

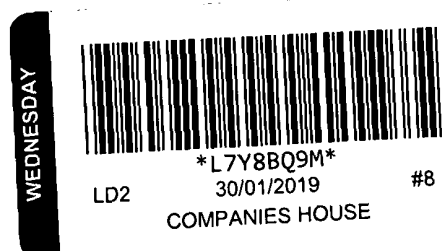
Company Registration Number: 07643712

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**YAVNEH COLLEGE ACADEMY TRUST**  
(A Company Limited by Guarantee)

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



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**YAVNEH COLLEGE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**CONTENTS**

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	Page
<b>Reference and Administrative Details</b>	<b>1 - 2</b>
<b>Trustees' Report</b>	<b>3 - 9</b>
<b>Governance Statement</b>	<b>10 - 12</b>
<b>Statement on Regularity, Propriety and Compliance</b>	<b>13</b>
<b>Statement of Trustees' Responsibilities</b>	<b>14</b>
<b>Independent Auditors' Report on the Financial Statements</b>	<b>15 - 17</b>
<b>Independent Reporting Accountant's Assurance Report on Regularity</b>	<b>18 - 19</b>
<b>Statement of Financial Activities Incorporating Income and Expenditure Account</b>	<b>20</b>
<b>Balance Sheet</b>	<b>21</b>
<b>Statement of Cash Flows</b>	<b>22</b>
<b>Notes to the Financial Statements</b>	<b>23 - 44</b>

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**YAVNEH COLLEGE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Members**

Mr D I Album  
Mr M A Gordon  
Mrs S A Nyman  
Mr A Rubenstein  
Mr B E Perl

**Trustees**

Mr D I Album, Vice Chair  
Mr M Frazer  
Mr R Gilbert (appointed 14 November 2018)  
Mrs R G Hyams  
Mrs R Levin  
Mr S Lewis, Executive Headteacher  
Mrs D Morris  
Mrs S A Nyman, Chair  
Ms S Neale (appointed 19 December 2017)  
Mr B E Raphael (resigned 23 October 2018)  
Mr D Summerfield

**Company registered number**

07643712

**Company name**

Yavneh College Academy Trust

**Principal and registered office**

Hillside Avenue, Borehamwood, Hertfordshire, WD6 1HL

**Company secretary**

Mrs H Fraser

**Accounting Officer**

Mr S Lewis, Executive Headteacher

**Executive Leadership Team**

Mrs C Field, Primary Headteacher  
Mrs H Fraser, Business Manager  
Mr S Lewis, Executive Headteacher  
Rabbi A Davis, Director of Jewish Life

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**YAVNEH COLLEGE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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**Advisers (continued)**

**Senior Leadership Team of Yavneh College**

Mr J Cordara  
Rabbi A Davis  
Mrs H Fraser  
Mrs M Lee  
Mr S Lewis, Executive Headteacher  
Mrs R Seamark, (resigned 31 August 2018)  
Mr M Kendler

**Independent auditors**

Hillier Hopkins LLP, First Floor, Radius House, 51 Clarendon Road, Watford, Herts, WD17 1HP

**Solicitors**

Stone King, 16 St Johns Lane, London, EC1M 4BS

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**YAVNEH COLLEGE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The Trustees present their Annual Report together with the financial statements and Auditor's Report for the year 1 September 2017 to 31 August 2018 for Yavneh College Academy Trust (the Charitable Company or the Trust). The Annual Report serves the purposes of both a Trustees' Report and a Directors' report under company law.

**Structure, governance and management**

**CONSTITUTION**

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

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

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

**MEMBERS' LIABILITY**

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

**TRUSTEES' INDEMNITIES**

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

**PRINCIPAL ACTIVITIES**

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

The principal activities are also to promote, for the benefit of the inhabitants of Borehamwood and the surrounding area, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interest of social welfare and with the object of improving the condition of life of said inhabitants.

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**YAVNEH COLLEGE ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

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**METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES**

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

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

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

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

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

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

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

**ORGANISATIONAL STRUCTURE**

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

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

Governors are appointed as follows:

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

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

The ELT has been established to oversee operational leadership for the two Schools. It consists of the Executive Headteacher, the Headteacher of Yavneh Primary School, Mrs Caroline Field, the Business Manager,

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**YAVNEH COLLEGE ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

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Mrs Hayley Fraser, and the Director for Jewish Life, Rabbi Andrew Davis.

