
PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

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PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Trustees

D C Allchin (appointed 5 February 2014)
Dr A D Baxter
K V Belinis (appointed 26 November 2013)
A K Benson (appointed 26 November 2013, resigned 21 January 2014)
R A Bolton
S K Brown (resigned 30 September 2014)
J Brush (resigned 6 October 2013)
T J Campbell (resigned 3 October 2013)
P J Dougherty
Dr J Downs
Revd M P Dunstan
D J Fazan
H L Freed (appointed 26 November 2013)
W E M Godfrey
J Y J Harvey
G R Hayter (appointed 26 November 2013)
S E G Hozier (resigned 26 November 2013)
R A Loftus (appointed 1 October 2014)
S M P Newton
D A B Parry
J M Robinson
M A Robinson
S L Robinson (resigned 30 September 2014)
B E Rowley
P J Samways
M Stanley
M J Voaden (appointed 25 October 2013)
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 TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

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 2014

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 2014. 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.

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.

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

at the academy are eligible to stand. Unfortunately, on occasion it has proved not possible to appoint the individual elected due to restrictions on 'Local Authority Associated Persons'.

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 SGOSS 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 meet six times each year.

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

- Finance
- Personnel
- Curriculum and Achievement
- 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 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 Headmistress.

Responsibility for managing the school on a day to day basis is delegated to the Headmistress, who also acts as

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

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 advisor 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 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 fulfillment 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
- 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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

- 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 five main strands:

- Ensuring high quality teaching and learning set within the framework of the curriculum and supported by appropriate assessment and monitoring.
- Valuing staff and providing them with opportunities for professional development
- Enhancing ICT facilities across all areas of the school
- Supporting and strengthening the ethos of the school which underpins all our work with pupils.
- Enhancing the environment of the school and ensuring 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 for single sex schools determined and administered by Hertfordshire County Council.

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 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.

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-

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

subscribed for admissions into Year 7. There were 202 first rank applications for September 2013. The school's PAN was 165 and places were allocated up to 168.

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 low.

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 15:4 and teaching staff costs account for approximately 67% of the academy's GAG income.

c. REVIEW OF ACTIVITIES

Examination Results

GCSE	<u>August 2012</u>	<u>August 2013</u>	<u>August 2014</u>
Five or more higher grade passes	86%	85%	91%
Five or more higher grade passes, including Maths and English	82%	80%	88%
 A Level			
Average points score per entry	222.7	218.1	221.1
Average points score per student	790.7	767.4	756.5
 Destination of Year 13 Leavers	<u>August 2012</u>	<u>August 2013</u>	<u>August 2014</u>
Total number of students in year	132	114	108
Percentage in Higher Education	84.1%	77%	79.6%
Percentage in Further Education and Employment	4.5%	13%	12.9%
Percentage in any other category (eg Gap year students)	11.4%	11%	8.3%

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 Norway was completed as well as Duke of Edinburgh Award Expeditions.
- Students have participated in wide range of school trips to support their learning outside the classroom.
- The sum of £15,163 was raised for the The Brain Tumour Charity which was this year's chosen school charity.
- A number of premises projects were carried out in order to maintain and improve the fabric of the buildings including the commencement of a boiler replacement project to replace existing oil-fired boilers with gas boilers and effect long term savings and efficiencies.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

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 EFA funding due to a change in the funding formula or a reduction in pupil numbers.
- insufficient funds 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 £75,664, because of changes to EFA funding and fluctuation in 16-19 income which the school has plans to address.

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 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31st August 2014, the Academy received income of £5,902,822 in respect of GAG and other Government funding, and £452,645 in respect of trip, music, catering and other income, giving total income of £6,355,467 for the period. Expenditure for the period amounted to £6,122,864 (excluding depreciation cost). At 31st August 2014 the net book value of fixed assets was £12,446,847. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

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 2014 of £11,475,725 which included a surplus in general funds of £276,718, a deficit in restricted funds primarily as a result of the deficit on the local government pension fund of £1,334,000 and fixed asset funds totalling £12,446,847.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

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 in to Sixth Form .
Continuing review of the curriculum focussing on Key Stage 5 in the light of national changes in assessment requirements.
- Review of Assessment arrangements following national changes
- Continued implementation revised Performance Appraisal arrangements for teaching staff and implementation of Performance Appraisal arrangements for support staff, + following pilot scheme.
- Submission of a bid to the Academies Capital Maintenance Fund for the replacement of window walling

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

None.

