

Original

Registered number: 08359584

PRESTON MANOR ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015



PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

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

Trustees

D Palmer, Chair of Trustees¹
E Counsell, Vice Chairman Parent Trustee¹
S Bilimoria, Parent Trustee (resigned 26 September 2014)
B Chowdhury, Parent Trustee
P Mistry, Parent Trustee
K Rahman, Parent Trustee
E Kafka, LA Trustee
J Bardsley, Teacher Trustee (appointed 13 July 2015)
M Dunmore, Staff Trustee
S Foley, Staff Trustee (resigned 3 February 2015)
J Bach, Partnership Trustee
V Luthra, Partnership Trustee (appointed 24 March 2015)
K Patel, Partnership Trustee (appointed 24 March 2015)
S Patel, Partnership Trustee
S Lawrence, Community Trustee
E Ellis, Community Trustee
M Lantos, Head Teacher (resigned 31 August 2015)¹
B Kobel, Acting Head Teacher (appointed 1 September 2015)

¹ Member

Company registered number

08359584

Principal and registered office

Preston Manor School
Carlton Avenue East
Wembley
Middlesex
HA9 8NA

Company secretary

E Georgiades

Chief executive officer

B Kobel

Senior management team

M Lantos, Headteacher (resigned 31 August 2015)
J Butler, Associate Headteacher (resigned 31 August 2015)
B Kobel, Deputy Head (to 31 August 2015), Acting Head (appointed 1 September 2015)
R Holmes, Headteacher of Lower School (appointed 1 November 2014)
L Airey, Assistant Headteacher
S Dareve, Assistant Headteacher
H Evans, Assistant Headteacher
D Graham, Assistant Headteacher

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ADVISERS**
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Administrative details (continued)

C Urbani, Assistant Headteacher (to 31 August 2015), Acting Deputy Head (appointed 1 September 2015)
S Wallman, Assistant Headteacher
A Ward, Assistant Headteacher
R Wilson, Assistant Headteacher
R Tailor, Deputy Headteacher (Lower School) (resigned 31 August 2015)
D McLoughlin, Acting Deputy Headteacher (Lower School)
G Foley, Finance & Business Manager (resigned 31 January 2015)

Independent auditors

Landau Baker Limited
Chartered Accountants
Mountcliff House
154 Brent Street
London
NW4 2DR

Solicitors

Druces LLP
Salisbury House
London Wall
London
EC2M 5PS

PRESTON MANOR ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page [1]

The principal activity of the academy is to advance, for the public benefit, education in Brent and the surrounding area by maintaining and operating Preston Manor School in Wembley, NW London.

Structure, governance and management

a. CONSTITUTION

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association (dated 14 January 2013) are the primary governing documents of the academy trust. The trustees of Preston Manor Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Preston Manor School.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page [1].

The principal activity of the academy is to advance, for the public benefit, education in Brent and the surrounding area by maintaining and operating Preston Manor School in Wembley, NW London.

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 £1 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 Governors who are elected and co-opted under the terms of the Articles of Association and funding agreement as follows:

- Five Parent Governors
- One LA Governor
- One Teacher Governor
- One Staff Governor
- The Head
- Four Partnership Governors
- Three Community Governors

The term of office for any governor is 4 years. The Headteacher's term of office runs parallel with his/her term of appointment. Subject to remaining eligible to be a particular type of governor, any governor may be reappointed or re-elected.

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

During the period under review, the governors held 5 full governing body meetings. In addition there were regular meetings covering finance, curriculum, premises and personnel. The training and induction provided for new governors will depend on their experience. Where necessary an induction will provide training on charity and

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

educational, legal and financial matters. All new governors are given a tour of the academy and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as trustees and directors of the academy.

e. ORGANISATIONAL STRUCTURE

The academy has established a management structure to enable its efficient running. The structure consists of two levels: the governors and the executive who are the senior leadership team.

The governing body has considered its role thoughtfully and decided that the role of the governors is to approve the strategic direction and objectives of the academy and monitor its progress towards these objectives.

The governing body has approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, standing orders, a scheme of delegation and terms of reference. The Headteacher is directly responsible for the day to day running of the academy and is assisted by a senior leadership team.

Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by use of budgets and making major decisions about the direction of the academy, including capital expenditure and senior staff appointments.

The Headteacher assumes the accounting officer role

f. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The academy is the founding member of the Preston Manor Academy Trust which is a separate Trust where Preston Manor School is the only member. The Trust undertakes educational support activities.

g. TRUSTEES' INDEMNITIES

Subject to the provisions of the Companies Act, every governor or other officer of the academy shall be indemnified out of the assets of the academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy.