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

- 2 Deputy Heads – Rabbi Andrew Davis and Dr Melanie Lee. In addition to his role as Deputy Head, Rabbi Andrew Davis is also the Director of Jewish Life.
- 2 Assistant Heads – Mr John Cordara and Mr Matthew Kendler.
- Business Manager – Mrs Hayley Fraser

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

#### **PAY POLICY FOR KEY MANAGEMENT PERSONNEL**

##### **Determination of salary range for the Executive Headteacher**

When a new Executive Head needs to be appointed, the MAT Board will set a 7-point individual salary range (ISR) for the Executive Headteacher in accordance with the criteria specified in the Standard Teachers Pay and Conditions Document (STPCD). The ISR will normally be set within the School's group range, but may be assigned to a group that is up to two groups higher than the group in which the school is placed on the basis of its unit total to secure the appointment of a suitable candidate. The appointing panel will decide the point on the ISR on which the successful applicant will be placed.

The MAT Board notes the discretion allowed with effect from 1 Sept 2002 to adjust the ISR of a serving Head on the grounds of retention and reserves the right to apply this discretion as and when it may prove necessary. Any such determination may be made at any time during the year.

The Executive Headteacher's pay will be reviewed annually as part of their performance management review.

##### **Determination of salary range for other members of ELT/SLT**

The Executive Headteacher will recommend to the MAT Board the 5-point range of a new member of ELT/SLT to reflect the criteria specified in the STPCD – job weight and challenge, the circumstances of the school and any recruitment difficulties. The Trust will place a newly appointed member of ELT/SLT on whichever of the bottom three points of the range it deems appropriate. These ranges will be placed on the leadership spine in between the lowest point of the Executive Headteacher's ISR and the salary of the highest paid classroom teacher (as defined by Upper Pay Spine plus the value of any Teaching and Learning Responsibilities (TLRs) and recruitment and retention allowances). The Trust is committed both to the maintenance of appropriate differentials between members of the leadership group and non-members, to reflect the responsibilities of such posts.

All pay increases are benchmarked by a trustee allocated to look at performance related pay.

#### **RISK MANAGEMENT**

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

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**YAVNEH COLLEGE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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

**TRADE UNION FACILITY TIME**

The Trust does not have any employees who are official trade union representatives.

**CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

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

**OBJECTIVES AND ACTIVITIES**

**a. Objects and Aims**

The MAT Board had the following main objectives for the period ended 31 August 2018:

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

**b. Objectives, Strategies and Activities**

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

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

**c. Public Benefit**

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

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



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**YAVNEH COLLEGE ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

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**STRATEGIC REPORT**

**Achievements and Performance**

**Yavneh Primary School**

Yavneh Primary School opened its doors to 60 reception age pupils in September 2016. Since September 2016 the popularity of Yavneh Primary School has increased. Applications for places in September 2018 exceeded 150. Pupils at Yavneh Primary School have performed exceptionally well.

**Capital Improvements**

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

**Measurement of Success**

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

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

Admissions: Yavneh College continues to be oversubscribed with over 500 applications for 150 places to start in September 2018. Yavneh Primary School received over 170 applications for 60 places to start in September 2018.

Academic results at Yavneh College and Yavneh Primary School for 2018 were outstanding:

Yavneh College had a progress 8 score for 2018 of 1.27. Yavneh College was the 13th best performing school in the entire country at GCSE in terms of progress including all selective and non-selective schools. Progress was consistently strong across all level of attainers from high to low.

The summer 2018 results have seen Yavneh College placed as the best performing non-selective school in the country.

In Yavneh Primary School, results were equally outstanding. 88% of pupils made a good level of development in the foundation stage and in Key Stage 1, 97% of pupils met the required standard in the phonics-screening test.

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

**Going concern**

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

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**YAVNEH COLLEGE ACADEMY TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**FINANCIAL REVIEW**

**Financial report for the year**

Most of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities, incorporating the Income and Expenditure Account.

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

**Financial position**

The Trust held fund balances at 31 August 2018 of £30,547,061, comprising £NIL of restricted general funds, £30,958,080 of restricted fixed asset funds, £192,981 of unrestricted general funds and a pension reserve deficit of £604,000.

At 31 August 2018 the net book value of fixed assets was £30,909,832 and movements in tangible fixed assets are shown in the notes to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

Due to the accounting rules for the Local Government Pension Scheme, the Trust is recognising a significant pension fund deficit of £604,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

**Reserves policy**

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

**Investments policy**

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

**Principal risks and uncertainties**

The MAT Board assesses the principal risks and uncertainties facing Yavneh College the Trust as follows:

- Failures in governance and/or management: the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, and governance in general. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputational: the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards in both Yavneh College and Yavneh Primary School. To mitigate this risk, Trustees ensure that student attainment and progress are closely monitored and reviewed.
- Safeguarding and child protection: the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.
- Staffing: the success of both Schools is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure recruitment, continued development (including performance

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YAVNEH COLLEGE ACADEMY TRUST  
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TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2018

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- reviews) and training of staff as well as ensuring there is clear succession planning.
- Fraud and mismanagement of funds: The Trust has appointed an Internal Auditor to carry out checks on financial systems and records as required by the Academies Financial Handbook.

