
PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015



PRESDALES SCHOOL ACADEMY TRUST
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PRESDALES SCHOOL ACADEMY TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Members and Trustees	D C Allchin Dr A D Baxter, Responsible Officer K V Belinis R A Bolton, Chairman S K Brown (resigned 30 September 2014) P J Dougherty Dr J Downs (resigned 3 November 2014) Revd M P Dunstan P Edwards (appointed 13 May 2015) D J Fazan H L Freed W E M Godfrey J Y J Harvey G R Hayter R A Loftus (appointed 1 October 2014) S M P Newton D A B Parry (resigned 31 August 2015) J M Robinson, Head and accounting officer M A Robinson S L Robinson (resigned 30 September 2014) B E Rowley P J Samways M Stanley M J Voaden I L Wilson (appointed 1 October 2014)
Company registered number	07990029
Principal and registered office	Hoe Lane Ware Hertfordshire SG12 9NX
Company secretary	K C Paxton-Doggett
Senior management team	Mrs J M Robinson, Headmistress Mr P J Burrell, Assistant Head Ms K Chandler, Assistant Head Mrs S Inwood, Assistant Head Miss S Jennings, Assistant Head Mr D J Levy, Assistant Head Mrs M Stanley, Leader: Finance and Premises

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Administrative details (continued)

Independent auditor Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor
Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Bankers Lloyds PLC
1 Bircherley Street
Hertford
SG14 1BU

Solicitors Stone King
16 St John's Lane
London
EC1M 4BS

PRESDALES SCHOOL ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who are also Directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Presdales School Academy Trust (the Academy) for the period ended 31 August 2015. The Trustees confirm that the Annual Report and Financial Statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

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. It has a pupil capacity of 850 in key stages 3 and 4 and had 828 students on roll in the school census on 15 January 2015, plus 243 students at key stage 5.

Structure, governance and management

a. CONSTITUTION

The academy is a charitable company limited by guarantee and 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 trust. The trustees of Presdales School Academy Trust Limited are also 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 period are included in the Reference and Administrative Details on page 3.

TRUSTEES INDEMNITIES

Public Liability insurance cover is provided by Marsh Insurance Limited up to £5,000,000.

PRINCIPAL ACTIVITY

The principal activity of the academy 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.

b. MEMBERS' LIABILITY

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

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

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

Staff Trustees are elected from and by staff, both teaching and support, employed at the academy. In addition, the Headmistress is a Governor.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

There are a minimum of seven dedicated Parent Trustees positions which ensures that the parent voice is properly represented. Parent Trustees 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 pupils at the academy are eligible to stand.

The Members appoint up to ten community Trustees. Potential new Trustees are requested to submit a CV and meet with the Chair and Vice Chair of Trustees and the Headmistress. When appropriate, the Chair, Vice Chair and Headmistress will make a recommendation to the Members 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 SGOS and other agencies and by contacts received at the academy from interested parties.

d. 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.

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.

e. ORGANISATIONAL STRUCTURE

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

The work of the Governing Body is shared amongst four committees:

- Achievement and Curriculum
- Finance
- Personnel
- Premises and Health and Safety

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

In addition, a committee designated the Strategic Group comprising the Chair of Governors, Vice Chair, Chairs of the four committees and the Headmistress meets at least termly, and as required, to organise business, make recommendations to the Governing Body and to consider strategic matters.

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

Governors are responsible for setting general policy, approving the School Development Plan, approving the annual budget and making major decisions about the direction of the school. Decisions are taken at meetings of the full Governing Body in consideration of reports and recommendations from Governors' committees and the

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Headmistress.

Responsibility for managing the school on a day-to-day basis is delegated to the Headmistress, who also acts as the accounting officer. The Headmistress will implement the policies approved by Governors and report to Governors through the various sub committees and at full Governing Body meetings.

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

Individual Governors are allocated to academic subject areas as 'Link Governors', meeting with the Head of Department and undertaking visits. Individual Governors also assume responsibility for particular areas such as health and safety and special educational needs.

Governors are encouraged to, and do, participate fully in the work of the committees and the Governing Body.

f. RISK MANAGEMENT

The Trustees have identified and assessed the major risks to which the school is exposed and ensured that policies and procedures are in place to mitigate such risks. These include the following areas:

- Whole or partial building loss.
- Financial and budgetary risks, including reduction in funding.
- Health and safety risks.
- Safeguarding, recruitment and human resources.

The school's risk register is reviewed annually.

Objectives and Activities

a. OBJECTS AND AIMS

Presdales School is a five and a half 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.