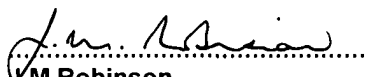
DISCLOSURE OF INFORMATION TO AUDITOR

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 10 December 2014 and signed on the board's behalf by:


.....
R A Bolton
Chair of Trustees


.....
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 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. 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 8 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	2	3
Dr A D Baxter	4	8
K V Belinis	3	4
A K Benson	0	1
R A Bolton	8	8
S K Brown	6	8
J Brush	2	2
T J Campbell	2	2
P J Dougherty	7	8
Dr J Downs	8	8
Revd M P Dunstan	6	8
D J Fazan	8	8
H L Freed	4	4
W E M Godfrey	7	8
J Y J Harvey	7	8
G R Hayter	5	6
S E G Hozier	4	4
S M P Newton	4	8
D A B Parry	5	8
J M Robinson	8	8
M A Robinson	7	8
S L Robinson	7	8
B E Rowley	8	8
P J Samways	7	8
M Stanley	8	8
M J Voaden	6	6

There have been no significant changes to the composition of the Board. On occasions it has proved difficult to appoint Trustees due to the restrictions around 'Local Authority Associated Persons'.

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.

Attendance at meetings in the year was as follows:

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GOVERNANCE STATEMENT (continued)

Trustee	Meetings attended	Out of a possible
S K Brown	5	6
W E M Godfrey	4	6
M A Robinson	6	6
B E Rowley	6	6
M Stanley	6	6
G Hayter	3	4

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 2013 to 31 August 2014 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 2013 to 31 August 2014 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 appointee's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the appointee 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.

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.

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GOVERNANCE STATEMENT (continued)

From September 2013, internal auditors have been appointed to carry out termly audits, and produce formal reports on the schools internal financial controls for consideration by the Responsible Officer.

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 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 10 December 2014 and signed on its behalf, by:


.....
R A Bolton
Chair of Trustees


.....
J M Robinson
Accounting Officer

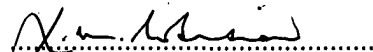
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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 (2013).

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 (2013).

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: 10 December '14

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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 10 December 2014 and signed on its behalf by:



R A Bolton
Chair of Trustees

PRESDALES SCHOOL ACADEMY TRUST
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**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF PRESDALES SCHOOL
ACADEMY TRUST**

We have audited the financial statements of Presdales School Academy Trust for the year ended 31 August 2014 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 2013 to 2014 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 2014 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 2013 to 2014 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 BOARD OF TRUSTEES 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 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: 16 December '14

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 2013 to 2014, 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 2013 to 31 August 2014 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 14 March 2012, 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 2013 to 2014. 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 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 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.

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)**

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 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Hillier Hopkins Ltd

Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Date: *16 December '14*

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 2014

		Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
	Note					
INCOMING RESOURCES						
Incoming resources from generated funds:						
Assets transferred on conversion	2	-	-	-	-	12,203,407
Other voluntary income	2	136,731	2,791	3,269	142,791	79,039
Activities for generating funds	3	21,709	-	-	21,709	30,099
Investment income	4	964	-	-	964	1,392
Incoming resources from charitable activities	5	139,112	5,961,263	92,897	6,193,272	8,953,782
TOTAL INCOMING RESOURCES		298,516	5,964,054	96,166	6,358,736	21,267,719
RESOURCES EXPENDED						
Charitable activities		249,886	5,837,104	349,657	6,436,647	9,403,203
Governance costs	7	-	8,050	-	8,050	11,830
TOTAL RESOURCES EXPENDED	10	249,886	5,845,154	349,657	6,444,697	9,415,033
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		48,630	118,900	(253,491)	(85,961)	11,852,686