**Fundraising**

Fundraising for the Trust is done in the main by Yavneh Foundation Trust. There are active parent associations for both Schools, who fundraise on our behalf. There have been no complaints received by the Trust in relation to fundraising during the period.

**PLANS FOR THE FUTURE**

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

**DISCLOSURE OF INFORMATION TO AUDITORS**

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

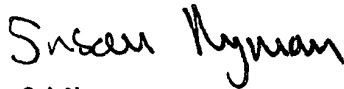
- so far as that Trustee is aware, there is no relevant audit information of which the Charitable Company's Auditors are unaware, and
- that each Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the Charitable Company's Auditors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

**AUDITORS**

The auditors, Hillier Hopkins LLP, are willing to continue in office and a resolution to appoint them will be proposed at the appropriate Trustees' meeting.

This report was approved by order of the MAT Board, as the company directors, on \_\_\_\_\_ and signed on its behalf by:

19th December 2018.



Mrs S A Nyman  
Chair of Trustees

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**YAVNEH COLLEGE ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

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**Scope of Responsibility**

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

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

**Governance**

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

Trustee	Meetings attended	Out of a possible
Mr D I Album, Vice Chair	3	4
Mr M Frazer	3	4
Mrs R G Hyams	3	4
Mrs R Levin	4	4
Mr S Lewis, Executive Headteacher	4	4
Mrs D Morris	4	4
Mrs S A Nyman, Chair	4	4
Ms S Neale	3	3
Mr B E Raphael	3	4
Mr D Summerfield	2	4

In 2017-18 the Trustees continued with their review of the Governance structures in relation to the roles and responsibilities of Members, Trustees and LGB committee members. This ongoing review process is intended to:

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

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

Attendance at meetings in the year was as follows:

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**YAVNEH COLLEGE ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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	Meetings attended	Out of a possible
Mrs R G Hyams	3	3
Mr S Lewis	3	3
Mr D Lightman	2	2
Mrs F Mendel	3	3
Mrs S A Nyman, Chair	3	3
Mr D Summerfield	1	3

There were new members appointed to the Finance Committee during 2017/18 to replace members who had stood down and to recognise additional skills needed.

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

#### **Review of Value for Money**

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

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

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

#### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

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

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YAVNEH COLLEGE ACADEMY TRUST  
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GOVERNANCE STATEMENT (continued)

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**The Risk and Control Framework**

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

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

The MAT Board has considered the need for a specific internal audit function and has decided to appoint Price Bailey LLP as internal auditor.

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

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

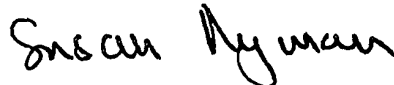
**Review of Effectiveness**

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance 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 MAT Board on 19th December 2018 and signed on their behalf, by:



Mrs S A Nyman  
Chair of Trustees



Mr S Lewis  
Accounting Officer

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**YAVNEH COLLEGE ACADEMY TRUST**  
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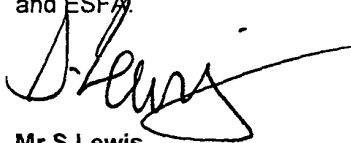
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

I confirm that I and the MAT Board are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2017.

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



**Mr S Lewis**  
**Accounting Officer**

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YAVNEH COLLEGE ACADEMY TRUST  
(A Company Limited by Guarantee)

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

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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


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

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

Approved by order of the members of the MAT Board on

and signed on its behalf by:

19th December  
2018



Mrs S A Nyman  
Chair of Trustees



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**YAVNEH COLLEGE ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

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**Opinion**

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in

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**YAVNEH COLLEGE ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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

**Responsibilities of trustees**

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

In preparing the financial statements, the Trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

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**YAVNEH COLLEGE ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

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**Auditors' responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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



Alexander Bottom ACA (Senior Statutory Auditor)

for and on behalf of

**Hillier Hopkins LLP**

First Floor, Radius House  
51 Clarendon Road  
Watford  
Herts  
WD17 1HP  
Date:

*19th June 201*

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**YAVNEH COLLEGE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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In accordance with the terms of our engagement letter dated 04 June 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Yavneh College Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Yavneh College Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Yavneh College Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Yavneh College Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Yavneh College Academy Trust's Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Yavneh College Academy Trust's funding agreement with the Secretary of State for Education dated 19 April 2016, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

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

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YAVNEH COLLEGE ACADEMY TRUST  
(A Company Limited by Guarantee)