Objectives and Activities

a. OBJECTS AND AIMS

The principal object and activity of the Charitable Company is the operation of Preston Manor School, to provide education in Wembley, London Borough of Brent. In accordance with the articles of association the Charitable Company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The main objectives of the Academy during the period ended 31 August 2015 are summarised below:

- To ensure that every student enjoys the same high quality education in terms of resourcing, tuition and care;

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

- To raise the standard of educational achievement of all pupils;
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- To provide value for money for the funds expended;
- To ensure that Pupil Premium is targeted to provide maximum impact on teaching and learning
- To comply with all appropriate statutory and curriculum requirements;
- To maintain close links with our partners and the wider community; and
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

The main aims of the Academy during the period ended 31 August 2015 are summarised below:

- Ensuring that all children, students and staff achieve as highly as possible by being an excellent and memorable school
- Ensuring that all children, students and staff understand, appreciate and adopt the school's co-operative values
- That all children, students and staff celebrate its multicultural community and maximises potential for a happy and fulfilling life in our changing world
- Making science and mathematics accessible and exciting, by introducing pupils, teachers and our partners in the community to cutting-edge science
- Encouraging pupils to take up scientific careers and training research scientists as teachers
- As a Leading Edge school, collaborating and innovating with our partner schools to transform secondary education in our area.

The Academy's vision is to create:

- A strong ethos of achievement leading to improved standards
- A commitment to responsibilities before rights

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

This is achieved through developing:

- A sense of personal identity
- A sense of belonging to a wider community
- An emphasis on personal and community responsibility
- A positive learning climate in terms of the nature of opportunities offered and teaching styles utilised
- Positive relationships with external partners

d. PUBLIC BENEFIT

In setting the objectives, the governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

As an academy we make the best use of our skills, expertise and experience with regards to the community. Some examples of this are:

- Raising money for the Poppy Appeal
- Nepal Appeal initiated by the school council raising money for the Mondo Foundation charity
- Working with FORWARD, the Amy Winehouse Foundation, and other health promoting organisations.
- Sixth Form involved in local community projects, e.g. annual Christmas party and the National Citizen Service.

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

Achievements and performance

a. GOING CONCERN

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

b. KEY PERFORMANCE INDICATORS

Preston Manor School opened as an academy in February 2013. Its previous inspection in May 2012 judged the school's Overall Effectiveness to be good.

Lower School (Reception to Year 6)

Outcomes in July 2014 showed EYFS pupils to be leaving Reception at higher levels of attainment than Brent averages in most areas. KS1 pupils are attaining at around national averages at the end of Year 2.

Formal lesson observations over 2014/15 show 41% of teaching as being 'Requires Improvement' and 59% 'Good'. This is an increase from the first round of lesson observations in December 2014, where 57% of lessons were 'Requiring Improvement' and 43% were 'Good'.

Overall attendance for 2014/15 was 95.6%, up from 95.2% in the previous year.

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

Upper School (Year 7 onwards)

The results in KS3 Teacher Assessments and GCSE exams at KS4 were as follows:

	2013 Year 11			2014 Year 11			2015 Year 11		
	Targ et	Actual Exam Result s	Diff	Targ et	Actual Exam Result s	Diff	Target	Actual Exam Result s	Diff
Expected Progress KS2-4English (3+LOP)	98.6	89.5	-9.1	96.6	83.4	-13.2	96.7	80.1	-16.6
Expected Progress KS2-4 Maths (3+LOP)	96.3	79.9	-16.4	96.6	75.1	-21.5	96.2	73	-23.2
5+ A*-C inc Eng & Maths	74	66.7	-7.3	75.7	63.7	-12	79.3	61.4	-17.9
Cohort	246			251			241		

School Absence Data

2013-14:

Authorised Absences = 3.7%

Unauthorised Absences = 2.3%

2014-15:

Authorised Absences= 3.1%

Unauthorised Absences = 1.8%

a. FINANCIAL REVIEW

During the period, EFA/LA grants received totalled £13,119,780 (2014: £13,176,854). Other income included within restricted funds totalled £546,508 (2014: £516,704). Restricted fund expenditure totalled £14,586,155 (2014: £13,545,128).

The main source of unrestricted income is lettings, totalling £ 95,993 (2014: £123,164).

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the 12 month period ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of financial activities.