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 aims of the school are to promote:

- Individual fulfilment of potential and achievement of excellence
- The belief that education rightly challenges people to exceed expectations
- The expansion of interests through richness of opportunity
- The development of a sense of initiative and leadership skills
- Good relations with the wider community and especially with parents whose support is invaluable to educational progress
- A love of learning throughout life
- The understanding of 'what it is to be me and by extension 'what it is to be another'
- Sensitivity to the needs of others and a sense of team spirit
- The development of a social conscience through the experience of belonging to a community
- The development of a sense of public service

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

- Respect for the environment
- Acknowledgement of the importance of morality and the value of everyone
- Curiosity about the spiritual dimension and eagerness to explore this
- The development of wisdom and the importance of vision
- A positive attitude in times of adversity

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

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

Our vision for the school focuses on three main strands:

1. Achievement (Curriculum and Assessment)
2. Behaviour for Learning and Student Safety
3. Leadership and Management of Teaching and Learning

It also encompasses developments in:

4. ICT facilities
5. Enhancement of the environment and ensuring that Health and Safety requirements are met.

c. PUBLIC BENEFIT

In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The academy follows the coordinated admissions arrangements into year 7 for single sex schools previously designed by Hertfordshire County Council.

The Trustees are satisfied that the academy has complied with its requirement for the public benefit for the education of students 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 French, Music, Mathematics and Physical Education. Modern Foreign Language courses are offered to adults in the local community and sports and recreational facilities are made available for public use.

Strategic report

Achievements and performance

a. 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 it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

b. KEY FINANCIAL 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 210 first rank applications for September 2014 and 218 for September 2015. The school's PAN was 168 and places were allocated up to 170.

Examination results

The school continues to achieve results well above the national average as detailed in the Achievements and Performance section.

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

As a former specialist school a richer curriculum is offered than would be the norm which supports the high aspirations of our students, particularly in Languages Music and Mathematics. The average Pupil/Teacher ratio is 15 and teaching staff costs account for approximately 63% of the academy's GAG income.

c. REVIEW OF ACTIVITIES

Examination Results

GCSE	<u>August 2013</u>	<u>August 2014</u>	<u>August 2015</u>
Five or more higher grade passes, including Maths and English	80%	88%	85%
Five or more higher grade passes	85%	91%	89%
A Level			
Average points score per entry (A2)	218.1	221.1	235
Average points score per student (AS & A2)	767.4	756.5	818
Destination of Year 13 Leavers	<u>August 2013</u>	<u>August 2014</u>	<u>August 2015</u>
Total number of students in year	114	108	109
Percentage in Higher Education	77%	79.6%	76.15%
Percentage in Further Education and Higher Apprenticeships	13%	12.9%	12.84%
Percentage in any other category (eg Gap year students)	11%	8.3%	11.01%

Other achievements

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

- Continued training and support for the Senior Leadership Group.
- Students have participated in a very wide range of extra curricular activities including sports, music, drama and a number of concerts and performances.
- A successful World Challenge expedition to Bolivia was completed.
- Students have participated in wide range of school trips to support their learning outside the classroom.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

- The sum of £12,331 was raised for the Diabetes UK which was the school's 2014 chosen charity.
- A number of premises projects were carried out in order to maintain and improve the fabric of the buildings, including the replacement of window walling in the main teaching block.

Financial review

a. PRINCIPAL RISKS AND UNCERTAINTIES

The Governing Body have identified the following principal risks and uncertainties which the school might face:

- a reduction in and uncertainty over EFA funding due to a change in the funding formula or a reduction in pupil numbers.
- insufficient funds in a flat cash budget allocation to honour staff pay rises and increased NI employer's contributions.
- extensive staff absence.
- difficulty in recruiting appropriate staff.
- damage to buildings or failure of plant and equipment.
- LGPS pension deficit/changes.

b. RESERVES POLICY

The Trustees have operated on the basis that it is prudent to set a reasonable contingency to allow for unforeseen and emergency expenditure and to plan for future projects.

On conversion in April 2012, the Academy was able to establish a revenue contingency of £120,637 for the 5 month period to 31st August 2012, largely from unrestricted balances transferred from the former maintained school. From September 2012 to August 2013 a contingency of £251,000 was set which included a further £130,000 from restricted funds. As a result of additional expenditure on premises, staffing and support services during the year the available reserves at 1st September 2013 were reduced to £130,000. From September 2014 reserves have reduced to £81,343, because of changes to EFA funding and fluctuation in 16-19 income. Reserves from September 2015 have increased slightly to £103,000 and the school is successfully improving recruitment in the sixth form.

c. PRINCIPAL FUNDING

Most of the academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to specific purposes. The grants received from the DfE during the period ended 31 August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

d. INVESTMENT POLICY AND PERFORMANCE

The Governing Body have 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, at this stage, this would not be beneficial to the school.