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

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**Conclusion**

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

*Hillier Hopkins LLP*

Hillier Hopkins LLP

First Floor, Radius House  
51 Clarendon Road  
Watford  
Herts  
WD17 1HP

Date: *19th December 2018*

**YAVNEH COLLEGE ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>Income from:</b>						
Donations and capital grants	2	-	916,696	64,821	981,517	1,034,612
Charitable activities	3	-	5,392,987	-	5,392,987	5,150,153
Other trading activities	4	84,975	268,081	-	353,056	300,059
Investments	5	345	-	-	345	317
<b>Total income</b>		<b>85,320</b>	<b>6,577,764</b>	<b>64,821</b>	<b>6,727,905</b>	<b>6,485,141</b>
<b>Expenditure on:</b>						
Charitable activities		-	6,807,113	85,941	6,893,054	6,619,514
<b>Total expenditure</b>	6	<b>-</b>	<b>6,807,113</b>	<b>85,941</b>	<b>6,893,054</b>	<b>6,619,514</b>
<b>Net income / (expenditure) before transfers</b>		<b>85,320</b>	<b>(229,349)</b>	<b>(21,120)</b>	<b>(165,149)</b>	<b>(134,373)</b>
Transfers between Funds	17	(24,677)	24,677	-	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>60,643</b>	<b>(204,672)</b>	<b>(21,120)</b>	<b>(165,149)</b>	<b>(134,373)</b>
Actuarial gains on defined benefit pension schemes	21	-	340,000	-	340,000	673,000
<b>Net movement in funds</b>		<b>60,643</b>	<b>135,328</b>	<b>(21,120)</b>	<b>174,851</b>	<b>538,627</b>
<b>Reconciliation of funds:</b>						
Total funds/ (deficit) brought forward		132,338	(739,328)	30,979,200	30,372,210	29,833,583
<b>Total funds/ (deficit) brought forward</b>		<b>192,981</b>	<b>(604,000)</b>	<b>30,958,080</b>	<b>30,547,061</b>	<b>30,372,210</b>

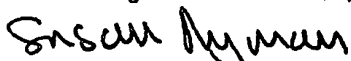
The notes on pages 23 to 44 form part of these financial statements.

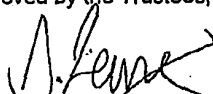
YAVNEH COLLEGE ACADEMY TRUST  
(A Company Limited by Guarantee)  
REGISTERED NUMBER: 07643712

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Tangible assets	14		30,909,832		30,979,200
<b>Current assets</b>					
Debtors	15	109,971		171,378	
Cash at bank and in hand		427,112		294,627	
		<u>537,083</u>		<u>466,005</u>	
Creditors: amounts falling due within one year	16	(295,854)		(297,995)	
<b>Net current assets</b>			<b>241,229</b>		<b>168,010</b>
<b>Total assets less current liabilities</b>			<b>31,151,061</b>		<b>31,147,210</b>
Defined benefit pension scheme liability	21	(604,000)		(775,000)	
<b>Net assets including pension scheme liabilities</b>			<b>30,547,061</b>		<b>30,372,210</b>
<b>Funds of the academy</b>					
Restricted income funds:					
Restricted income funds	17	-		35,672	
Restricted fixed asset funds	17	30,958,080		30,979,200	
Restricted income funds excluding pension liability		30,958,080		31,014,872	
Pension reserve		(604,000)		(775,000)	
Total restricted income funds			<b>30,354,080</b>		<b>30,239,872</b>
Unrestricted income funds	17		192,981		132,338
<b>Total funds</b>			<b>30,547,061</b>		<b>30,372,210</b>

The financial statements on pages 20 to 44 were approved by the Trustees, and authorised for issue, on 19th December 2018, and are signed on their behalf, by:

  
Mrs S A Nyman  
Chair of Trustees

  
Mr S Lewis  
Accounting Officer

The notes on pages 23 to 44 form part of these financial statements.

**YAVNEH COLLEGE ACADEMY TRUST**  
(A Company Limited by Guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	<u>148,713</u>	<u>139,545</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		345	317
Purchase of tangible fixed assets		<u>(16,573)</u>	<u>(22,445)</u>
<b>Net cash used in investing activities</b>		<u>(16,228)</u>	<u>(22,128)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>132,485</b>	<b>117,417</b>
Cash and cash equivalents brought forward		<u>294,627</u>	<u>177,210</u>
<b>Cash and cash equivalents carried forward</b>	20	<u><u>427,112</u></u>	<u><u>294,627</u></u>

The notes on pages 23 to 44 form part of these financial statements.