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Transfers between Funds	22	-	(102,124)	102,124	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		48,630	16,776	(151,367)	(85,961)	11,852,686
Actuarial gains and losses on defined benefit pension schemes		-	(167,000)	-	(167,000)	(124,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		48,630	(150,224)	(151,367)	(252,961)	11,728,686
<i>Total funds at 1 September 2013</i>		<i>228,088</i>	<i>(1,097,616)</i>	<i>12,598,214</i>	<i>11,728,686</i>	<i>-</i>
TOTAL FUNDS AT 31 AUGUST 2014		276,718	(1,247,840)	12,446,847	11,475,725	11,728,686

All activities relate to continuing operations.

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

The notes on pages 24 to 45 form part of these financial statements.

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07990029

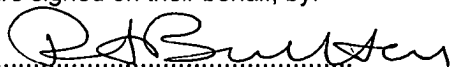
BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	17		12,446,847		12,598,215
CURRENT ASSETS					
Stocks	18	2,224		3,295	
Debtors	19	279,082		52,283	
Cash at bank and in hand		657,764		587,623	
		<u>939,070</u>		<u>643,201</u>	
CREDITORS: amounts falling due within one year	20	(496,517)		(408,730)	
NET CURRENT ASSETS			<u>442,553</u>		<u>234,471</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>12,889,400</u>		<u>12,832,686</u>
CREDITORS: amounts falling due after more than one year	21	(79,675)			-
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			<u>12,809,725</u>		<u>12,832,686</u>
Defined benefit pension scheme liability	27	(1,334,000)			(1,104,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>11,475,725</u></u>		<u><u>11,728,686</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	22	86,160		6,384	
Restricted fixed asset funds	22	12,446,847		12,598,214	
Restricted funds excluding pension liability		<u>12,533,007</u>		<u>12,604,598</u>	
Pension reserve		<u>(1,334,000)</u>		<u>(1,104,000)</u>	
Total restricted funds			<u>11,199,007</u>		<u>11,500,598</u>
Unrestricted funds	22		<u>276,718</u>		<u>228,088</u>
TOTAL FUNDS			<u><u>11,475,725</u></u>		<u><u>11,728,686</u></u>

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2014

The financial statements were approved by the Trustees, and authorised for issue, on 10 December 2014 and are signed on their behalf, by:



R A Bolton
Chair of Trustees

The notes on pages 24 to 45 form part of these financial statements.

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

		31 August 2014 £	<i>17 months ended 31 August 2013 £</i>
	Note		
Net cash flow from operating activities	24	96,966	11,927,642
Returns on investments and servicing of finance	25	964	1,392
Capital expenditure and financial investment	25	(107,464)	(12,060,293)
Cash transferred on conversion to the academy trust		-	276,804
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(9,534)	145,545
Financing	25	79,675	-
INCREASE IN CASH IN THE YEAR		70,141	145,545

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014**

	31 August 2014 £	<i>17 months ended 31 August 2013 £</i>
Increase in cash in the year	70,141	145,545
Cash outflow from decrease in debt and lease financing	(79,675)	-
MOVEMENT IN NET FUNDS IN THE YEAR	(9,534)	145,545
Net funds at 1 September 2013	587,623	442,078
NET FUNDS AT 31 AUGUST 2014	578,089	587,623

The notes on pages 24 to 45 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 2014**

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 2013 to 2014 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 2014**

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.

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 2014

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 2014**

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 27, 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.