The academy held fund balances at 31st August 2015 of £11,703,896 which included a surplus in general funds of £57,796, a deficit in restricted funds primarily as a result of the deficit on the local government pension fund of £1,412,000 and fixed asset funds totalling £13,058,100.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Plans for future periods

a. FUTURE DEVELOPMENTS

For the coming financial year, the academy plans to focus on the following key objectives:

- Continued successful recruitment into Sixth Form.
Implementation of changes to the curriculum in Key Stage 5 in the light of national policy.
- Review of Assessment arrangements for Key Stage 3 and Key Stage following national policy changes.
- Continued implementation of revised Performance Appraisal arrangements for both teaching staff and support staff.
- Submission of a bid to the Academies Capital Maintenance Fund for the further replacement of window walling and replacement roofs.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

None.

DISCLOSURE OF INFORMATION TO AUDITOR

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

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This report, incorporating the Strategic report, was approved by order of the Board of Trustees, as the company directors, on 26 November 2015 and signed on the board's behalf by:


.....
R A Bolton
Chair of Trustees


.....
J M Robinson
Accounting Officer

PRESDALES SCHOOL ACADEMY TRUST
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GOVERNANCE STATEMENT

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 Headmistress, 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. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. 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:

Trustee	Meetings attended	Out of a possible
D C Allchin	3	6
Dr A D Baxter, Responsible Officer	3	6
K V Belinis	4	6
R A Bolton, Chairman	6	6
S K Brown	1	1
P J Dougherty	5	6
Dr J Downs	1	1
Revd M P Dunstan	5	6
P Edwards	2	2
D J Fazan	2	6
H L Freed	3	6
W E M Godfrey	6	6
J Y J Harvey	4	6
G R Hayter	6	6
R A Loftus	5	5
S M P Newton	3	6
D A B Parry	4	6
J M Robinson, Head and accounting officer	6	6
M A Robinson	6	6
S L Robinson	1	1
B E Rowley	5	6
P J Samways	6	6
M Stanley	5	6
M J Voaden	6	6
I L Wilson	5	5

There have been no significant changes to the composition of the Board.

The Finance 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 and to provide strategic financial direction.

During the year Mr P Edwards joined the committee.

Attendance at meetings in the year was as follows:

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GOVERNANCE STATEMENT (continued)

Trustee	Meetings attended	Out of a possible
P Edwards	2	2
W E M Godfrey	4	6
G R Hayter	5	6
M A Robinson	6	6
B E Rowley	6	6
M Stanley	6	6

Trustees have appointed an Audit Committee and a Responsible Officer from within the Governing Body. The Responsible Officer also chairs the Audit Committee and his 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. The Responsible Officer reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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

REVIEW OF VALUE FOR MONEY

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

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

- 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 2014/15: Full details are available on the Academy website <http://www.presdales.co.uk>. The validated RAISEonline 2014 shows that the school's Value Added at Key Stage 4 was 1027.4 for summer 2014.

- Targeted Improvement

The Headmistress carries out an annual review of teaching staff and 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. The use of Pupil Premium has resulted in a reduction of the gap between disadvantaged students and their peers. In 2014, the gap at 5A*-C with English and Mathematics reduced by 25 percentage points. The academy has focused on initiatives identified by the Sutton Trust and the Education Endowment Foundation as having the best educational gain for financial outlay.

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GOVERNANCE STATEMENT (continued)

- **Collaboration**

The academy works collaboratively with local secondary schools for the provision of Sixth Form courses and with local primary schools in which we provide support in French, Music, Mathematics and Physical Education.

- **Financial Governance and Oversight**

The Board of Trustees 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 Finance Committee, which meets approximately six times per year, considers the annual budget before recommending it for approval by the Board of Trustees, 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 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, ensuring maximum funding at Key Stages 3 and 4. 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 generate additional 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 Headmistress 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

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GOVERNANCE STATEMENT (continued)

attainment and to achieve best value: • In-house monitoring by the Senior Leadership Group, 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 Development Plan objectives
- Termly internal audit reviews
- Analysis of bench mark data for all schools
- Analysis of DfE student performance data
- Trustees' meetings (full and committee).