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**YAVNEH COLLEGE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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**1. Accounting Policies**

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

**1.1 Basis of preparation of financial statements**

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

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

**1.2 Company status**

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

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

**1.3 Fund accounting**

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

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

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

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**YAVNEH COLLEGE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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**1. Accounting Policies (continued)**

**1.4 Income**

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

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

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

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

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

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

**1.5 Expenditure**

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

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

All expenditure is inclusive of irrecoverable VAT.

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**YAVNEH COLLEGE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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**1. Accounting Policies (continued)**

**1.6 Going concern**

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

**1.7 Tangible fixed assets and depreciation**

All assets costing more than £2,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land and building	-	Land - Held at fair value Building - 50 years over residual value
Plant and equipment	-	5 years straight line
Motor vehicles	-	5 years straight line
Computer equipment	-	3 years straight line

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

**1.8 Operating leases**

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

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**YAVNEH COLLEGE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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**1. Accounting Policies (continued)**

**1.9 Taxation**

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

**1.10 Debtors**

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

**1.11 Cash at Bank and in hand**

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

**1.12 Liabilities and provisions**

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

**1.13 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. 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.

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**YAVNEH COLLEGE ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

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**1. Accounting Policies (continued)**

**1.14 Pensions**

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

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

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

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

**1.15 Agency arrangements**

The Trust acts as an agent in distributing 16 19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as unspent funds may be repayable to the ESFA. The Trust does not deduct a fee for administering the bursary.

The Trust also acts as an agent for distributing Schools Direct grants to contribute to training costs for salaried trainees to achieve qualified teacher status. Grant monies received and subsequent disbursements to local schools are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds. The Trust deducts a £200 fee per candidate for administering the grant.

**YAVNEH COLLEGE ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**1. Accounting Policies (continued)**

**1.16 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

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

**2. Income from donations and capital grants**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	-	916,696	-	916,696	874,124
Capital Grants	-	-	64,821	64,821	160,488
	-	916,696	64,821	981,517	1,034,612
<i>Total 2017</i>	-	874,124	160,488	1,034,612	

**YAVNEH COLLEGE ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**3. Funding for Academy's educational operations**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG) and other				
ESFA income	-	5,293,291	5,293,291	4,961,008
Pupil premium	-	61,018	61,018	52,818
	-	5,354,309	5,354,309	5,013,826
<b>Other government grants</b>				
Local Authority and SEN income	-	37,878	37,878	54,496
Other grants	-	800	800	81,831
	-	38,678	38,678	136,327
	-	5,392,987	5,392,987	5,150,153
<b>Total 2017</b>	-	5,150,153	5,150,153	

**4. Other trading activities**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Educational supplies, trip, fund and				
transport income	-	268,081	268,081	222,708
Hire of facilities	84,975	-	84,975	77,351
	84,975	268,081	353,056	300,059
<b>Total 2017</b>	77,351	222,708	300,059	

**YAVNEH COLLEGE ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**5. Investment income**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	345	-	345	317
<i>Total 2017</i>	<i>317</i>	<i>-</i>	<i>317</i>	

**6. Expenditure**

	Staff costs 2018 £	Premises 2018 £	Educational supplies 2018 £	Total 2018 £	Total 2017 £
Educational activities:					
Direct costs	4,098,020	-	948,183	5,046,203	4,913,920
Support costs	652,300	564,367	630,184	1,846,851	1,705,594
	<u>4,750,320</u>	<u>564,367</u>	<u>1,578,367</u>	<u>6,893,054</u>	<u>6,619,514</u>
<i>Total 2017</i>	<i>4,744,933</i>	<i>447,564</i>	<i>1,427,017</i>	<i>6,619,514</i>	

**7. Analysis of expenditure by activities**

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational activities	5,046,203	1,846,851	6,893,054	6,619,514
<i>Total 2017</i>	<i>4,913,920</i>	<i>1,733,594</i>	<i>6,647,514</i>	



**YAVNEH COLLEGE ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**7. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Educational activities £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Pension charge	21,000	21,000	28,000
Staff costs	698,605	698,605	601,754
Depreciation	85,941	85,941	76,601
Premises costs	564,367	564,367	528,799
Technology costs	200,178	200,178	270,428
Governance cost	46,070	46,070	68,009
Other support costs	230,690	230,690	160,003
	<b>1,846,851</b>	<b>1,846,851</b>	<b>1,733,594</b>
<i>At 31 August 2017</i>	<b>1,733,594</b>	<b>1,733,594</b>	

**8. Net income/(expenditure)**

This is stated after charging:

	<b>2018 £</b>	<b>2017 £</b>
Depreciation of tangible fixed assets:		
- owned by the Trust	85,941	76,601
Auditors' remuneration - audit	10,000	10,000
Auditors' remuneration - other services	4,450	6,350
Governance Internal audit costs	1,500	1,500

