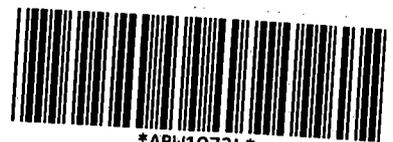


Company Registration No. 07990029 (England and Wales)

**PRESDALES SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2022**

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PRESDALES SCHOOL ACADEMY TRUST

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PRESDALES SCHOOL ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

D Allchin
K Freed
E Godfrey
A Henshall

Trustees

N Burrige (Appointed 29 September 2021)
S Cove (Appointed 30 September 2022)
N Denison
E Flawn (Appointed 8 December 2021)
H Freed
J Harvey
G Hayter (Resigned 31 August 2022)
A Hobson
M Robinson
J Salter
M Waller
H Fellows (Appointed 30 September 2022)
K Belinis (Resigned 25 November 2021)
P Abraham (Resigned 28 September 2021)
O Bishi (Resigned 28 September 2021)

Senior management team

- Headteacher	Mr M Warren
- Deputy Headteacher	Mrs S Miller
- Deputy Headteacher	Mrs J Stephenson
- Assistant Headteacher	Ms K Chandler
- Assistant Headteacher	Mrs S Inwood
- Assistant Headteacher	Ms S Jennings
- Assistant Headteacher	Mrs E Sykes
- Assistant Headteacher	Mr M Payne
- Business Manager	Mrs A Caira

Company registration number

07990029 (England and Wales)

Registered office

Hoe Lane,
Ware
Hertfordshire
SG12 9NX
United Kingdom

Independent auditor

Azets
5 Yeomans Court
Ware Road
Hertford
Hertfordshire
SG13 7HJ
United Kingdom

PRESDALES SCHOOL ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The trustees confirm that the Annual Report and auditor's of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Presdales School is an academy for girls aged 11-18, with boys welcome in the sixth form, serving a catchment area in Ware, Hertford and surrounding areas. The Pupil Admission Number (PAN) was increased to 180 giving a total capacity of 900 at Key Stages 3 and 4 with 886 students on roll in the school census in January 2021, plus 267 students at Key Stage 5.

Structure, governance and management

Constitution

The academy is a charitable company limited by guarantee and an exempt charity which was set up by a Memorandum of Association on 14 March 2012.

The charitable company's memorandum and articles of association are the primary governing documents of the academy. The Articles of Association were revised in October 2018 to reflect the size and structure preferred by ESFA, separating the roles of members and trustees. Members of staff no longer serve as Trustees.

The trustees of Presdales School Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is also known as Presdales School.

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

Members' liability

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

Trustees' indemnities

The academy subscribes to the Risk Protection Arrangement to protect Trustees and officers from claims arising from negligent act, errors or omissions whilst on academy business.

Method of recruitment and appointment or election of trustees

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

There are a minimum of 2 and maximum of 4 trustees who are elected onto the board by parents. They are elected by parents of pupils registered at the academy through a formal process following notification of vacancies and invitation of nominations. All parents and carers of students at the academy are eligible to stand.

Members appoint up to 3 Trustees and 6 trustees may be co-opted by the Trust Board. Potential new Trustees are requested to submit a CV and meet with the Chair and Vice-Chair of Trustees and the Headteacher. When appropriate, the Chair, Vice-Chair and Headteacher will make a recommendation to the board for an appointment. Care is taken to ensure a balance and mix of skills required for the proper running of the academy and this will be given weight when assessing a new appointment. New Trustees are often drawn from the local community and recruitment is through a combination of approaches to individuals with known skills, the use of School Trustees One Stop Shop and other agencies and by contacts received at the academy from interested parties.

PRESDALES SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Policies and procedures adopted for the induction and training of trustees

New Trustees meet with the Chair of the Board to discuss their role. They are strongly encouraged to attend induction training through Herts for Learning, with whom the academy contracts for school improvement training and services. All new trustees are given a mentor for their first year on the board. The mentor is an existing member of the board who can offer support and guidance where appropriate.

Ongoing training is available for all Trustees and specific in-house training events have been arranged throughout the year. An annual Governor Performance Review was introduced in June 2013 to analyse training and activity undertaken with a view to identifying skill/training gaps which can be filled through appropriate training or mentoring.

Organisational structure

The Trustees have responsibility for setting and monitoring the overall strategic direction and objectives of the charitable company. The Trust Board meets six times each year.

The work of the Trust Board is shared amongst two committees:

- Students
- Resources (including the function of the Audit and Risk Committee)

Committees meet five or six times each year to consider detailed matters and recommend decisions to the full board. A nominated Assistant Head/Senior Leader attends all committee meetings to provide information and to aid liaison with the Senior Leadership Team.

In addition, a committee designated the Chairs Group comprising the Chair of Trustees, Vice Chair, Chairs of the two committees and the Headteacher meets at least termly, and as required, to organise business, make recommendations to the Trust Board and to consider strategic matters.

A scheme of financial delegation is in place that allows budgetary responsibility to be delegated through the Headteacher to the lowest level.

Trustees are responsible for setting general policy, approving the School Improvement Plan, approving the annual budget and making major decisions about the direction of the school. Decisions are taken at meetings of the Trust Board following consideration of reports and recommendations from Trustees' committees and the Headteacher.

Responsibility for managing the school on a day-to-day basis is delegated to the Headteacher, who also acts as the Accounting Officer. The Headteacher will implement the policies approved by Trustees and report to Trustees through the various sub-committees and at full Board meetings.

A committee of Trustees with the participation of an external adviser undertakes the annual performance review of the Headteacher and monitors performance and achievements against targets.

Individual Trustees assume responsibility for particular areas such as Health and safety, DPO, Careers, SEND, Pupil Premium and Safeguarding.

Trustees are encouraged to, and do, participate fully in the work of the committees and the Trust Board.

Arrangements for setting pay and remuneration of key management personnel

The Trust Board gives due consideration to national guidance for the setting of staff salaries and will ensure that all key management personnel receive a salary review as part of the annual performance management process. On completion of this process, any pay awards, if due, will be made in accordance with the school pay policy.

