£	£
Bradfield Dungworth Primary	10,897	3,083
Loxley Primary	18,107	5,118
Nook Lane Junior	23,432	6,132
Oughtibridge Primary	33,409	9,436
Stannington Infant	16,044	4,536
Wharnccliffe Side Primary	18,112	4,136
Total	120,001	32,441

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

14. 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 trust 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 membership.

PEAK EDGE**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

15. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2019	13,111,154	-	89,975	13,201,129
Additions	999,878	967	28,768	1,029,613
Revaluations	1,393,880	-	-	1,393,880
At 31 August 2020	15,504,912	967	118,743	15,624,622
Depreciation				
At 1 September 2019	-	-	3,000	3,000
Charge for the year	1,383	74	27,962	29,419
At 31 August 2020	1,383	74	30,962	32,419
Net book value				
At 31 August 2020	15,503,529	893	87,781	15,592,203
At 31 August 2019	13,111,154	-	86,975	13,198,129

The properties are held at current market value. Valuations were carried out by Release Property Consultancy Limited throughout January 2020. At 31 August 2019, valuations had not been conducted in detail so the desktop surveys provided by the Local Authorities were used for the value in the accounts, hence the revaluations in the financial statements for the year ended 31 August 2020.

PEAK EDGE**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

16. Debtors

	2020	2019
	£	£
<i>Due within one year</i>		
Trade debtors	11,446	31,921
Prepayments and accrued income	832,574	530,381
Tax recoverable	368,395	67,756
	1,212,415	630,058

17. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	1,210,808	102,669
Other taxation and social security	75,961	101,390
Other creditors	28,816	-
Accruals and deferred income	305,281	371,848
	1,620,866	575,907

At the financial year end £268,408 (2019: £222,891) was recognised in deferred income in relation to income received which relates to the following financial year for UIFSM, SEN, IR top up funding and growth funding.

PEAK EDGE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds - all funds	444,547	198,330	(71,523)	(10,500)	-	560,854
Restricted general funds						
GAG	224,311	5,115,757	(4,889,797)	(40,684)	-	409,587
Pupil premium	-	242,862	(242,862)	-	-	-
SEN	-	425,334	(425,334)	-	-	-
UIFSM	-	224,296	(224,296)	-	-	-
School fund	82,949	27,350	(15,943)	(37,142)	-	57,214
Early Years Funding	-	74,339	(74,339)	-	-	-
Other	12,361	674,075	(686,436)	-	-	-
Pension reserve	(4,022,000)	-	(311,000)	-	1,568,000	(2,765,000)
	(3,702,379)	6,784,013	(6,870,007)	(77,826)	1,568,000	(2,298,199)
Restricted fixed asset funds						
Fixed asset fund	13,228,298	-	(29,419)	999,443	-	14,198,322
DFC/ CIF funding	38,871	1,490,026	-	(911,117)	-	617,780
Fixed asset revaluation	-	-	-	-	1,393,880	1,393,880
	13,267,169	1,490,026	(29,419)	88,326	1,393,880	16,209,982
Total Restricted funds	9,564,790	8,274,039	(6,899,426)	10,500	2,961,880	13,911,783
Total funds	10,009,337	8,472,369	(6,970,949)	-	2,961,880	14,472,637

PEAK EDGE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Statement of funds (continued)

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

General Annual Grant (GAG): The GAG income must be used for the normal running costs of the Academy.

Pupil Premium: DfE funding to address the current underlying inequalities between children eligible for free school meals (FSM) and their wealthier peers by ensuring that funding to tackle the disadvantage reaches the pupils who need it most.

SEN: Specific funding for high needs pupils.

UIFSM: To support schools in delivering the legal requirement to offer free school meals to all pupils in reception, year 1 and year 2.

School Fund: Funds raised by schools for specific projects or purposes including balances on school funds transferred in by the schools on conversion.

Early years funding: To deliver early education.

Pension reserve: The deficit on the Local Government Pension Scheme has been recognised against restricted funds in order to match it against GAG as recommended by the EFA Accounts Direction.

Restricted fixed asset funds: Restricted funds set aside for capital items.