**YAVNEH COLLEGE ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**9. Staff costs**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	3,737,882	3,554,404
Social security costs	338,366	344,654
Operating costs of defined benefit pension schemes	674,072	831,875
	<u>4,750,320</u>	<u>4,730,933</u>
Staff restructuring costs	-	14,000
	<u>4,750,320</u>	<u>4,744,933</u>

**b. Staff numbers**

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

	2018 No.	2017 No.
Teachers	63	71
Administratin and support	60	56
Management	8	7
	<u>131</u>	<u>134</u>

**c. Higher paid staff**

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	2	4
In the band £70,001 - £80,000	3	1
In the band £110,001 - £120,000	1	1

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018 pension contributions for these staff amounted to £55,046 (2017 - £30,416).

**d. Key management personnel**

The key management personnel of the Trust comprises the Trustees, Executive Leadership Team and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £659,074 (2017: £656,311).

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**YAVNEH COLLEGE ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

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**10. Central services**

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

**11. Trustees' remuneration and expenses**

The Executive Headteacher only receives remuneration in respect of services he provided undertaking the role of Executive Headteacher under his contract of employment, and not in respect of his role as Trustee. The value of Trustees' remuneration and other benefits was as follows:

		2018 £	2017 £
Mr S Lewis	Remuneration	110,000-115,000	105,000-110,000
	Pension contributions paid	15,000-20,000	15,000-20,000

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £NIL to all Trustees).

**12. Trustees' and Officers' Insurance**

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

**13. Other finance income**

	2018 £	2017 £
Interest income on pension scheme assets	43,000	28,000
Interest on pension scheme liabilities	(64,000)	(56,000)
	<u>(21,000)</u>	<u>(28,000)</u>

**YAVNEH COLLEGE ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**14. Tangible fixed assets**

	Freehold property £	Plant and equipment £	Motor vehicles £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2017	31,000,000	38,094	21,000	38,947	31,098,041
Additions	-	-	-	16,573	16,573
At 31 August 2018	31,000,000	38,094	21,000	55,520	31,114,614
<b>Depreciation</b>					
At 1 September 2017	60,000	17,877	21,000	19,964	118,841
Charge for the year	60,000	7,619	-	18,322	85,941
At 31 August 2018	120,000	25,496	21,000	38,286	204,782
<b>Net book value</b>					
At 31 August 2018	30,880,000	12,598	-	17,234	30,909,832
At 31 August 2017	30,940,000	20,217	-	18,983	30,979,200

Included within Freehold property is land held at fair value and valued by the Trustees at £28,000,000 (2017: £28,000,000). No depreciation charge is calculated on this land value.

**15. Debtors**

	2018 £	2017 £
Trade debtors	39,158	93,889
Other debtors	50,026	61,452
Prepayments and accrued income	20,787	16,037
	<u>109,971</u>	<u>171,378</u>

**16. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Trade creditors	49,314	181,733
Other taxation and social security	92,708	89,962
Other creditors	104,295	9,950
Accruals and deferred income	49,537	16,350
	<u>295,854</u>	<u>297,995</u>

**YAVNEH COLLEGE ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**16. Creditors: Amounts falling due within one year (continued)**

	2018 £	2017 £
<b>Deferred income</b>		
Resources deferred during the year	45,736	-
Deferred income at 31 August 2018	45,736	-

At the balance sheet date, included in deferred income was EFSA funding received in advance and trip income relating to trips occurring in the 2018/19 academic year.

**17. Statement of funds**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds	132,338	85,320	-	(24,677)	-	192,981
<b>Restricted funds</b>						
General Annual Grant (GAG) and other ESFA income	-	5,293,291	(5,317,968)	24,677	-	-
Pupil Premium	-	61,018	(61,018)	-	-	-
SEN	-	37,878	(37,878)	-	-	-
Trips	-	34,747	(34,747)	-	-	-
Restricted donations	-	881,948	(881,948)	-	-	-
Other restricted grant	35,672	268,882	(304,554)	-	-	-
Pension reserve	(775,000)	-	(169,000)	-	340,000	(604,000)
	(739,328)	6,577,764	(6,807,113)	24,677	340,000	(604,000)
<b>Restricted fixed asset funds</b>						
Restricted Fixed Assets	30,979,200	-	(85,941)	16,573	-	30,909,832
ESFA capital grants	-	64,821	-	(16,573)	-	48,248
	30,979,200	64,821	(85,941)	-	-	30,958,080
<b>Total restricted funds</b>	30,239,872	6,642,585	(6,893,054)	24,677	340,000	30,354,080
<b>Total of funds</b>	30,372,210	6,727,905	(6,893,054)	-	340,000	30,547,061