PRESDALES SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	-
Full-time equivalent employee number	188.00

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	5,789,686
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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Related parties and other connected charities and organisations

None

Objectives and activities

Objects and aims

Presdales School is a six form entry all—ability school which became an academy on 1st April 2012 for girls aged eleven to eighteen, with boys welcome in the sixth form. The school's principal activity is to advance, for the public benefit, education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. The school will also support the provision of recreational facilities for the local community. The trust was incorporated on 14 March 2012 and converted to an Academy School under the Trust on 1 April 2012.

Objectives, strategies and activities

Presdales School aims to provide an outstanding education that enables all students, regardless of their background and starting point, to achieve and surpass their academic potential. We are committed to the development of independent minded young women who have active and creative minds. We expect our students to acquire a sense of understanding and compassion for one another and to have courage to act on their beliefs.

We will equip our students with the skills and attributes to empower them to lead happy and successful lives, enabling them to make a meaningful contribution to our global society.

Our vision is of a school which values pupils of all ages and abilities and helps them to exceed expectations through high quality teaching and learning and access to a wide variety of activities which enrich their education and personal development beyond the classroom.

The school offers a broad and balanced curriculum which exceeds the basic requirements of the National Curriculum by offering increased opportunities to all students.

PRESDALES SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Our objectives for the school focus on six main strands:

1. To ensure the highest achievement for all students
2. To further improve the quality of Teaching and Learning at Presdales School
3. To further improve the quality of pastoral care in the school
4. To ensure the highest quality of Leadership and Management
5. To develop an outstanding sixth form for all
6. To ensure the highest quality resources and environment

Public benefit

In setting our objectives and planning our activities, the trustees have carefully considered the Charity Commission's general guidance on public benefit. The Trustees are satisfied that the academy has complied with its requirement for the public benefit for the education of girls in the Ware, Hertford and surrounding areas in accordance with its charitable purpose, which can be demonstrated by the continued excellent examination results achieved by students of this academy.

In addition, the school maintains links with a number of local primary schools by providing curricular support in Physical Education and sports and recreational facilities are made available for public use. In 2019 the school was accepted by the DfE as one of 9 Language Hubs in the country and continues to share our wealth of expertise with four other schools in the local area.

The academy follows the coordinated admissions arrangements for single-sex schools previously designed by Hertfordshire County Council.

PRESDALES SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Strategic report

Achievements and performance

Key performance indicators

Ofsted Inspections

The school was rated 'outstanding' at the last four inspections and confirmed as such by letter in 2011.

Admissions/Pupil numbers

The school's excellent reputation ensures that it remains very popular in the local area and is consistently over-subscribed for admissions into Year 7. There were 490 applications for September 2021, with 180 places offered.

Attendance

The academy's attendance rate for 2021/22 was 88.9% which is above average for secondary schools.

Financial Performance Indicators

The academy spent 82% of its total income on staff costs. Of the total salary spend, teachers' salaries account for 79% and support staff account for 21%.

Recruitment and Retention of Staff

Despite difficulties in the local area the school remains fully staffed and has been able to recruit high quality teaching staff. The turnover of staff is in line with expectations.

Teaching and Learning

The school follows the National Curriculum at KS3 and KS4. Students have the opportunity to study 2 languages in Year 7, including Russian and Italian. The average Pupil/Teacher ratio is 15.34 against a benchmark figure of 15 and teaching staff costs account for approximately 85% of the academy's GAG income.

Covid 19

The school was open throughout the year from September 2021.

We are very proud of the way students embraced the return to full face to face teaching and learning and grateful to staff for their dedication and commitment to ensuring that students were well taught and supported throughout this return.

The school was able to fully resume its business activities and has seen an increase in revenue income, mainly from catering and lettings. Lettings income in particular is now at a significantly higher level than before lockdown.

The school has also been able to resume enrichment activities such as instrumental music lessons, concerts and productions. Overseas school trips have resumed, including some deferred from 2020.

PRESDALES SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Examination results

As a result of the Covid lockdown all public examinations in the summer of 2021 were cancelled and results were based on teacher assessment and the national algorithm used by the government. Public examinations resumed in 2022 and the school continues to achieve results well above the national average.

GCSE	August 2018 (DfE)	August 2019 (DfE)	August 2020 (FFT)	August 2021 (FFT)	August 2022 (FFT)
Attainment 8	58.2	60.0	62.3	64.96	61.46
Progress 8	+0.54	+0.43	+0.5	n/a	+0.49
Achieving 5+ in both English and Maths	69%	72%	76%	79%	73%
Achieving 4+ in both English and Match	92%	93%	94%	94%	88%
Entered for the EBacc	81%	86%	80%	87%	84%
A level	August 2018 (DfE)	August 2019 (DfE)	August 2020 (School)	August 2021 (School)	August 2022 (School)
Average points per entry	38.48 (B)	36.59 (B)	42.32 (B)	44.07 (B)	39.49

Destination of Year 13 Leavers

	August 2018	August 2019	August 2020	August 2021	August 2022
Total number of students in year	115	130	115	115	138
Percentage in Higher Education	78%	77%	87%	87%	81%
Percentage in Further Education and Higher Apprenticeships	15%	5%	9%	9%	2%
Percentage in any other category (eg gap year students, Year 14, employment)	7%	18%	4%	4%	17%

Other Achievements

During the period under review the following objectives have been achieved:

- Improved GCSE and A level results, based on public examination
- Students have participated in wide range of school trips to support their learning outside the classroom
- Improvements made to the school site, including new flat roofs, refurbishment of a number of classrooms and corridors, and fire safety works

Going concern

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

PRESDALES SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Financial review

Most of the Academy's income is obtained from the Education Skills Funding Agency (ESFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the ESFA totalling £6,413k. The Trust also generates income from working with other Local Authorities totalling £73k and through other traded services totalling £597k. The Trust was also engaged with capital activities and received donations totalling £95k.