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy 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 year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The Academy'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 Board of Trustees has considered the need for a specific internal audit function and has decided to appoint the Hertfordshire County Council Shared Audit Services as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:

- Effectiveness of Governance

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GOVERNANCE STATEMENT (continued)

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

On a quarterly basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The results of each inspection are reported immediately to the audit committee, Headmistress and Chair of Finance and a followed up with an end of year report summarising the findings and recommendations. The main recommendations were as follows:

To update the Academy's Financial Procedures Manual – completed July 2015

To update and approve a debt policy – completed June 2015

To revise lettings charges – completed July 2015

To review and correct potential errors in depreciation records – completed August 2015

REVIEW OF EFFECTIVENESS

As accounting officer, the Headmistress 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 has been advised of the implications of the result of their review of the system of internal control by the Responsible Officer and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Members of the Board of Trustees on 26 November 2015 and signed on its behalf, by:



R A Bolton
Chair of Trustees



J M Robinson
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Presdales School Academy Trust I have considered my responsibility to notify the Academy Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the Academy 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 (2014).

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 EFA.


.....
J M Robinson
Accounting Officer

Date: 26 November '15

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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the Members of the Board of Trustees on 26 November 2015 and signed on its behalf by:


.....
R A Bolton
Chair of Trustees

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

We have audited the financial statements of Presdales School Academy Trust for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the Academy's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's Members those matters we are required to state to them in an 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 Academy's Members for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the Directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Alexander Bottom

Alexander Bottom ACA (Senior statutory auditor)

for and on behalf of

Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Date:

3rd December 2015

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 1 May 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, 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 year 1 September 2014 to 31 August 2015 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 EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Presdales School Academy Trust and EFA 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 EFA, 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 2014, 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA. 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.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity across the Academy Trust's activities.
- Testing and review of areas identified through risk assessment including enquiry, observation, inspection and review of supporting evidence.
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime
- Consideration of evidence obtained through the work performed as part of our financial statements audit in order to support the regularity conclusion

CONCLUSION

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor
Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Date: 3rd December 2015

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	15,720	-	-	15,720	53,284
Activities for generating funds	3	66,143	-	-	66,143	111,216
Investment income	4	926	-	-	926	964
Incoming resources from charitable activities	5	752,656	5,266,217	695,203	6,714,076	6,193,272
TOTAL INCOMING RESOURCES		835,445	5,266,217	695,203	6,796,865	6,358,736
RESOURCES EXPENDED						
Costs of generating funds:						
Costs of generating voluntary income	6	41,179	-	-	41,179	-
Charitable activities		882,708	5,257,380	348,927	6,489,015	6,436,647
Governance costs	8	-	11,500	-	11,500	8,050
TOTAL RESOURCES EXPENDED	11	923,887	5,268,880	348,927	6,541,694	6,444,697
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		(88,442)	(2,663)	346,276	255,171	(85,961)

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Transfers between Funds	23	(130,480)	(134,497)	264,977	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		(218,922)	(137,160)	611,253	255,171	(85,961)
Actuarial gains and losses on defined benefit pension schemes		-	(27,000)	-	(27,000)	(167,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		(218,922)	(164,160)	611,253	228,171	(252,961)
<i>Total funds at 1 September 2014</i>		<i>276,718</i>	<i>(1,247,840)</i>	<i>12,446,847</i>	<i>11,475,725</i>	<i>11,728,686</i>
TOTAL FUNDS AT 31 AUGUST 2015		57,796	(1,412,000)	13,058,100	11,703,896	11,475,725

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 26 to 46 form part of these financial statements.

PRESDALES SCHOOL ACADEMY TRUST

(A company limited by guarantee)

REGISTERED NUMBER: 07990029

**BALANCE SHEET
AS AT 31 AUGUST 2015**

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	18		13,058,101		12,446,847
CURRENT ASSETS					
Stocks	19	2,516		2,224	
Debtors	20	274,618		279,082	
Cash at bank and in hand		633,156		657,764	
		<u>910,290</u>		<u>939,070</u>	
CREDITORS: amounts falling due within one year	21	(702,495)		(496,517)	
NET CURRENT ASSETS			<u>207,795</u>		<u>442,553</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>13,265,896</u>		<u>12,889,400</u>
CREDITORS: amounts falling due after more than one year	22		<u>(150,000)</u>		<u>(79,675)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			<u>13,115,896</u>		<u>12,809,725</u>
Defined benefit pension scheme liability	28		<u>(1,412,000)</u>		<u>(1,334,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>11,703,896</u></u>		<u><u>11,475,725</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	23	-		86,160	
Restricted fixed asset funds	23	13,058,100		12,446,847	
Restricted funds excluding pension liability		<u>13,058,100</u>		<u>12,533,007</u>	
Pension reserve		<u>(1,412,000)</u>		<u>(1,334,000)</u>	
Total restricted funds			<u>11,646,100</u>		<u>11,199,007</u>
Unrestricted funds	23		<u>57,796</u>		<u>276,718</u>
TOTAL FUNDS			<u><u>11,703,896</u></u>		<u><u>11,475,725</u></u>

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2015

The financial statements were approved by the Trustees, and authorised for issue, on 26 November 2015 and are signed on their behalf, by:



R A Bolton
Chair of Trustees

The notes on pages 26 to 46 form part of these financial statements.