**YAVNEH COLLEGE ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**17. Statement of funds (continued)**

**Analysis of Academies by fund balance**

Fund balances at 31 August 2018 were allocated as follows:

	<b>Total 2018 £</b>	<i>Total 2017 £</i>
Yavneh College	47,475	85,012
Yavneh Primary School	145,506	82,998
Total before fixed asset fund and pension reserve	<u>192,981</u>	<u>168,010</u>
Restricted fixed asset fund	30,958,080	30,979,200
Pension reserve	(604,000)	(775,000)
Total	<u><u>30,547,061</u></u>	<u><u>30,372,210</u></u>

**Analysis of Academies by cost**

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

	<b>Teaching and educational support staff costs £</b>	<b>Premises £</b>	<b>Educational supplies £</b>	<b>Total 2018 £</b>	<i>Total 2017 £</i>
Yavneh College	4,159,951	516,792	1,348,576	6,025,319	6,289,553
Yavneh Primary School	442,369	48,178	122,248	612,795	88,099
	<u><u>4,602,320</u></u>	<u><u>564,970</u></u>	<u><u>1,470,824</u></u>	<u><u>6,638,114</u></u>	<u><u>6,377,652</u></u>

**YAVNEH COLLEGE ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**17. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>General funds</b>						
General Funds	42,897	90,001	(560)	-	-	132,338
<b>Restricted funds</b>						
General Annual Grant (GAG) and other ESFA income	-	5,013,826	(5,013,826)	-	-	-
Pupil Premium	-	52,818	(52,818)	-	-	-
SEN	-	55,390	(55,390)	-	-	-
Trips	-	33,553	(33,553)	-	-	-
Restricted donations	-	840,571	(840,571)	-	-	-
Yavneh Primary School Start up fund	48,330	-	(48,330)	-	-	-
Other restricted grant	-	238,494	(340,865)	138,043	-	35,672
Pension reserve	(1,291,000)	-	(157,000)	-	673,000	(775,000)
	<u>(1,242,670)</u>	<u>6,234,652</u>	<u>(6,542,353)</u>	<u>138,043</u>	<u>673,000</u>	<u>(739,328)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Assets	31,033,356	-	(76,601)	22,445	-	30,979,200
ESFA capital grants	-	160,488	-	(160,488)	-	-
Total restricted funds	<u>29,790,686</u>	<u>6,395,140</u>	<u>(6,618,954)</u>	<u>-</u>	<u>673,000</u>	<u>30,239,872</u>
Total of funds	<u>29,833,583</u>	<u>6,485,141</u>	<u>(6,619,514)</u>	<u>-</u>	<u>673,000</u>	<u>30,372,210</u>

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

**Unrestricted Funds**

This represents income received that does not have restrictions.

**General Annual Grant (GAG)**

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

Under the Funding Agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

**Pupil Premium**

This represents funding to help raise achievement and improve outcomes for pupils from low income

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**YAVNEH COLLEGE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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**17. Statement of funds (continued)**

families who are eligible for free school meals.

**SEN Funding**

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

**Restricted trip donations**

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

**Restricted donations**

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

**Yavneh Primary School, Start Up Fund.**

This represents start up costs for Yavneh Primary School.

**Other restricted income**

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

**Pension reserve**

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

**Restricted fixed asset fund**

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

**ESFA capital grants**

This represents funding from the ESFA received specifically for capital expenditure.



**YAVNEH COLLEGE ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**18. Analysis of net assets between funds**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	30,909,832	30,909,832
Current assets	192,981	295,854	48,248	537,083
Creditors due within one year	-	(295,584)	-	(295,854)
Provisions for liabilities and charges	-	(604,000)	-	(604,000)
	<u>192,981</u>	<u>(604,000)</u>	<u>30,958,080</u>	<u>30,547,061</u>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	30,979,200	30,979,200
Current assets	132,339	333,666	-	466,005
Creditors due within one year	-	(297,995)	-	(297,995)
Provisions for liabilities and charges	-	(775,000)	-	(775,000)
	<u>132,339</u>	<u>(739,329)</u>	<u>30,979,200</u>	<u>30,372,210</u>

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

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(165,149)	(134,373)
<b>Adjustment for:</b>		
Depreciation charges	85,941	76,601
Dividends, interest and rents from investments	(345)	(317)
Decrease in debtors	61,407	93,653
Decrease in creditors	(2,141)	(53,019)
Defined benefit pension scheme net change	169,000	157,000
<b>Net cash provided by operating activities</b>	<u>148,713</u>	<u>139,545</u>

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**YAVNEH COLLEGE ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