During the year ended 31 August 2022, total expenditure of £7,501k (2021: £7,175k) exceeded grant funding and other sources of funding totalling £7,178k (2021: £7,130k), resulting in a deficit before actuarial losses of £323k (2021: £45k). The school undertook a large scale IT infrastructure replacement, to include a new server, switches, internet points and new laptops for staff. This is an ongoing rolling project. Expenditure has been used to support the key objectives of the academy, focussing on Teaching and Learning. The academy continues to recruit excellent teaching staff and appropriate levels of staffing have been maintained. With students returning to the classrooms, the running costs of the school including salaries, utility bills and purchasing curriculum and food items has risen considerably since last year causing further strain on the school's budget. With times slowly returning to normal, school trips are starting to be re-introduced into the curriculum.

At 31 August 2022 the net book value of fixed assets was £13,414k (2021: £13,556k). The assets were used exclusively for providing education and the associated support services to the students of the Academy Trust.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £834k (2021: £2,634k). This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. After the actuarial gain on the defined benefits scheme of £2,121k (2021: loss of £341k), the net increase in funds was £1,799k (2021: decrease of £386k).

The Academy Trust held fund balances at 31 August 2022 of £13,106k (2021: £11,307k) comprising £13,484k (2021: £13,593k) of restricted fixed asset funds, £nil (2021: £143k) general restricted funds, £834k (2021: £2,634k) pension deficit included as part of restricted funds and £456k (2021: £205k) of unrestricted general funds.

Reserves policy

Under its Funding Agreement with the Secretary of State for Education, the school is no longer subject to a restriction regarding the amount of General Annual Grant (GAG) that can be carried forward.

The reserves policy divides reserves into restricted and unrestricted reserves. Restricted reserves are held for specific purposes, and unrestricted reserves are held to deal with unexpected events and emergencies. The approximate amount of unrestricted reserves should be enough to cover at least one month's running costs of the Academy. Future plans include the possibility of introducing another classroom block to increase the size of the school as well as a 3G football pitch and a cover for the swimming pool so that it can be used year round.

The Trustees have operated on the basis that, whilst efforts will be made to allocate funds to be spent on the education of those students who have generated the income, it is prudent to set a reasonable contingency to allow for unforeseen and emergency expenditure and to plan for future projects. The contingency sum for 2021/22 was £300k.

At 31 August 2022 the value of unrestricted general reserves was £456k. The unrestricted reserves also includes funds set aside for the replacement of desktop computers for staff in school. The excess Unrestricted Reserves are earmarked to cover future uncertainties around school funding and to fund capital investment in the school's ageing buildings.

PRESDALES SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Investment policy

The Trust Board has investigated the transfer of surplus funds to a higher interest account whilst ensuring that sufficient funds are readily available for the academy's monthly expenditure. It was concluded that as interest rates were generally very low and a small amount of interest was already generated on the school's current accounts, at this stage, this would not be beneficial to the school. Sums of £200,000 each have been transferred to a 32-day notice account and a fixed term deposit account to protect against any fraudulent activity on the bank account.

Principal risks and uncertainties

The Trust Board is responsible for overseeing the risks faced by the school. A Risk Management Policy and Risk Register are maintained by the Resources Committee and reviewed annually. The academy has identified and assessed other major risks to which the school is exposed and ensured that policies and procedures are in place to mitigate such risks. These include strategic and reputational risks, compliancy risks, operational and financial risks including the following:

- a reduction in and uncertainty over ESFA funding due to a change in the funding formula or a reduction in student numbers.
- reduced numbers of students in the sixth form
- insufficient funds in a flat cash budget allocation to honour staff pay rises and increased NI employer's contributions as well as energy costs
- extensive staff absence
- difficulty in recruiting appropriate staff
- damage to buildings or failure of plant and equipment
- LGPS pension deficit (currently calculated at £834,000)

Trustees are satisfied that the major risks identified have been adequately mitigated where necessary, although it is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Fundraising

The academy does not use any external fundraisers. Any fundraising undertaken during the year was monitored by the Trustees.

Plans for future periods

For the coming financial year, the academy plans to focus on the following key objectives as highlighted in the School Improvement Plan:

- Quality of education - continue the Bring Your On Device programme, continue to develop digital technology in the classroom and as a way of reducing staff workload, continue to develop formative and summative assessment, continue Maths and English levelling up, continue to improve Teaching and Learning, roll out the Super Curriculum
- Behaviour and attitudes — proactive behaviour programme, gender inclusive language
- Personal Development — Promoting good mental health, student empowerment, acquire the Quality in Careers Standard
- Leadership and management — Reduce staff workload, develop leadership from within, build relationships with feeder primary schools
- 16-19 programme of Study — Further development, enrichment programmes, provide more opportunities for student leadership
- Resources and environment — Improve the fabric of the buildings, implement a sustainability and climate change plan

Funds held as custodian trustee on behalf of others

None

PRESDALES SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

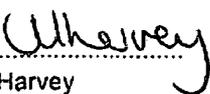
FOR THE YEAR ENDED 31 AUGUST 2022

Auditor

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on ~~07/12/22~~..... and signed on its behalf by:


.....
J Harvey

PRESDALES SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Presdales School Academy Trust and the Secretary of State for Education. The accounting officer is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
N Burrige (Appointed 29 September 2021)	6	6
S Cove (Appointed 30 September 2022)	0	0
N Denison	5	6
E Flawn (Appointed 8 December 2021)	4	4
H Freed	5	6
J Harvey	6	6
G Hayter (Resigned 31 August 2022)	4	6
A Hobson	5	6
M Robinson	6	6
J Salter	3	6
M Waller	6	6
H Fellows (Appointed 30 September 2022)	0	0
K Belinis (Resigned 25 November 2021)	1	6
P Abraham (Resigned 28 September 2021)	0	0
O Bishi (Resigned 28 September 2021)	0	0

Following the approval of revised Articles of Association, the board has reduced in size and there is a clear distinction between members and trustees.