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The Academy also received grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2005), such grants are shown in the Statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the academy. It should be noted that this does not present the academy with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

Overall, the Academy has a healthy balance sheet and cash flow. Some of the reserves may be used to maintain the current assets and also to invest back into the school in the form of additional resources and facilities both in the long term and short term in conjunction with the school development plan and school aims.

The Finance & Business Manager has subsequently been reviewing the financial processes and controls and implemented various efficiency saving processes such as BACS payments, electronic ordering and restricted user access to the Financial Software by budget holders. The Governors through the Human & Financial Resources Committee and Headteacher receive financial progress reports throughout the year and compare against budgets submitted to the Education Funding Agency.

b. PRINCIPAL RISKS AND UNCERTAINTIES

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The Academy is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Academy's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The academy's system of internal controls ensures risk is minimal in these areas.

A risk register has been established and is updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the Academy faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

It should also be noted that procedures are in place to ensure compliance with health and safety of staff and pupils.

Please refer to the Reserves Policy below for a description of the defined benefit pension scheme, in which there was a surplus at 31 August 2015.

c. RESERVES POLICY

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

The definition of reserves in the SORP is 'that part of a charity's income funds that is freely available for its general purposes'. This definition of reserves therefore normally excludes:

- o permanent endowment funds
- o expendable endowment funds
- o restricted income funds
- o any part of unrestricted funds not readily available for spending, specifically income funds which could only be realised by disposing of fixed assets held for charitable use

'Reserves' are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'reserves' are income which becomes available to the Academy and is to be spent at the trustees' discretion in furtherance of any of the Academy's objects (sometimes referred to as 'general purpose' income) but which is not yet spent, committed or designated (ie is 'free').

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The governors will keep this level of reserves under review at each Board meeting and aim to build and maintain the reserves level by entering into cost effective agreements as noted in Objectives and Activities above, whilst in keeping with the principal object of the Academy.

Total reserves at the end of the period amounted to £27,093,420 (2014: £27,954,488). This balance includes unrestricted funds (free reserves) of £195,226 (2014: £168,343), which is considered appropriate for the Academy Trust, and restricted funds of £427,432 (2014: £777,679).

Within the reserves policy users should note that, because of accounting for the Local Government Pension Scheme (LGPS), the Academy recognises a significant pension fund deficit totaling to £2,893,000 (2014: £2,866,000). This deficit is included within restricted funds. This does not lead to an immediate liability for this amount. Similarly, if there were a pension surplus included in the restricted fund this would not create an immediately realisable asset that can be released straight away and expended for the specific purposes of that fund.

Users should also note that a surplus or deficit position of the pension scheme would generally result in a cash flow effect for the Academy Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Academy Trust thus takes this fact into account when reviewing current business plans and budgets, ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Academy Trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Academy Trust due to the recognition of the deficit.

d. INVESTMENTS POLICY

Investment policies are determined the Governing Body. This ensures the level of funds the Academy holds can cover any immediate expenditure, without exposing the Academy to additional risk. Should any potential investment opportunity arise this would be escalated to the Board for consideration. At 31 August 2015, £528,374.04 in investments were held in Preston Manor School's BMM Account.

Plans for future periods

a. FUTURE DEVELOPMENTS

Preston Manor School has completed its expansion programme and now has all year groups to fulfill its title of All-Through School. The lower school now has year groups from Reception through to Year 6 as of 1 September 2015. The upper school is nine form entry and has a Sixth Form.

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FOR THE YEAR ENDED 31 AUGUST 2015

Preston Manor was unsuccessful with its bid under the Condition Improvement Fund (CIF) 2015-2016 to build a new Sixth Form block to provide approximately 60 additional places.

Additional equipment has been purchased for the Lower and Upper School kitchens and some white goods replaced. Lockers have been installed in the Upper School site and new external school signs erected. Extensive work has been carried out on the fencing and CCTV around the school has been updated. Furniture has been purchased for the two additional Year 6 classrooms in the Lower School.

Preston Manor School's strategic and development plans clearly outline the immediate future plans.

A segregation has been installed to create a new Welfare Room in the Lower School. A new office has also been created in the Lower School site.

Preston Manor is currently preparing bids under Condition Improvement Fund (CIF) 2016-2017 for Heating Improvements in the Science & Jubilee Blocks and Refurbishment of two of the Science Laboratories.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

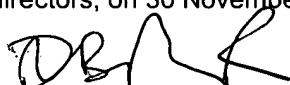
The Academy Trust and/or its trustees did not act as custodian trustee during the current or previous period.