PEAK EDGE**(A company limited by guarantee)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Statement of funds (continued)

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Peak Edge	57,008	31,342
Bradfield Dungworth Primary	121,250	82,731
Loxley Primary	211,702	143,092
Nook Lane Junior	96,615	46,121
Oughtibridge Primary	246,922	193,750
Stannington Infant	125,284	106,371
Wharncliffe Side Primary	168,874	160,761
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,027,655	764,168
Restricted fixed asset fund	16,209,982	13,267,169
Pension reserve	(2,765,000)	(4,022,000)
	<hr/>	<hr/>
Total	14,472,637	10,009,337
	<hr/> <hr/>	<hr/> <hr/>

PEAK EDGE**(A company limited by guarantee)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Statement of funds (continued)**Total cost analysis by academy**

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 2020 £	Total 2019 £
Peak Edge	32,570	27,383	-	51,002	110,955	14,789
Bradfield Dungworth Primary	407,120	74,625	10,272	121,703	613,720	220,824
Loxley Primary	706,410	72,788	5,034	168,940	953,172	318,246
Nook Lane Junior	1,005,324	133,357	16,155	152,955	1,307,791	420,203
Oughtibridge Primary	1,301,163	270,443	22,839	317,387	1,911,832	659,254
Stannington Infant	590,877	79,968	11,786	196,081	878,712	312,459
Wharnccliffe Side Primary	867,617	119,433	4,945	173,353	1,165,348	429,400
Academy trust	4,911,081	777,997	71,031	1,181,421	6,941,530	2,375,175

PEAK EDGE**(A company limited by guarantee)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Statement of funds (continued)

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

	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2019 £
<i>Unrestricted funds</i>				
General Funds - all funds	504,261	(59,714)	-	444,547
<i>Restricted general funds</i>				
GAG	1,707,475	(1,483,164)	-	224,311
Pupil premium	119,979	(119,979)	-	-
SEN	110,615	(110,615)	-	-
UIFSM	74,144	(74,144)	-	-
School fund	91,821	(8,872)	-	82,949
Growth fund	78,955	(78,955)	-	-
Early Years Funding	39,993	(39,993)	-	-
Other	162,100	(149,739)	-	12,361
Pension reserve	(3,278,000)	(250,000)	(494,000)	(4,022,000)
	<u>(892,918)</u>	<u>(2,315,461)</u>	<u>(494,000)</u>	<u>(3,702,379)</u>
<i>Restricted fixed asset funds</i>				
Fixed asset fund	13,231,298	(3,000)	-	13,228,298
DFC/ CIF funding	38,871	-	-	38,871
	<u>13,270,169</u>	<u>(3,000)</u>	<u>-</u>	<u>13,267,169</u>
<i>Total Restricted funds</i>	<u>12,377,251</u>	<u>(2,318,461)</u>	<u>(494,000)</u>	<u>9,564,790</u>
<i>Total funds</i>	<u><u>12,881,512</u></u>	<u><u>(2,378,175)</u></u>	<u><u>(494,000)</u></u>	<u><u>10,009,337</u></u>

PEAK EDGE**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. Analysis of net assets between funds**Analysis of net assets between funds - current period**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	15,592,203	15,592,203
Current assets	588,835	2,059,686	617,779	3,266,300
Creditors due within one year	(27,981)	(1,592,885)	-	(1,620,866)
Provisions for liabilities and charges	-	(2,765,000)	-	(2,765,000)
Total	560,854	(2,298,199)	16,209,982	14,472,637

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	13,198,129	13,198,129
Current assets	444,547	895,528	69,040	1,409,115
Creditors due within one year	-	(575,907)	-	(575,907)
Provisions for liabilities and charges	-	(4,022,000)	-	(4,022,000)
Total	444,547	(3,702,379)	13,267,169	10,009,337

PEAK EDGE**(A company limited by guarantee)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

20. Reconciliation of net income to net cash flow from operating activities

	Year ended 2020 £	Period ended 2019 £
Net income for the period (as per statement of financial activities)	1,501,420	10,503,337
Adjustments for:		
Depreciation	29,419	3,000
Capital grants from DfE and other capital income	(1,490,026)	(38,871)
Interest receivable	(769)	(291)
Defined benefit pension scheme adjustment	311,000	250,000
Increase in debtors	(582,357)	(630,058)
Increase in creditors	1,044,959	575,907
Pension scheme obligation inherited	-	3,278,000
Fixed assets donated on conversion	-	(13,118,639)
Net cash provided by operating activities	813,646	822,385