The Board of Trustees are required to complete a declaration of business and pecuniary interests at the beginning of each academic year. Trustees are also required to state if there are any conflicts of interest with regards to any of the agenda items or if there has been any changes to business and pecuniary interests since the annual declaration at each committee meeting. This register is held centrally and referred to by staff during the procurement of new contracts or suppliers.

The Resources Committee is a sub-committee of the main board of trustees. Its purpose is to closely review the Trust's financial position, financial policies and procedures, to provide strategic financial direction and to ensure that the academy's premises and health and safety obligations are fulfilled.

PRESDALES SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
N Denison	1	3
A Hobson	3	3
M Robinson	3	3
K Belinis (Resigned 25 November 2021)	3	3

The Resources Committee also acts as the Audit Committee. The audits committee's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems, including the review of internal audit reports, ensuring efficient and robust systems of control are in place and the appropriate discharge of the Trust Boards' financial responsibilities.

The school contracts with Hertfordshire County Council Shared Internal Audit Systems to carry out termly audits, and produce formal reports on the school's internal financial controls for consideration by the Audit Committee.

Review of value for money

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

The accounting officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data or by using a framework where appropriate. The accounting officer for the academy has delivered improved value for money during the year by considering the following areas:

Raising Student Attainment

The school was rated 'outstanding' at the last four Ofsted inspections and confirmed as such by letter in 2011. The school continues to achieve results well above the national average and this is demonstrated by the excellent examination results for 2019/20: Full details are available on the Academy website <http://www.presdales.herts.sch.uk>.

- **Targeted Improvement**

The Headteacher carries out an annual review of teaching staff to ensure best value in terms of quality of teaching and learning, pupil-teacher ratio, and curriculum management.

- **Focus on Individual Students**

The academy focuses on the wide range of needs of our students, arranging one-to-one tuition where applicable and providing mentoring and counselling when appropriate. Pupil Premium funding has primarily been used for interventions to close gaps in core subjects. The academy has focused on initiatives identified by the Education Endowment Foundation as having the best educational gain for financial outlay. The impact of interventions in Presdales' context is evaluated and strategies are extended, modified or changes altogether in light of student outcomes.

- **Collaboration**

The Trust Board has a strong oversight of the financial management of the budget and is mindful of the need to balance expenditure against income to ensure the academy remains a 'going concern'. The Board approves the annual school budget and the Annual Accounts and responds to issues raised in the External Audit Management Reports on the financial statements and on regularity.

PRESDALES SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Financial Governance and Oversight

The Trust Board has a strong oversight of the financial management of the budget and is mindful of the need to balance expenditure against income to ensure the academy remains a 'going concern'. The Board approves the annual school budget and the Annual Accounts and responds to issues raised in the External Audit Management Reports on the financial statements and on regularity.

The Resources Committee considers the annual budget before recommending it for approval by the Trust Board, alongside the School Improvement Plan. The Committee receives termly budget monitoring information and reviews performance in line with budget,

The academy has engaged an internal audit service from Hertfordshire County Council to review key financial policies, systems and procedures. Reports on compliance are considered by the Responsible Officer and Audit and Risk Committee.

Effective Purchasing

The academy has procedures and controls for assessing need and procuring goods and services which provide "best value" in terms of suitability, efficiency, time, and cost.

Improved Income Generation

The academy's excellent reputation ensures that it remains popular in the local area and is consistently oversubscribed for admissions into Year 7. The academy attracts good numbers of students into the sixth form and is continuing its drive to recruit across a wide local area in order to ensure the viability of the varied curriculum and increase income.

School facilities are made available for hire by the local community and organisations which generates additional income for the school in terms of lettings.

Reviewing Controls and Managing Risks

- The Academy has prepared a Risk Register and Risk Management Policy to identify potential financial and business risks and put measures in place to minimise the implications of these risks.
- The Finance Committee regularly reviews the Medium Term Financial Plan to ensure that any future financial risks are identified as soon as possible.
- Monthly budget monitoring reports are produced and reviewed by the Headteacher, Chair of the Board and Finance Manager and any necessary remedial actions taken to address significant variances that may have an impact on the budget out-turn.

Monitoring

The academy will continue to use the following strategies to be able to maintain and improve student attainment and to achieve best value:

- In-house monitoring by the Senior Leadership Team, Heads of Department and Heads of Year, including classroom observation, work scrutiny
- Annual programme of Performance Appraisal for all staff
- Annual Budget Planning including medium term 3 to 5 year plan
- Review of progress in achieving School Improvement Plan objectives
- Termly internal audit reviews
- Analysis of bench mark data for all schools
- Analysis of DE student performance data
- Trustees' meetings (full and committee).
- Annual achievement meetings with subject leaders

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 Presdales School Academy Trust for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts.

PRESDALES SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

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

The Trust Board has considered the need for a specific internal audit function and has decided to contract with Hertfordshire County Council Shared Audit Services to carry out a range of internal checks of the academy trust's financial systems including:

- Effectiveness of Governance
- Budget preparation and controls
- Financial controls
- Purchasing and payment systems and contracting
- Payroll systems
- Income controls

The results of these each inspection are reported immediately to the Responsible Officer, Headteacher and Chair of Resources and followed up with an end of year report which concluded with substantial assurance of financial controls and no major recommendations to implement

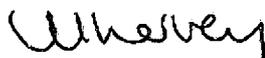
Review of effectiveness

As accounting officer, the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The accounting officer is aware of the necessity for efficient systems of internal controls and plans to address weaknesses and ensure continuous improvement of the systems are in place.

Approved by order of the board of trustees on 07/12/22 and signed on its behalf by:



J Harvey

PRESDALES SCHOOL ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2022

As accounting officer of Presdales School Academy Trust, I have considered my responsibility to notify the academy board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy 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 2021.

I confirm that I and the academy's board of trustees are able to identify any material irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2021.

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



M Warren
Accounting Officer

07/12/22.....