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Assets transferred on conversion	-	-	-	12,203,407
Donations	136,731	6,060	142,791	79,039
Voluntary income	136,731	6,060	142,791	12,282,446

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Lettings income	21,709	-	21,709	30,099

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Investment income	964	-	964	1,392

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Educational activities (analysed below)	-	5,631,890	5,631,890	7,938,595
Other income	-	99,051	99,051	108,620
Trip income	139,112	-	139,112	544,775
Music income	-	125,945	125,945	152,860
Catering income	-	197,274	197,274	208,932
	139,112	6,054,160	6,193,272	8,953,782

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	5,420,582	5,420,582	7,656,689
School Standards Fund	-	61,033	61,033	57,473
Other DfE grants	-	7,000	7,000	1,692
Start up grants	-	-	-	25,000
EFA capital grants	-	92,897	92,897	44,180
Insurance grant	-	22,432	22,432	83,772
Rates grant	-	16,484	16,484	38,945
	-	5,620,428	5,620,428	7,907,751
Other government grants				
Other government grants	-	11,462	11,462	30,844
	-	11,462	11,462	30,844
	-	5,631,890	5,631,890	7,938,595

6. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Educational activities	249,886	6,186,761	6,436,647	9,403,203

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2014 £	Depreciation 2014 £	Other costs 2014 £	Total 2014 £	Total 2013 £
Educational activities	4,782,155	321,833	1,332,659	6,436,647	9,403,203

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

7. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Governance Auditors' remuneration	-	6,600	6,600	6,600
Governance Auditors' non audit costs	-	1,450	1,450	5,230
	<u>-</u>	<u>8,050</u>	<u>8,050</u>	<u>11,830</u>

8. DIRECT COSTS

	Educational activities £	Total 2014 £	Total 2013 £
Teaching and educational supplies	128,408	128,408	238,147
Examination fees	95,306	95,306	197,047
Trip expenditure	140,633	140,633	540,631
Other direct costs	180,217	180,217	59,935
Music services costs	97,034	97,034	112,310
Wages and salaries	3,243,412	3,243,412	4,393,214
National insurance	231,099	231,099	319,182
Pension cost	401,717	401,717	547,516
	<u>4,517,826</u>	<u>4,517,826</u>	<u>6,407,982</u>

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

9. SUPPORT COSTS

	Educational activities £	Total 2014 £	Total 2013 £
FRS 17 Pension income (note 25)	39,000	39,000	56,000
Support staff costs	32,720	32,720	35,106
Recruitment	26,078	26,078	52,364
Premises maintenance costs	129,988	129,988	454,898
Rent and rates	25,223	25,223	35,761
Catering costs	111,969	111,969	119,122
Technology costs	42,463	42,463	81,709
Insurance costs	19,252	19,252	87,484
Heat and light costs	110,195	110,195	118,646
Printing, postage and stationery	34,686	34,686	42,979
Cleaning and caretaking costs	21,542	21,542	27,871
Professional fees	94,909	94,909	165,021
Other support costs	3,036	3,036	95,752
Support staff salaries	700,303	700,303	941,766
Support staff national insurance	44,459	44,459	61,407
Support staff pension cost (note 26)	161,165	161,165	177,257
Depreciation	321,833	321,833	442,078
	<u>1,918,821</u>	<u>1,918,821</u>	<u>2,995,221</u>

10. RESOURCES EXPENDED

	Staff costs 2014 £	Non Pay Expenditure Other costs 2014 £	Total 2014 £	Total 2013 £
Educational activities	3,876,228	641,598	4,517,826	6,407,982
Support costs - Educational activities	905,927	1,012,894	1,918,821	2,995,221
Charitable activities	<u>4,782,155</u>	<u>1,654,492</u>	<u>6,436,647</u>	<u>9,403,203</u>
Governance	<u>-</u>	<u>8,050</u>	<u>8,050</u>	<u>11,830</u>
	<u>4,782,155</u>	<u>1,662,542</u>	<u>6,444,697</u>	<u>9,415,033</u>

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

11. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2014 £	Support costs 2014 £	Total 2014 £	Total 2013 £
Educational activities	<u>4,517,826</u>	<u>1,918,821</u>	<u>6,436,647</u>	<u>9,403,203</u>

12. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	31 August 2014 £	17 months ended 31 August 2013 £
Depreciation of tangible fixed assets:		
- owned by the charity	321,832	442,078
Auditor's remuneration	6,600	6,600
Auditor's remuneration - non-audit	1,450	5,230
Governance Internal audit costs	-	-
	<u>-</u>	<u>-</u>