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**20. Analysis of cash and cash equivalents**

	2018 £	2017 £
Cash in hand	427,112	294,627
Total	<u>427,112</u>	<u>294,627</u>

**21. Pension commitments**

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

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

Contributions amounting to £68,262 were payable to the schemes at 31 August 2018 (2017 - £nil) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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**YAVNEH COLLEGE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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**21. Pension commitments (continued)**

- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £406,227 (2017 - £427,233).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £168,000 (2017 - £123,000), of which employer's contributions totalled £127,000 (2017 - £118,000) and employees' contributions totalled £41,000 (2017 - £38,000). The agreed contribution rates for future years are 26.6% for employers and 5.5% and 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of Trust 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:

	2018	2017
Rate of increase in salaries	2.40 %	2.50 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %
Discount rate	2.80 %	2.50 %

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

	2018	2017
Retiring today		
Males	22.5	22.5
Females	24.9	24.9
Retiring in 20 years		
Males	24.1	24.1
Females	26.7	26.7

**YAVNEH COLLEGE ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**21. Pension commitments (continued)**

<b>Sensitivity analysis</b>	<b>At 31 August 2018 £</b>	<b>At 31 August 2017 £</b>
Discount rate +0.1%	2,410,400	2,329,800
Discount rate -0.1%	2,557,600	2,470,200
Mortality assumption - 1 year increase	2,498,200	2,414,200
Mortality assumption - 1 year decrease	2,469,800	2,385,800
CPI rate +0.1%	2,557,600	2,455,000
CPI rate -0.1%	2,410,400	2,345,000

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

	<b>Fair value at 31 August 2018 £</b>	<b>Fair value at 31 August 2017 £</b>
Equities	996,400	1,056,250
Bonds	658,000	406,250
Property	150,400	113,750
Cash and other liquid assets	75,200	48,750
<b>Total market value of assets</b>	<b>1,880,000</b>	<b>1,625,000</b>

The actual return on scheme assets was £92,000 (2017 - £225,000).

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

	<b>2018 £</b>	<b>2017 £</b>
Current service cost	(275,000)	(247,000)
Interest income	43,000	28,000
Interest cost	(64,000)	(56,000)
<b>Total</b>	<b>(296,000)</b>	<b>(275,000)</b>

**YAVNEH COLLEGE ACADEMY TRUST**  
(A Company Limited by Guarantee)

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

**21. Pension commitments (continued)**

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

	2018 £	2017 £
Opening defined benefit obligation	2,400,000	2,539,000
Current service cost	275,000	247,000
Interest cost	64,000	56,000
Employee contributions	41,000	38,000
Actuarial gains	(291,000)	(476,000)
Benefits paid	(5,000)	(4,000)
	<u>2,484,000</u>	<u>2,400,000</u>
Closing defined benefit obligation	<u>2,484,000</u>	<u>2,400,000</u>

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

	2018 £	2017 £
Opening fair value of scheme assets	1,625,000	1,248,000
Interest income	43,000	28,000
Actuarial losses	49,000	197,000
Employer contributions	127,000	118,000
Employee contributions	41,000	38,000
Benefits paid	(5,000)	(4,000)
	<u>1,880,000</u>	<u>1,625,000</u>
Closing fair value of scheme assets	<u>1,880,000</u>	<u>1,625,000</u>

**22. Operating lease commitments**

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

	2018 £	2017 £
<b>Amounts payable:</b>		
Within 1 year	58,564	9,125
Between 1 and 5 years	33,158	10,784
	<u>91,722</u>	<u>19,909</u>
Total	<u>91,722</u>	<u>19,909</u>

**23. 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 he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £ 10 for the debts and liabilities contracted before he/she ceases to be a member.

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**YAVNEH COLLEGE ACADEMY TRUST**  
**(A Company Limited by Guarantee)**

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

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**24. Related party transactions**

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

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

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

Yavneh College Academy Trust received £881,948 (2017: £823,570) from Yavneh Foundation Trust, as a restricted donation. The balance due from Yavneh Foundation Trust at 31 August 2018 was £31,803 (2017: £85,900).

**25. Agency Arrangements**

The Trust acts as an agent for the Schools Direct scheme, where the Trust receives funds from the ESFA as contributions towards the salary costs for trainee teachers in local schools. For the year ended 31 August 2018, the Trust received £71,200 and disbursed £39,300 from the fund. At the year end there is £31,900 of undistributed funds included in other creditors.

The Trust distributes 16-19 bursary funds to students as an agent for the ESFA. For the year ended 31 August 2018, the Trust received £5,093 and disbursed £960 from the fund. An amount of £4,133 is included in other creditors relating to undistributed funds that may be repayable to the ESFA.