PRESDALES SCHOOL ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees (who are also the directors of Presdales School Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2021 to 2022 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

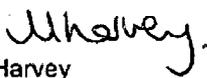
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 07/12/22 and signed on its behalf by:


J Harvey

PRESDALES SCHOOL ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRESDALES SCHOOL ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2022

Opinion

We have audited the accounts of Presdales School Academy Trust for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

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 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

PRESDALES SCHOOL ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRESDALES SCHOOL ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Opinions 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 incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 incorporated 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 accounts 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 are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

PRESDALES SCHOOL ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRESDALES SCHOOL ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

- Enquiry of senior leadership, Governors/Trustees and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations including compliance with the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency;
- Performing audit work over the recognition of grant income and the allocation of expenditure to funds;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Christopher Nisbet

Christopher Nisbet BA(Hons) FCA (Senior Statutory Auditor)
for and on behalf of Azets

19/12/2022
.....

Chartered Accountants
Statutory Auditor

5 Yeomans Court
Ware Road
Hertford
Hertfordshire
United Kingdom
SG13 7HJ

PRESDALES SCHOOL ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PRESDALES SCHOOL ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2022

In accordance with the terms of our engagement letter dated 24 March 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Presdales School Academy Trust during the period 1 September 2021 to 31 August 2022 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 Presdales School Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Presdales School Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Presdales School Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Presdales School Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Presdales School Academy Trust's funding agreement with the Secretary of State for Education dated 15 March 2012 and the Academies Financial Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 period 1 September 2021 to 31 August 2022 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

PRESDALES SCHOOL ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PRESDALES SCHOOL ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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 period 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Azets Audit Services

Reporting Accountant

Azets

5 Yeomans Court

Ware Road

Hertford

Hertfordshire

SG13 7HJ

United Kingdom

Dated: 19/12/2022

PRESDALES SCHOOL ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2022 £	Total 2021 £
Income and endowments from:						
Donations and capital grants	3	59	-	95,087	95,146	338,218
Charitable activities:						
- Funding for educational operations	4	260,476	6,511,578	-	6,772,054	6,589,346
Other trading activities	5	311,017	-	-	311,017	201,691
Investments	6	227	-	-	227	312
Total		571,779	6,511,578	95,087	7,178,444	7,129,567
Expenditure on:						
Charitable activities:						
- Educational operations	8	321,018	6,791,323	388,460	7,500,801	7,174,826
Total	7	321,018	6,791,323	388,460	7,500,801	7,174,826
Net income/(expenditure)		250,761	(279,745)	(293,373)	(322,357)	(45,259)
Transfers between funds	18	-	(183,933)	183,933	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	2,121,000	-	2,121,000	(341,000)
Net movement in funds		250,761	1,657,322	(109,440)	1,798,643	(386,259)
Reconciliation of funds						
Total funds brought forward		205,041	(2,491,322)	13,593,388	11,307,107	11,693,366
Total funds carried forward		455,802	(834,000)	13,483,948	13,105,750	11,307,107

PRESDALES SCHOOL ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2022

Comparative year information Year ended 31 August 2021	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2021 £
Income and endowments from:					
Donations and capital grants	3	-	34,693	303,525	338,218
Charitable activities:					
- Funding for educational operations	4	123,225	6,466,121	-	6,589,346
Other trading activities	5	160,910	40,781	-	201,691
Investments	6	312	-	-	312
Total		<u>284,447</u>	<u>6,541,595</u>	<u>303,525</u>	<u>7,129,567</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	-	6,843,089	331,737	7,174,826
Total	7	<u>-</u>	<u>6,843,089</u>	<u>331,737</u>	<u>7,174,826</u>
Net income/(expenditure)		284,447	(301,494)	(28,212)	(45,259)
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	20	-	(341,000)	-	(341,000)
Net movement in funds		284,447	(642,494)	(28,212)	(386,259)
Reconciliation of funds					
Total funds brought forward		174,723	(1,975,825)	13,494,468	11,693,366
Total funds carried forward		<u>459,170</u>	<u>(2,618,319)</u>	<u>13,466,256</u>	<u>11,307,107</u>

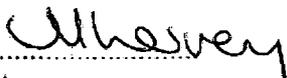
PRESDALES SCHOOL ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	12		13,413,820		13,555,668
Current assets					
Stocks	13	54,293		58,259	
Debtors	14	193,584		175,965	
Cash at bank and in hand		966,320		852,935	
		<u>1,214,197</u>		<u>1,087,159</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(684,539)		(684,226)	
Net current assets			529,658		402,933
Total assets less current liabilities			13,943,478		13,958,601
Creditors: amounts falling due after more than one year	16		(3,728)		(17,494)
Net assets before defined benefit pension scheme liability			13,939,750		13,941,107
Defined benefit pension scheme liability	20		(834,000)		(2,634,000)
Total net assets			<u>13,105,750</u>		<u>11,307,107</u>
Funds of the academy:					
Restricted funds	18				
- Fixed asset funds			13,483,948		13,593,388
- Restricted income funds			-		142,678
- Pension reserve			(834,000)		(2,634,000)
Total restricted funds			<u>12,649,948</u>		<u>11,102,066</u>
Unrestricted income funds	18		455,802		205,041
Total funds			<u>13,105,750</u>		<u>11,307,107</u>

The accounts on pages 22 to 44 were approved by the trustees and authorised for issue on 07/12/22 and are signed on their behalf by:


J Harvey

Company Number 07990029

PRESDALES SCHOOL ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Net cash provided by operating activities	21		288,409		811,400
Cash flows from investing activities					
Dividends, interest and rents from investments		227		312	
Capital grants from DfE Group		24,959		299,704	
Other capital funding received		70,128		-	
Purchase of tangible fixed assets		(246,612)		(1,021,656)	
Net cash used in investing activities			(151,298)		(721,640)
Cash flows from financing activities					
Repayment of other loan		(23,726)		(23,707)	
Net cash used in financing activities			(23,726)		(23,707)
Net increase in cash and cash equivalents in the reporting period			113,385		66,053
Cash and cash equivalents at beginning of the year			852,935		786,882
Cash and cash equivalents at end of the year			966,320		852,935

PRESDALES SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Presdales School Academy Trust is a Charitable Company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Governors' report.