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	25	813,320	96,966
Returns on investments and servicing of finance	26	926	964
Capital expenditure and financial investment	26	(909,179)	(107,464)
CASH OUTFLOW BEFORE FINANCING		(94,933)	(9,534)
Financing	26	70,325	79,675
(DECREASE)/INCREASE IN CASH IN THE YEAR		(24,608)	70,141

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015**

	2015 £	2014 £
(Decrease)/Increase in cash in the year	(24,608)	70,141
Cash outflow from decrease in debt and lease financing	(70,325)	(79,675)
MOVEMENT IN NET FUNDS IN THE YEAR	(94,933)	(9,534)
Net funds at 1 September 2014	578,089	587,623
NET FUNDS AT 31 AUGUST 2015	483,156	578,089

The notes on pages 26 to 46 form part of these financial statements.

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 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 and include grants from the Department for Education.

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

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's policies.

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.4 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the Academy's educational operations.

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised.

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. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	2% straight line on property, 125 years on land
Fixtures and fittings	-	20% straight line
Computer equipment	-	20% straight line

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.7 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8 Stocks

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

1.9 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.

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.10 Pensions

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, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 28, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded 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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.11 Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA 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 32.

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	15,720	-	15,720	53,284

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Lettings income	25,304	-	25,304	21,709
Fund income	40,839	-	40,839	89,507
	<u>66,143</u>	<u>-</u>	<u>66,143</u>	<u>111,216</u>

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Investment income	926	-	926	964
	<u>926</u>	<u>-</u>	<u>926</u>	<u>964</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Educational activities (analysed below)	-	5,927,788	5,927,788	5,668,563
Other income	43,058	33,632	76,690	62,377
Trip income	343,520	-	343,520	139,113
Music income	130,494	-	130,494	125,945
Catering income	235,584	-	235,584	197,274
	<u>752,656</u>	<u>5,961,420</u>	<u>6,714,076</u>	<u>6,193,272</u>

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	5,117,215	5,117,215	5,420,582
School Standards Fund	-	72,524	72,524	61,033
Other DfE grants	-	1,500	1,500	7,000
EFA capital grants	-	695,203	695,203	92,897
Insurance grant	-	9,471	9,471	22,432
Rates grant	-	7,025	7,025	16,484
	-	5,902,938	5,902,938	5,620,428
Other government grants				
Other government grants	-	24,850	24,850	48,135
	-	24,850	24,850	48,135
	-	5,927,788	5,927,788	5,668,563

6. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
School fund expenditure	41,179	-	41,179	-

7. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Educational activities	882,708	5,606,307	6,489,015	6,436,647

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

7. EXPENDITURE BY CHARITABLE ACTIVITY (continued)

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2015 £	Depreciation 2015 £	Other costs 2015 £	Total 2015 £	Total 2014 £
Educational activities	<u>4,683,674</u>	<u>348,927</u>	<u>1,456,414</u>	<u>6,489,015</u>	<u>6,436,647</u>

8. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Governance Auditors' remuneration	-	6,850	6,850	6,600
Governance Auditors' non audit costs	-	4,650	4,650	1,450
	<u>-</u>	<u>11,500</u>	<u>11,500</u>	<u>8,050</u>

9. DIRECT COSTS

	Educational activities £	Educational activities £	Total 2015 £	Total 2014 £
Teaching and educational supplies	-	135,467	135,467	128,408
Examination fees	-	105,224	105,224	95,306
Trip expenditure	-	339,867	339,867	140,633
Other direct costs	41,179	150,534	191,713	277,251
Staff costs	-	1,385	1,385	-
Wages and salaries	-	3,171,992	3,171,992	3,243,412
National insurance	-	223,565	223,565	231,099
Pension cost	-	389,742	389,742	401,717
	<u>41,179</u>	<u>4,517,776</u>	<u>4,558,955</u>	<u>4,517,826</u>