DISCLOSURE OF INFORMATION TO AUDITORS

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

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 30 November 2015 and signed on the board's behalf by:



D Palmer, Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As accounting officer, we acknowledge we have overall responsibility for ensuring that Preston Manor 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 Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Preston Manor 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 5 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 Palmer, Chair of Trustees	4	5
E Counsell, Vice Chairman Parent Trustee	4	5
S Bilimoria, Parent Trustee	0	1
B Chowdhury, Parent Trustee	5	5
P Mistry, Parent Trustee	4	5
K Rahman, Parent Trustee	3	5
E Kafka, LA Trustee	3	5
J Bardsley, Teacher Trustee	1	1
M Dunmore, Staff Trustee	5	5
S Foley, Staff Trustee	1	2
J Bach, Partnership Trustee	5	5
V Luthra, Patnership Trustee	3	3
K Patel, Partnership Trustee	2	3
S Patel, Partnership Trustee	4	5
S Lawrence, Community Trustee	4	5
E Ellis, Community Trustee	1	4
M Lantos, Head Teacher	5	5

Governors typically also serve on a number of other sub committees, as set out on the school website.

The impact of each Governing Body Committee is reviewed and monitored through the Terms of Reference that each committee reviews and produces on a termly basis. The Governors also intend to perform a self-evaluation review of governance in the coming year.

Key findings noted, actions taken and their impact are noted below:

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GOVERNANCE STATEMENT (continued)

- **Resignation of Head and Associate Head (31 August 2015)**
 - Entered into a tendering process with three recruitment agencies
 - Decision made by taking into account value for money and experience of high level school recruitment
 - Recruitment process was completed
 - No successful candidates
 - Negotiation initiated with Deputy Head
 - Deputy Head accepted offer of 1 year Fixed Term Acting Head contract
 - Recruitment of Deputy Head to replace Associate Head
 - Continuity for the school by recruiting current member of SLT as Acting Head
 - Credit held with Recruitment Agency for future recruitment due to unsuccessful first round

- **Lower School previous year under funding for Additional Classes**
 - Communication with the Local Authority regarding the levels of underfunding
 - Payments relating to 2013/14 and 2014/15 have been received
 - Negotiations to continue regarding the funding rate per pupil

- **Increase in responsibility of Governors**
 - Introduction of regular meetings with the Head, Chair and Vice-Chair
 - Items actioned and discussed without the delay of waiting for termly meetings.
 - Opportunity for discussion of important school issues
 - Governors Training Away-Day (Sat 21 November 2015)
 - Addressing training needs including better understanding of Development Plans and SEF.
 - Subscription to The Key for School Governors
 - Easy access to valuable information resources
 - Introduction of appointing Governors on a skills basis
 - Can recruit to areas where skills needs are identified

The Human and Financial Resources committee is a sub-committee of the main board of trustees. Its purpose is to make sure that the Academy is following the EFA's financial regulations.

No significant issues to note were dealt with during the year.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Lawrence	4	4
E Kafka	4	4
E Counsell	2	4
P Mistry	4	4
B Chowdhury	4	4

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GOVERNANCE STATEMENT (continued)

M Dunmore	4	4
M Lantos	4	4

REVIEW OF VALUE FOR MONEY

As accounting officer, the Headteacher 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:

Improving Educational Results

We have ensured that resources are directed where they are most needed and most effective in meeting educational requirements, for example by:

- Identifying opportunities for targeted support based on regular assessment and data analysis
- Monitoring individual child and student needs and ensuring support meets those needs
- Monitoring staff performance and providing appropriate challenge, support and development
- Increasing leadership capacity in our Lower School (primary provision)

Examples of how the trust has directed resources towards targeted improvements are by:

- Targeting resources and staffing in key areas such as Literacy and Numeracy
- Investing in ICT infrastructure to improve access to new technologies
- Sourcing additional Educational Psychologist consultancy
- Developing alternative pathways at Key Stages 4 and 5, including vocational options

We have ensured that all children and students are provided with opportunities to raise achievement, for example by:

- Making innovative use of targeted funding (e.g. PPG, Year 7 Catch-up and Summer School funding)
- Ensuring access in school to therapeutic interventions for children (Place2Be) and students (Brent Centre for Young People)
- Providing additional revision and catch-up programmes
- Providing targeted mentoring, support and additional guidance, including for careers

Examples of how the trust has ensured value for money through collaboration with other educational providers by:

- Active Engagement with the Teaching Leaders programme to secure high quality middle leadership and develop coaching skills in senior leaders
- Sharing innovative approaches through the PiXL and PiXL6 networks
 - Contributing to the Brent Schools Partnership to access professional development and share cross-phase practice
- Developing expertise through the Woodfield Teaching School Alliance

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GOVERNANCE STATEMENT (continued)

Financial governance and oversight:

Governance arrangements include regular monitoring by the Governing Body and its committees including the Finance & Human Resources Committee and the Full Governing Body. Reports submitted and committee minutes will evidence the detailed level of governor scrutiny and oversight. The Head and Finance & Business Manager meet on a weekly basis to discuss the key strategic objectives, identifying the short, medium and long-term impact on the school's finances. The school's Responsible Officer and external auditors provide additional layers of financial scrutiny and challenge. External auditors undertake a termly test for value for money and tendering compliance.