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

1.1 Basis of preparation

The accounts of the academy, 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company 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 accounts and have concluded that the academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

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

Grants

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

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

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy has provided the goods or services.

PRESDALES SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Land and buildings held have been included at the valuation provided by the local authority. Land and buildings have a 125 year lease from conversion and are depreciated over this basis.

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

Land and buildings	2% on property, 125 years on land
Computer equipment	20% - 33.33%
Fixtures, fittings & equipment	10% - 20%

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.

PRESDALES SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy 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.

1.7 Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.10 Taxation

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

1.11 Pensions benefits

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy.

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

PRESDALES SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy 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 net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.12 Fund accounting

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

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

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

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

1.13 Agency arrangements

The Academy Trust acts as the 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 the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 27.

1.14 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.

1.15 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.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The academy 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.

PRESDALES SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

2 Critical accounting estimates and areas of judgement

(Continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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.

Critical areas of judgement

There are no critical areas of judgement.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Capital grants	-	24,959	24,959	24,160
Other donations	59	70,128	70,187	314,058
	<u>59</u>	<u>95,087</u>	<u>95,146</u>	<u>338,218</u>

4 Funding for the academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
DfE/ESFA grants				
General annual grant (GAG)	-	6,133,740	6,133,740	5,633,602
Other DfE/ESFA grants:				
Pupil premium	-	97,093	97,093	81,759
Covid-19 catch up premium	-	20,099	20,099	70,116
Teachers pension grants	-	54,625	54,625	239,402
Teachers pay grants	-	19,331	19,331	79,883
Others	-	87,959	87,959	94,224
	<u>-</u>	<u>6,412,847</u>	<u>6,412,847</u>	<u>6,198,986</u>
Other government grants				
Local authority grants	-	28,556	28,556	20,186
Other government grants	-	44,382	44,382	96,693
	<u>-</u>	<u>72,938</u>	<u>72,938</u>	<u>116,879</u>
Other income				
Other incoming resources	260,476	25,793	286,269	273,481
Total funding	<u>260,476</u>	<u>6,511,578</u>	<u>6,772,054</u>	<u>6,589,346</u>

PRESDALES SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

4 Funding for the academy's educational operations (Continued)

Following the updated guidance in the Academies Accounts Direction 2021/22, the academy trust's receipts for student catering income and trip income is no longer reported under the Other Trading Activities heading, but as separate lines under the Funding for Educational Operations heading. The prior year numbers have been reclassified.

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Hire of facilities	61,808	-	61,808	36,002
Other income	249,209	-	249,209	165,689
	<u>311,017</u>	<u>-</u>	<u>311,017</u>	<u>201,691</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Other investment income	227	-	227	312
	<u>227</u>	<u>-</u>	<u>227</u>	<u>312</u>

7 Expenditure

	Staff costs £	Non-pay expenditure		Total 2022 £	Total 2021 £
		Premises £	Other £		
Academy's educational operations					
- Direct costs	4,774,363	-	517,641	5,292,004	4,981,012
- Allocated support costs	1,106,833	661,250	440,714	2,208,797	2,193,814
	<u>5,881,196</u>	<u>661,250</u>	<u>958,355</u>	<u>7,500,801</u>	<u>7,174,826</u>

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Fees payable to auditor for:		
- Audit	11,750	8,550
- Other services	3,350	3,550
Depreciation of tangible fixed assets	388,460	331,737
Net interest on defined benefit pension liability	46,000	37,000
	<u>450,560</u>	<u>464,837</u>

PRESDALES SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Direct costs				
Educational operations	321,018	4,970,986	5,292,004	4,981,012
Support costs				
Educational operations	-	2,208,797	2,208,797	2,193,814
	<u>321,018</u>	<u>7,179,783</u>	<u>7,500,801</u>	<u>7,174,826</u>

Analysis of costs

	2022 £	2021 £
Direct costs		
Teaching and educational support staff costs	4,774,363	4,403,329
Staff development	19,655	17,352
Educational supplies and services	179,165	170,795
Examination fees	104,726	86,135
Other direct costs	214,095	303,401
	<u>5,292,004</u>	<u>4,981,012</u>
Support costs		
Support staff costs	1,106,833	1,183,883
Depreciation	388,460	331,737
Technology costs	138,742	86,284
Maintenance of premises and equipment	179,370	201,337
Energy costs	73,145	62,268
Rent, rates and other occupancy costs	20,275	20,275
Security and transport	5,207	7,337
Catering	127,713	58,626
Finance costs	46,000	37,000
Other support costs	107,739	193,654
Governance costs	15,313	11,413
	<u>2,208,797</u>	<u>2,193,814</u>

PRESDALES SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

9 Staff

Staff costs

Staff costs during the year were:

	2022 £	2021 £
Wages and salaries	4,164,199	4,084,864
Social security costs	402,821	384,182
Pension costs	1,222,666	1,114,034
Staff costs - employees	5,789,686	5,583,080
Agency staff costs	91,510	4,132
Staff development and other staff costs	5,881,196 19,655	5,587,212 17,352
Total staff expenditure	5,900,851	5,604,564

Non statutory/non-contractual staff severance payments

Included in wages and salaries is one non-statutory/non-contractual severance payment totalling £10,324 (2021: £Nil).

Staff numbers

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

	2022 Number	2021 Number
Teachers	83	87
Administration and support	97	77
Management	9	8
	189	172

Higher paid staff

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

	2022 Number	2021 Number
£60,001 - £70,000	4	4
£70,001 - £80,000	2	2
£100,000 - £110,000	1	1

Key management personnel

The key management personnel of the academy comprise the trustees and the senior management team as listed on page 1. The total amount of key management personnel employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £865,831 (2021: £828,354).

PRESDALES SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

10 Trustees' remuneration and expenses

During the year, no trustees received any remuneration or other benefits (2021: £Nil).

During the year, no trustees expenses have been incurred (2021: £Nil).