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

10. SUPPORT COSTS

	Educational activities £	Total 2015 £	Total 2014 £
FRS 17 Pension expense (note 28)	28,000	28,000	39,000
Support staff costs	28,245	28,245	32,720
Recruitment	37,825	37,825	26,078
Premises maintenance costs	162,918	162,918	129,988
Rent and rates	26,167	26,167	25,223
Catering costs	119,891	119,891	111,969
Technology costs	31,782	31,782	42,463
Insurance costs	45,302	45,302	19,252
Heat and light costs	77,581	77,581	110,195
Printing, postage and stationery	37,560	37,560	34,686
Cleaning and caretaking costs	17,111	17,111	21,542
Professional fees	80,087	80,087	94,909
Other support costs	31,468	31,468	3,036
Support staff salaries	674,772	674,772	700,303
Support staff national insurance	40,702	40,702	44,459
Support staff pension cost (note 26)	182,901	182,901	161,165
Depreciation	348,927	348,927	321,833
	<u>1,971,239</u>	<u>1,971,239</u>	<u>1,918,821</u>

11. RESOURCES EXPENDED

	Staff costs 2015 £	Non Pay Expenditure Other costs 2015 £	Total 2015 £	Total 2014 £
Costs of generating voluntary income	-	41,179	41,179	-
Costs of generating funds	<u>-</u>	<u>41,179</u>	<u>41,179</u>	<u>-</u>
Educational activities	3,785,299	732,477	4,517,776	4,517,826
Support costs - Educational activities	898,375	1,072,864	1,971,239	1,918,821
Charitable activities	<u>4,683,674</u>	<u>1,805,341</u>	<u>6,489,015</u>	<u>6,436,647</u>
Governance	<u>-</u>	<u>11,500</u>	<u>11,500</u>	<u>8,050</u>
	<u>4,683,674</u>	<u>1,858,020</u>	<u>6,541,694</u>	<u>6,444,697</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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12. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2015 £	Support costs 2015 £	Total 2015 £	Total 2014 £
Educational activities	<u>4,517,776</u>	<u>1,971,239</u>	<u>6,489,015</u>	<u>6,436,647</u>

13. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the charity	348,926	321,832
Auditor's remuneration	6,850	6,600
Auditor's remuneration - non-audit	4,650	1,450
Governance Internal audit costs	-	-
	<u> </u>	<u> </u>

14. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	3,796,912	3,904,552
Social security costs	264,267	275,558
Other pension costs (Note 28)	572,643	562,881
	<u>4,633,822</u>	<u>4,742,991</u>
Supply teacher costs	49,852	39,164
	<u>4,683,674</u>	<u>4,782,155</u>

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14. STAFF (continued)

b. Staff numbers

The average number of persons (including the senior management team) employed by the Academy during the year expressed as full time equivalents was as follows:

	2015	2014
	No.	No.
Teaching	66	78
Support/Administration	36	33
Management	6	6
	<hr/> 108 <hr/>	<hr/> 117 <hr/>

c. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2015	2014
	No.	No.
In the band £60,001 - £70,000	3	3
In the band £100,001 - £110,000	1	1
	<hr/> <hr/>	<hr/> <hr/>

All four of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £41,523 (2014: £41,110).

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15. TRUSTEES' REMUNERATION AND EXPENSES

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

		2015 £	2014 £
J M Robinson	Remuneration	105,000-110,000	105,000-110,000
	Employer's pension contributions	15,000-20,000	15,000-20,000
M Stanley	Remuneration	40,000-45,000	40,000-45,000
	Employer's pension contributions	10,000-15,000	10,000-15,000
D Parry	Remuneration	25,000-30,000	20,000-25,000
	Employer's pension contributions	0-5,000	0-5,000
P J Samways	Remuneration	45,000-50,000	45,000-50,000
	Employer's pension contributions	5,000-10,000	5,000-10,000
G Rowley*	Remuneration	5,000-10,000	35,000-40,000
	Employer's pension contributions	Nil	0-5,000
K Freed*	Remuneration	15,000-20,000	20,000-25,000
	Employer's pension contributions	Nil	0-5,000

* G Rowley is a related party by virtue of being married to B E Rowley, a trustee. K Freed is a related party by virtue of being married to H L Freed, a trustee.

16. 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 2015 was £1,212 (2014 - £1,223). The cost of this insurance is included in the total insurance cost.

17. OTHER FINANCE INCOME

	2015 £	2014 £
Expected return on pension scheme assets	68,000	54,000
Interest on pension scheme liabilities	(96,000)	(93,000)
	<u>(28,000)</u>	<u>(39,000)</u>

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18. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2014	12,714,948	150,324	345,485	13,210,757
Additions	572,442	347,309	40,429	960,180
At 31 August 2015	13,287,390	497,633	385,914	14,170,937
Depreciation				
At 1 September 2014	582,875	71,394	109,641	763,910
Charge for the year	212,773	63,880	72,273	348,926
At 31 August 2015	795,648	135,274	181,914	1,112,836
Net book value				
At 31 August 2015	12,491,742	362,359	204,000	13,058,101
At 31 August 2014	12,132,073	78,930	235,844	12,446,847