13. STAFF

a. Staff costs

Staff costs were as follows:

	31 August 2014 £	17 months ended 31 August 2013 £
Wages and salaries	3,904,552	5,288,928
Social security costs	275,558	380,589
Other pension costs (Note 27)	562,881	724,773
	<u>4,742,991</u>	<u>6,394,290</u>
Supply teacher costs	39,164	46,052
	<u>4,782,155</u>	<u>6,440,342</u>

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

13. 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:

	31 August 2014 No.	<i>17 months ended 31 August 2013 No.</i>
Teaching	78	73
Educational support	18	17
Administrative	11	10
Catering	3	4
Cleaning	7	7
	<u>117</u>	<u>111</u>

c. Higher paid staff

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

	31 August 2014 No.	<i>17 months ended 31 August 2013 No.</i>
In the band £60,001 - £70,000	3	11
In the band £70,001 - £80,000	0	6
In the band £80,001 - £90,000	0	2
In the band £100,001 - £200,000	1	1
	<u>4</u>	<u>20</u>

14. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 4 Trustees (2013 - 5) in respect of defined benefit pension schemes.

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The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands:

	31 August 2014 £	<i>17 months ended 31 August 2013 £</i>
J M Robinson	105,000-110,000	<i>145,000-150,000</i>
M Stanley	40,000-45,000	<i>60,000-65,000</i>
D Parry	20,000-25,000	<i>15,000-20,000</i>
P J Samways	45,000-50,000	<i>65,000-70,000</i>
G Rowley*	35,000-40,000	<i>55,000-60,000</i>
K Freed*	20,000-25,000	<i>15,000-20,000</i>

During the year ended 31 August 2014, expenses totalling £200 (2013 - £NIL) were reimbursed to 1 Trustee (2013 - 0)

* 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. During the period, G Rowley participated in the Teachers' Pension Scheme.

15. 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 2014 was £1,223 (2013 - £1,785). The cost of this insurance is included in the total insurance cost.

16. OTHER FINANCE INCOME

	31 August 2014 £	<i>17 months ended 31 August 2013 £</i>
Expected return on pension scheme assets	54,000	<i>49,000</i>
Interest on pension scheme liabilities	(93,000)	<i>(105,000)</i>
	<u>(39,000)</u>	<i><u>(56,000)</u></i>

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17. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2013	12,673,059	122,193	245,041	13,040,293
Additions	41,889	28,131	100,444	170,464
At 31 August 2014	<u>12,714,948</u>	<u>150,324</u>	<u>345,485</u>	<u>13,210,757</u>
Depreciation				
At 1 September 2013	357,681	33,916	50,481	442,078
Charge for the year	225,194	37,478	59,160	321,832
At 31 August 2014	<u>582,875</u>	<u>71,394</u>	<u>109,641</u>	<u>763,910</u>
Net book value				
At 31 August 2014	<u>12,132,073</u>	<u>78,930</u>	<u>235,844</u>	<u>12,446,847</u>
At 31 August 2013	<u>12,315,378</u>	<u>88,277</u>	<u>194,560</u>	<u>12,598,215</u>

18. STOCKS

	2014 £	2013 £
Finished goods and goods for resale	<u>2,224</u>	<u>3,295</u>

19. DEBTORS

	2014 £	2013 £
Trade debtors	1,830	2,715
Other debtors	63,809	48,120
Prepayments and accrued income	213,443	1,448
	<u>279,082</u>	<u>52,283</u>

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20. CREDITORS:
Amounts falling due within one year

	2014 £	2013 £
Other taxation and social security	158,443	154,618
Accruals and deferred income	338,074	254,112
	<u>496,517</u>	<u>408,730</u>

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

	2014 £	2013 £
Other loans	79,675	-
	<u>79,675</u>	<u>-</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2014 £	2013 £
Repayable by instalments	79,675	-
	<u>79,675</u>	<u>-</u>

This loan relates to a SALIX loan and repayments commence in September 2015.

22. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	228,088	298,516	(249,886)	-	-	276,718
	<u>228,088</u>	<u>298,516</u>	<u>(249,886)</u>	<u>-</u>	<u>-</u>	<u>276,718</u>

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22. STATEMENT OF FUNDS (continued)

Restricted funds

General Annual Grant (GAG)	-	5,458,746	(5,270,462)	(102,124)	-	86,160
Pupil premium	-	61,033	(61,033)	-	-	-
Other DfE grants	-	7,000	(7,000)	-	-	-
Start up grant	-	29,878	(29,878)	-	-	-
Insurance grant	309	752	(1,061)	-	-	-
Music income	-	125,945	(125,945)	-	-	-
Catering income	-	197,274	(197,274)	-	-	-
Other restricted income	-	83,426	(83,426)	-	-	-
School fund	6,075	-	(6,075)	-	-	-
Pension reserve	(1,104,000)	-	(63,000)	-	(167,000)	(1,334,000)
	<u>(1,097,616)</u>	<u>5,964,054</u>	<u>(5,845,154)</u>	<u>(102,124)</u>	<u>(167,000)</u>	<u>(1,247,840)</u>

Restricted fixed asset funds

Restricted Fixed Asset Funds - all funds	12,598,214	3,269	(349,657)	195,021	-	12,446,847
EFA Capital grant	-	22,242	-	(22,242)	-	-
Other capital grant	-	70,655	-	(70,655)	-	-
	<u>12,598,214</u>	<u>96,166</u>	<u>(349,657)</u>	<u>102,124</u>	<u>-</u>	<u>12,446,847</u>
Total restricted funds	<u>11,500,598</u>	<u>6,060,220</u>	<u>(6,194,811)</u>	<u>-</u>	<u>(167,000)</u>	<u>11,199,007</u>
Total of funds	<u>11,728,686</u>	<u>6,358,736</u>	<u>(6,444,697)</u>	<u>-</u>	<u>(167,000)</u>	<u>11,475,725</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 allocated to schools for the purpose of providing bursaries to 6th form pupils
- b) EFA grant funding for part of the staff costs of the school's sports co-ordinator
- c) EFA capital grant to maintain and improve school buildings
- f) 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

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22. STATEMENT OF FUNDS (continued)

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 2014.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	228,088	298,516	(249,886)	-	-	276,718
Restricted funds	(1,097,616)	5,964,054	(5,845,154)	(102,124)	(167,000)	(1,247,840)
Restricted fixed asset funds	12,598,214	96,166	(349,657)	102,124	-	12,446,847
	<u>11,728,686</u>	<u>6,358,736</u>	<u>(6,444,697)</u>	<u>-</u>	<u>(167,000)</u>	<u>11,475,725</u>

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	12,446,847	12,446,847	12,598,214
Current assets	339,718	599,353	-	939,071	643,202
Creditors due within one year	-	(496,518)	-	(496,518)	(408,730)
Creditors due in more than one year	-	(79,675)	-	(79,675)	-
Provisions for liabilities and charges	(63,000)	(1,271,000)	-	(1,334,000)	(1,104,000)
	<u>276,718</u>	<u>(1,247,840)</u>	<u>12,446,847</u>	<u>11,475,725</u>	<u>11,728,686</u>

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

	31 August 2014 £	17 months ended 31 August 2013 £
Net incoming resources before revaluations	(85,961)	11,852,686
Returns on investments and servicing of finance	(964)	(1,392)
Cash transferred on conversion	-	(276,804)
Depreciation of tangible fixed assets	321,832	-
Decrease/(increase) in stocks	1,071	(3,295)
Increase in debtors	(229,587)	(52,283)
Increase in creditors	90,575	408,730
Net cash inflow from operations	96,966	11,927,642

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

	31 August 2014 £	17 months ended 31 August 2013 £
Returns on investments and servicing of finance		
Interest received	964	1,392
Capital expenditure and financial investment		
Donated assets on conversion to an academy	-	(12,901,075)
Purchase of tangible fixed assets	(170,464)	(139,218)
FRS 17 Adjustments	63,000	71,000
LGPS transferred on conversion	-	909,000
Net cash outflow capital expenditure	(107,464)	(12,060,293)
Financing		
Other new loans	79,675	-

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26. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	587,623	70,141	-	657,764
Debt:				
Finance leases	-	-	-	-
Debts falling due after more than one year	-	(79,675)	-	(79,675)
Net funds	587,623	(9,534)	-	578,089

27. 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 2004 and of the LGPS 31 March 2013.