11 Trustees' and officers' insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2022 was £978 (2021: £978). The cost of this insurance is included in the total insurance cost.

12 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2021	15,294,753	536,814	887,011	16,718,578
Additions	12,970	207,051	26,591	246,612
Disposals	-	(16,235)	-	(16,235)
At 31 August 2022	15,307,723	727,630	913,602	16,948,955
Depreciation				
At 1 September 2021	2,215,228	471,235	476,447	3,162,910
On disposals	-	(16,235)	-	(16,235)
Charge for the year	265,357	28,271	94,832	388,460
At 31 August 2022	2,480,585	483,271	571,279	3,535,135
Net book value				
At 31 August 2022	12,827,138	244,359	342,323	13,413,820
At 31 August 2021	13,079,525	65,579	410,564	13,555,668

13 Stocks

	2022 £	2021 £
Final stock	54,293	58,259

PRESDALES SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

14 Debtors

	2022 £	2021 £
Trade debtors	2,371	1,905
VAT recoverable	21,400	4,855
Other debtors	-	90,000
Prepayments and accrued income	169,813	79,205
	<u>193,584</u>	<u>175,965</u>

15 Creditors: amounts falling due within one year

	2022 £	2021 £
Other loans	13,767	23,727
Trade creditors	89,037	123,789
Other taxation and social security	100,121	98,559
Other creditors	124,104	106,888
Accruals and deferred income	357,510	331,263
	<u>684,539</u>	<u>684,226</u>

16 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Other loans	<u>3,728</u>	<u>17,494</u>

Analysis of loans	2022 £	2021 £
Wholly repayable within five years	17,495	41,221
Less: included in current liabilities	(13,767)	(23,727)
Amounts included above	<u>3,728</u>	<u>17,494</u>

17 Deferred income

	2022 £	2021 £
Deferred income is included within:		
Creditors due within one year	<u>288,627</u>	<u>268,275</u>

PRESDALES SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17	Deferred income		(Continued)
	Deferred income at 1 September 2021	268,275	165,954
	Released from previous years	(268,275)	(165,954)
	Resources deferred in the year	288,627	268,275
	Deferred income at 31 August 2022	288,627	268,275

At the balance sheet date, the Academy was holding funds received in advance for school trips which are to take place in 22/23, The Academy has also received a proportion of Pupil Premium income in advance.

18	Funds				
		Balance at		Gains,	Balance at
		1 September		losses and	31 August
		2021	Income	transfers	2022
		£	£	£	£
	Restricted general funds				
	General Annual Grant (GAG)	142,678	6,133,740	(6,092,485)	(183,933)
	Pupil Premium	-	97,093	(97,093)	-
	Teachers pension grant	-	54,625	(54,625)	-
	Teachers pay grant	-	19,331	(19,331)	-
	Covid-19 catch up premium	-	20,099	(20,099)	-
	Other DfE/ESFA grants	-	87,959	(87,959)	-
	Other government grants	-	72,938	(72,938)	-
	Other restricted funds	-	25,793	(25,793)	-
	Pension reserve	(2,634,000)	-	(321,000)	2,121,000
		<u>(2,491,322)</u>	<u>6,511,578</u>	<u>(6,791,323)</u>	<u>1,937,067</u>
		<u>(2,491,322)</u>	<u>6,511,578</u>	<u>(6,791,323)</u>	<u>1,937,067</u>
	Restricted fixed asset funds				
	General fixed asset fund	13,593,388	95,087	(388,460)	183,933
		<u>13,593,388</u>	<u>95,087</u>	<u>(388,460)</u>	<u>183,933</u>
	Total restricted funds	<u>11,102,066</u>	<u>6,606,665</u>	<u>(7,179,783)</u>	<u>2,121,000</u>
	Unrestricted funds				
	General funds	205,041	571,779	(321,018)	-
		<u>205,041</u>	<u>571,779</u>	<u>(321,018)</u>	<u>-</u>
	Total funds	<u>11,307,107</u>	<u>7,178,444</u>	<u>(7,500,801)</u>	<u>2,121,000</u>

PRESDALES SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Funds

(Continued)

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

General Annual Grant

Income received from the ESFA to cover the normal running costs of the School. Under the amended funding agreement with the Secretary of State, the School trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

Pupil Premium

Income received from the ESFA to improve education outcomes for disadvantaged pupils in schools in England.

Teachers Pension Grants

Income received from the ESFA to support schools with the cost of the increase in employer contributions to the teachers' pension scheme.

Teachers Pay Grants

Income received from the ESFA to provide funding for schools to support teachers' pay awards.

Covid-19 catch up premium

Income received from the ESFA to assist in supporting eligible students post Covid-19.

Other DFE/ESFA grants

This includes the rates reclaim, schools supplementary grant, and the education services grant

Other government grants

This includes the local authority SEN grant and other local authority grants

Other restricted income

This includes trip income

Pension Reserve

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

General Restricted Fixed Asset Fund

General restricted fixed asset funds are resources which are to be applied to specific capital purposes. Income received from both the Department for Education and the Education and Skills Funding Agency for capital projects undertaken by the Academy are shown as income in this fund. Where income is spent on projects that are repair in nature, costs of such repairs are transferred out to restricted general funds.