21. Cash flows from investing activities

	2020 £	2019 £
Purchase of tangible fixed assets	(1,029,613)	(82,490)
Interest receivable	769	291
Capital grants from DfE and other capital income	1,490,026	38,871
Net cash provided by/(used in) investing activities	461,182	(43,328)

22. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	2,053,885	779,057
Total cash and cash equivalents	2,053,885	779,057

PEAK EDGE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

23. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	779,057	1,274,828	2,053,885
	<hr/> 779,057 <hr/>	<hr/> 1,274,828 <hr/>	<hr/> 2,053,885 <hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

24. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

PEAK EDGE**(A company limited by guarantee)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

24. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £584,344 (2019 - £126,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £399,000 (2019 - £112,000), of which employer's contributions totalled £321,000 (2019 - £86,000) and employees' contributions totalled £ 78,000 (2019 - £26,000). The agreed contribution rates for future years are 16.4 per cent for employers and 5.5-12 per cent for employees.

As described in note 1.10 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.60	3.25
Rate of increase for pensions in payment/inflation	2.35	2.1
Discount rate for scheme liabilities	1.75	1.8
Inflation assumption (CPI)	2.35	2.0

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

PEAK EDGE**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

24. Pension commitments (continued)

	2020	2019
	Years	Years
Retiring today		
Males	22.4	23.1
Females	25.2	25.9
Retiring in 20 years		
Males	23.9	25.3
Females	27.1	28.3

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	(137)	(119)
Discount rate -0.1%	139	121
Mortality assumption - 1 year increase	140	100
Mortality assumption - 1 year decrease	(138)	(99)
CPI rate +0.1%	186	121
CPI rate -0.1%	(182)	(119)

Share of scheme assets

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

	Year ended	Period ended
	2020	2019
	£	£
Equities	1,836,000	844,645
Gilts	568,000	230,945
Corporate bonds	340,000	117,895
Property	325,000	140,505
Cash and other liquid assets	139,000	51,680
Other	662,000	229,330
Total market value of assets	3,870,000	1,615,000

The actual return on scheme assets was £(2,000) (2019 - £79,000).

PEAK EDGE**(A company limited by guarantee)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

24. Pension commitments (continued)

The amounts recognised in the Statement of financial activities are as follows:

	Year ended 2020 £	Period ended 2019 £
Current service cost	555,000	152,000
Past service cost	-	159,000
Interest income	(33,000)	(14,000)
Interest cost	102,000	39,000
Administrative expenses	8,000	-
Total amount recognised in the Statement of financial activities	632,000	336,000

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

	2020 £	2019 £
At 1 September	5,637,000	-
Conversion of academy trusts	-	4,707,000
Current service cost	555,000	152,000
Interest cost	102,000	39,000
Employee contributions	78,000	26,000
Actuarial losses	332,000	554,000
Benefits paid	(69,000)	-
Past service costs	-	159,000
At 31 August	6,635,000	5,637,000

PEAK EDGE**(A company limited by guarantee)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

24. Pension commitments (continued)

Changes in the fair value of the academy trust's share of scheme assets were as follows:

	2020	2019
	£	£
At 1 September	1,615,000	-
Conversion of academy trusts	-	1,429,000
Interest income	33,000	14,000
Actuarial gains	1,900,000	60,000
Employer contributions	321,000	86,000
Employee contributions	78,000	26,000
Benefits paid	(69,000)	-
Administrative expenses	(8,000)	-
At 31 August	3,870,000	1,615,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

25. 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 £NIL for the debts and liabilities contracted before he/she ceases to be a member.

26. Related party transactions

Owing to the nature of the academy trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Related party transactions

Ian Askham Graphics - a sole trader who is the husband of Catherine Askham (Business Manager at Oughtibridge School).

- The Academy Trust Purchased start up graphics designs for the Trust totalling £461 (2019: £nil). There were £nil amounts outstanding at 31 August 2020 (2019: £nil).
- The Academy Trust made the purchase at arms' length.
- In entering into the transaction the academy has complied with the requirements of the Academies Financial Handbook.

In 2020, the Academy Trust received donations of £1,050 from 2 Governors (2019: £nil).