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.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

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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27. 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 for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatting Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatting scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS 17 and 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.

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27. PENSION COMMITMENTS (continued)

The total contribution made for the year ended 31 August 2014 was £173,000, of which employer's contributions totalled £135,000 and employees' contributions totalled £38,000. 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.

The amounts recognised in the Balance sheet are as follows:

	31 August 2014 £	<i>17 months ended 31 August 2013 £</i>
Present value of funded obligations	(2,492,000)	<i>(1,928,000)</i>
Fair value of scheme assets	1,158,000	<i>824,000</i>
	<hr/>	<hr/>
Net liability	(1,334,000)	<i>(1,104,000)</i>
	<hr/>	<hr/>

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

	31 August 2014 £	<i>17 months ended 31 August 2013 £</i>
Current service cost	(159,000)	<i>(178,000)</i>
Interest on obligation	(93,000)	<i>(105,000)</i>
Expected return on scheme assets	54,000	<i>49,000</i>
	<hr/>	<hr/>
Total	(198,000)	<i>(234,000)</i>
	<hr/>	<hr/>
Actual return on scheme assets	(113,000)	<i>(97,000)</i>
	<hr/>	<hr/>

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27. PENSION COMMITMENTS (continued)

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

	31 August 2014 £	<i>17 months ended 31 August 2013 £</i>
Opening defined benefit obligation	1,928,000	1,425,000
Current service cost	159,000	178,000
Interest cost	93,000	105,000
Contributions by scheme participants	38,000	49,000
Actuarial Losses	274,000	171,000
	<hr/> 2,492,000 <hr/>	<hr/> 1,928,000 <hr/>
Closing defined benefit obligation	2,492,000	1,928,000

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

	31 August 2014 £	<i>17 months ended 31 August 2013 £</i>
Opening fair value of scheme assets	824,000	516,000
Expected return on assets	54,000	49,000
Actuarial gains and (losses)	107,000	47,000
Contributions by employer	135,000	163,000
Contributions by employees	38,000	49,000
	<hr/> 1,158,000 <hr/>	<hr/> 824,000 <hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £(291,000) (2013 - £(124,000)).

The Academy expects to contribute £161,000 to its Defined benefit pension scheme in 2015.

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

	2014	2013
Equities	67.00 %	74.00 %
Bonds	23.00 %	18.00 %
Property	7.00 %	5.00 %
Cash	3.00 %	3.00 %

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

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

	2014	2013
Discount rate for scheme liabilities	3.70 %	4.60 %
Expected return on scheme assets at 31 August	5.40 %	5.90 %
Rate of increase in salaries	3.90 %	5.10 %
Rate of increase for pensions in payment / inflation	2.60 %	2.80 %

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

	2014	2013
Retiring today		
Males	22.3	21.0
Females	24.5	23.8
Retiring in 20 years		
Males	24.3	22.9
Females	26.7	25.7

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

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

28. OPERATING LEASE COMMITMENTS

At 31 August 2014 the Academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2014 £	2013 £	Other 2014 £	2013 £
Expiry date:				
Within 1 year	-	-	1,667	6,228
Between 2 and 5 years	-	-	16,005	2,819

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29. 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.

During the year the Academy entered into a transaction with C Stanley, the husband of M Stanley, a trustee. This was for ground work at a cost of £360. This was approved by the Headteacher and the work was completed at cost to the Academy. The procurement policy is to seek comparative tendering for works in excess of £2,000.

30. CONTROLLING PARTY

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