PRESDALES SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

18 Funds (Continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	99,175	5,715,089	(5,544,455)	(127,131)	142,678
Pupil premium	-	81,759	(81,759)	-	-
Other DfE/ESFA grants	-	483,625	(483,625)	-	-
Other government grants	-	116,879	(116,879)	-	-
Other restricted funds	-	103,462	(103,462)	-	-
Pension reserve	(2,075,000)	-	(218,000)	(341,000)	(2,634,000)
	<u>(1,975,825)</u>	<u>6,500,814</u>	<u>(6,548,180)</u>	<u>(468,131)</u>	<u>(2,491,322)</u>
Restricted fixed asset funds					
General fixed asset fund	13,494,468	303,526	(331,737)	127,131	13,593,388
Total restricted funds	<u>11,518,643</u>	<u>6,804,340</u>	<u>(6,879,917)</u>	<u>(341,000)</u>	<u>11,102,066</u>
Unrestricted funds					
General funds	174,723	325,227	(294,909)	-	205,041
Total funds	<u>11,693,366</u>	<u>7,129,567</u>	<u>(7,174,826)</u>	<u>(341,000)</u>	<u>11,307,107</u>

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	-	-	13,413,820	13,413,820
Current assets	455,802	688,267	70,128	1,214,197
Creditors falling due within one year	-	(684,539)	-	(684,539)
Creditors falling due after one year	-	(3,728)	-	(3,728)
Defined benefit pension liability	-	(834,000)	-	(834,000)
Total net assets	<u>455,802</u>	<u>(834,000)</u>	<u>13,483,948</u>	<u>13,105,750</u>

PRESDALES SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

19 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	13,555,668	13,555,668
Current assets	205,041	848,531	33,587	1,087,159
Creditors falling due within one year	-	(684,226)	-	(684,226)
Creditors falling due after one year	-	(17,494)	-	(17,494)
Defined benefit pension liability	-	(2,634,000)	-	(2,634,000)
Total net assets	205,041	(2,487,189)	13,589,255	11,307,107

20 Pension and similar obligations

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

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

Contributions amounting to £109,561 were payable to the schemes at 31 August 2022 (2021: £106,888) 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' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

PRESDALES SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

20 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £756,063 (2021: £753,830).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 25.3% for employers and 5.5 - 12.5% for employees.

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

Total contributions made	2022	2021
	£	£
Employer's contributions	195,000	181,000
Employees' contributions	51,000	48,000
Total contributions	<u>246,000</u>	<u>229,000</u>

Principal actuarial assumptions	2022	2021
	%	%
Rate of increase in salaries	3.6	3.3
Rate of increase for pensions in payment/inflation	3.2	2.9
Discount rate for scheme liabilities	4.3	1.7

PRESDALES SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

20 Pension and similar obligations

(Continued)

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

	2022 Years	2021 Years
Retiring today		
- Males	21.9	22.1
- Females	24.4	24.5
Retiring in 20 years		
- Males	22.9	23.2
- Females	26.0	26.2

Scheme liabilities would have been affected by changes in assumptions as follows:

	2022 £	2021 £
Discount rate - 0.1%	81,000	118,000
Mortality assumption + 1 year	175,000	251,000
Salary Increase Rate +0.1%	2,000	3,000
Pension Increase Rate +0.1%	80,000	114,000

The academy's share of the assets in the scheme

	2022 Fair value £	2021 Fair value £
Equities	1,771,000	1,924,400
Bonds	814,000	1,053,000
Cash and other liquid assets	425,000	254,200
Property	531,000	399,400
Total market value of assets	3,541,000	3,631,000

The actual return on scheme assets was £(236,000) (2021: £414,000).

Amount recognised in the statement of financial activities

	2022 £	2021 £
Current service cost	470,000	362,000
Interest income	(61,000)	(53,000)
Interest cost	107,000	90,000
Total operating charge	516,000	399,000

PRESDALES SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

20 Pension and similar obligations	(Continued)	
Changes in the present value of defined benefit obligations	2022	2021
	£	£
At 1 September 2021	6,265,000	5,151,000
Current service cost	470,000	362,000
Interest cost	107,000	90,000
Employee contributions	51,000	48,000
Actuarial (gain)/loss	(2,418,000)	702,000
Benefits paid	(100,000)	(88,000)
	<u>4,375,000</u>	<u>6,265,000</u>
At 31 August 2022	<u>4,375,000</u>	<u>6,265,000</u>
Changes in the fair value of the academy's share of scheme assets	2022	2021
	£	£
At 1 September 2021	3,631,000	3,076,000
Interest income	61,000	53,000
Actuarial loss/(gain)	(297,000)	361,000
Employer contributions	195,000	181,000
Employee contributions	51,000	48,000
Benefits paid	(100,000)	(88,000)
	<u>3,541,000</u>	<u>3,631,000</u>
At 31 August 2022	<u>3,541,000</u>	<u>3,631,000</u>
21 Reconciliation of net expenditure to net cash flow from operating activities	2022	2021
	£	£
Net expenditure for the reporting period (as per the statement of financial activities)	(322,357)	(45,259)
Adjusted for:		
Capital grants from DfE and other capital income	(95,087)	(303,525)
Investment income receivable	(227)	(312)
Defined benefit pension costs less contributions payable	275,000	181,000
Defined benefit pension scheme finance cost	46,000	37,000
Depreciation of tangible fixed assets	388,460	331,737
Decrease/(increase) in stocks	3,966	(58,259)
(Increase) in debtors	(17,619)	(175,965)
Increase in creditors	10,273	660,499
	<u>288,409</u>	<u>626,916</u>
Net cash provided by operating activities	<u>288,409</u>	<u>626,916</u>

PRESDALES SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

22 Analysis of changes in net funds

	1 September 2021 £	Cash flows £	31 August 2022 £
Cash	852,935	113,385	966,320
Loans falling due within one year	(23,727)	9,960	(13,767)
Loans falling due after more than one year	(17,494)	13,766	(3,728)
	<u>811,714</u>	<u>137,111</u>	<u>948,825</u>

23 Long-term commitments, including operating leases

At 31 August 2022 the total of the academy's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	15,600	15,600
Amounts due in two and five years	16,164	31,764
	<u>31,764</u>	<u>47,364</u>

24 Capital commitments

	2022 £	2021 £
Expenditure contracted for but not provided in the accounts	<u>299,144</u>	<u>-</u>

This commitment is covered by CIF funding and £60,128 committed as revenue contributions by the Trust.

25 Related party transactions

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

26 Members' liability

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

PRESDALES SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

27 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2022 the trust received £8,720 (2021: £8,731) and disbursed £5,695 (2021: £8,731) from the fund. An amount of £3,025 (2021: £Nil) is included in other creditors relating to undistributed funds that are repayable to the ESFA.