19. STOCKS

	2015 £	2014 £
Catering stock	2,516	2,224

20. DEBTORS

	2015 £	2014 £
Trade debtors	3,455	1,830
VAT recoverable	79,894	63,809
Prepayments and accrued income	191,269	213,443
	274,618	279,082

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**NOTES TO THE FINANCIAL STATEMENTS
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21. CREDITORS:
Amounts falling due within one year

	2015 £	2014 £
Other taxation and social security	147,165	158,443
Other creditors	2,994	-
Accruals and deferred income	552,336	338,074
	<u>702,495</u>	<u>496,517</u>
		£
Deferred income		
Deferred income at 1 September 2014		258,195
Resources deferred during the year		120,308
Amounts released from previous years		<u>(258,195)</u>
Deferred income at 31 August 2015		<u>120,308</u>

At the balance sheet date the academy trust was holding funds received in advance for trips being held in the school year 2015/2016.

22. CREDITORS:
Amounts falling due after more than one year

	2015 £	2014 £
Other loans	<u>150,000</u>	<u>79,675</u>
Creditors include amounts not wholly repayable within 5 years as follows:		
	2015 £	2014 £
Repayable by instalments	<u>150,000</u>	<u>79,675</u>

The loan balance relates to a SALIX loan to fund the Boiler project. Repayments commenced in March 2015 and will be made twice a year until 2022.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

23. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	276,718	215,501	(323,410)	(140,201)	-	28,608
School fund	-	40,839	(41,179)	29,528	-	29,188
Trip Income	-	343,520	(339,867)	(3,653)	-	-
Catering Income	-	235,585	(219,431)	(16,154)	-	-
	<u>276,718</u>	<u>835,445</u>	<u>(923,887)</u>	<u>(130,480)</u>	<u>-</u>	<u>57,796</u>
Restricted funds						
General Annual Grant (GAG)	86,160	5,193,693	(5,145,356)	(134,497)	-	-
Pupil premium	-	72,524	(72,524)	-	-	-
Pension reserve	(1,334,000)	-	(51,000)	-	(27,000)	(1,412,000)
	<u>(1,247,840)</u>	<u>5,266,217</u>	<u>(5,268,880)</u>	<u>(134,497)</u>	<u>(27,000)</u>	<u>(1,412,000)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	12,446,847	-	(348,927)	960,180	-	13,058,100
EFA Capital grant	-	22,956	-	(22,956)	-	-
Salix Grant	-	70,005	-	(70,005)	-	-
CIF funding	-	602,242	-	(602,242)	-	-
	<u>12,446,847</u>	<u>695,203</u>	<u>(348,927)</u>	<u>264,977</u>	<u>-</u>	<u>13,058,100</u>
Total restricted funds	<u>11,199,007</u>	<u>5,961,420</u>	<u>(5,617,807)</u>	<u>130,480</u>	<u>(27,000)</u>	<u>11,646,100</u>
Total of funds	<u>11,475,725</u>	<u>6,796,865</u>	<u>(6,541,694)</u>	<u>-</u>	<u>(27,000)</u>	<u>11,703,896</u>

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Academy via the Education Funding Agency by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the Academy.

The other material restricted general funds represent incoming resources for the following specific purposes:

- a) EFA grant funding for part of the staff costs of the school's sports co-ordinator

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

- b) EFA capital grant to maintain and improve school buildings
c) Pupil premium grant allocated to schools with pupils that are known to be eligible for free school meals to raise attainment for pupils from low income families.

School fund income is derived largely from contributions from parents for school trips and also funds raised from charity events at the school.

The pension reserve represents the net deficit on the Local Government Pension Scheme (LGPS) defined benefit pension scheme. The deficit arose because of the pension scheme deficit inherited on conversion and future GAG funding agreed by the Education Funding Agency is expected to be sufficient to take the fund back into surplus.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	276,718	835,445	(923,887)	(130,480)	-	57,796
Restricted funds	(1,247,840)	5,266,217	(5,268,880)	(134,497)	(27,000)	(1,412,000)
Restricted fixed asset funds	12,446,847	695,203	(348,927)	264,977	-	13,058,100
	<u>11,475,725</u>	<u>6,796,865</u>	<u>(6,541,694)</u>	<u>-</u>	<u>(27,000)</u>	<u>11,703,896</u>

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	13,058,100	13,058,100	12,446,847
Current assets	57,796	852,495	-	910,291	939,071
Creditors due within one year	-	(702,495)	-	(702,495)	(496,518)
Creditors due in more than one year	-	(150,000)	-	(150,000)	(79,675)
Provisions for liabilities and charges	-	(1,412,000)	-	(1,412,000)	(1,334,000)
	<u>57,796</u>	<u>(1,412,000)</u>	<u>13,058,100</u>	<u>11,703,896</u>	<u>11,475,725</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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25. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	255,171	(85,961)
Returns on investments and servicing of finance	(926)	(964)
Depreciation of tangible fixed assets	348,926	321,832
(Increase)/decrease in stocks	(292)	1,071
Decrease/(increase) in debtors	4,463	(229,587)
Increase in creditors	205,978	90,575
Net cash inflow from operations	813,320	96,966

26. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	926	964
	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(960,179)	(170,464)
FRS 17 Adjustments	51,000	63,000
Net cash outflow capital expenditure	(909,179)	(107,464)
	2015 £	2014 £
Financing		
Other new loans	80,325	79,675
Repayment of other loans	(10,000)	-
Net cash inflow from financing	70,325	79,675

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**NOTES TO THE FINANCIAL STATEMENTS
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27. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	657,764	(24,608)	-	633,156
Debt:				
Finance leases	-	-	-	-
Debts falling due after more than one year	(79,675)	(70,325)	-	(150,000)
Net funds	578,089	(94,933)	-	483,156

28. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2015.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £394,211 (2014: £402,463).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a 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 scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £198,000, of which employer's contributions totalled £160,000 and employees' contributions totalled £38,000. The agreed contribution rates for future years are 22.8% 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.

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(2,827,000)	(2,492,000)
Fair value of scheme assets	1,415,000	1,158,000
Net liability	<u>(1,412,000)</u>	<u>(1,334,000)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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28. PENSION COMMITMENTS (continued)

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

	2015 £	2014 £
Current service cost	(183,000)	(159,000)
Interest on obligation	(96,000)	(93,000)
Expected return on scheme assets	68,000	54,000
Past service cost	(14,759)	(7,142)
	<u>(225,759)</u>	<u>(205,142)</u>
Total	<u>(225,759)</u>	<u>(205,142)</u>
Actual return on scheme assets	<u>(59,000)</u>	<u>(113,000)</u>

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

	2015 £	2014 £
Opening defined benefit obligation	2,492,000	1,928,000
Current service cost	183,000	159,000
Interest cost	96,000	93,000
Contributions by scheme participants	38,000	38,000
Actuarial Losses	18,000	274,000
	<u>2,827,000</u>	<u>2,492,000</u>
Closing defined benefit obligation	<u>2,827,000</u>	<u>2,492,000</u>

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

	2015 £	2014 £
Opening fair value of scheme assets	1,158,000	824,000
Expected return on assets	68,000	54,000
Actuarial gains and (losses)	(9,000)	107,000
Contributions by employer	160,000	135,000
Contributions by employees	38,000	38,000
	<u>1,415,000</u>	<u>1,158,000</u>
	<u>1,415,000</u>	<u>1,158,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £318,000 (2014 - £291,000).

The Academy expects to contribute £155,000 to its Defined benefit pension scheme in 2016.

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28. PENSION COMMITMENTS (continued)

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	62.00 %	67.00 %
Bonds	27.00 %	23.00 %
Property	7.00 %	7.00 %
Cash	4.00 %	3.00 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	3.70 %	3.70 %
Expected return on scheme assets at 31 August	3.70 %	5.40 %
Rate of increase in salaries	4.00 %	3.90 %
Rate of increase for pensions in payment / inflation	2.60 %	2.60 %

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

	2015	2014
Retiring today		
Males	22.3	22.3
Females	24.5	24.5
Retiring in 20 years		
Males	24.3	24.3
Females	26.7	26.7

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2015	2014	2013
	£	£	£
Defined benefit obligation	(2,827,000)	(2,492,000)	(1,928,000)
Scheme assets	1,415,000	1,158,000	824,000
Deficit	(1,412,000)	(1,334,000)	(1,104,000)
Experience adjustments on scheme liabilities	(18,000)	(274,000)	(171,000)
Experience adjustments on scheme assets	(9,000)	107,000	47,000

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29. OPERATING LEASE COMMITMENTS

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
Within 1 year	2,039	1,667
Between 2 and 5 years	<u>14,668</u>	<u>16,005</u>

30. RELATED PARTY TRANSACTIONS

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

There were no related party or connected party transactions that require disclosure within these accounts.

31. CONTROLLING PARTY

In the opinion of the governors there is no ultimate controlling party.

32. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2015 the trust received £10,153 and disbursed £7,159 from the fund. An amount of £2,994 is included in other creditors relating to undistributed funds that is repayable to EFA.