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GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 Preston Manor 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 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 RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems.

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GOVERNANCE STATEMENT (continued)

The board of trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the trustees have appointed Landau Baker the external auditor, to perform additional checks

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- review financial monitoring reports
- review aged creditor and debtor reports for long outstanding balances
- check EFA grants to which the academy is entitled are credited to the bank account each month
- review capital grants due from the EFA
- review capital expenditure and ensure that tender procedures have been followed
- review the catering revenue system
- review lettings income system

On a termly basis, Landau Baker the external auditor reports to the Board of trustees, through the Human and Financial Resources Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The Board can confirm that the external auditor has delivered their schedule of work as planned, provided details of any material control issues arising as a result of their work. During the current and previous period, there were no material control issues noted and thus no remedial action was required to be taken.

REVIEW OF EFFECTIVENESS

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

- the work of the external auditors;
- 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 Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 30 November 2015 and signed on its behalf, by:

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)



D Palmer
Chair of Trustees



B Kobel
Accounting Officer

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

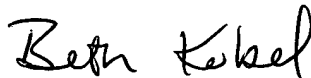
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Preston Manor 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 (2015).

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 (2015).

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.

B Kobel
Accounting Officer



Date: 30 November 2015

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who act as governors of Preston Manor 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 30 November 2015 and signed on its behalf by:



D Palmer, Chair of Trustees

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRESTON MANOR ACADEMY TRUST

We have audited the financial statements of Preston Manor 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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.

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRESTON MANOR 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.

Michael Durst (Senior statutory auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditor

Mountcliff House
154 Brent Street
London
NW4 2DR
30 November 2015

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO PRESTON
MANOR ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 12 March 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 Preston Manor 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 Preston Manor Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Preston Manor 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 Preston Manor Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF PRESTON MANOR ACADEMY TRUST'S ACCOUNTING OFFICER
AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Preston Manor Academy Trust's funding agreement with the Secretary of State for Education dated 1 February 2013, 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.

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.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 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.

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO PRESTON
MANOR ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

Reporting Accountant

Landau Baker Limited
Chartered Accountants
Reporting Accountant
Mountcliff House
154 Brent Street
London
NW4 2DR

30 November 2015

PRESTON MANOR 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:						
Incoming resources from charitable activities	2	100,230	13,717,491	34,639	13,852,360	13,692,928
TOTAL INCOMING RESOURCES		100,230	13,717,491	34,639	13,852,360	13,692,928
RESOURCES EXPENDED						
Charitable activities		73,347	13,946,481	610,544	14,630,372	13,578,887
Governance costs		-	7,080	-	7,080	9,150
TOTAL RESOURCES EXPENDED	5	73,347	13,953,561	610,544	14,637,452	13,588,037
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		26,883	(236,070)	(575,905)	(785,092)	104,891
Transfers between Funds	15	-	(65,201)	65,201	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		26,883	(301,271)	(510,704)	(785,092)	104,891
Actuarial gains and losses on defined benefit pension schemes		-	18,000	-	18,000	(849,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		26,883	(283,271)	(510,704)	(767,092)	(744,109)
<i>Total funds at 1 September 2014</i>		<i>168,343</i>	<i>(2,088,321)</i>	<i>29,874,466</i>	<i>27,954,488</i>	<i>28,698,597</i>
TOTAL FUNDS AT 31 AUGUST 2015		195,226	(2,371,592)	29,363,762	27,187,396	27,954,488

All activities relate to continuing operations.

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

The notes on pages 27 to 42 form part of these financial statements.

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08359584

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	12		29,363,762		29,874,466
CURRENT ASSETS					
Debtors	13	604,778		672,454	
Cash at bank		691,530		1,054,488	
		<u>1,296,308</u>		<u>1,726,942</u>	
CREDITORS: amounts falling due within one year	14	(579,674)		(780,920)	
NET CURRENT ASSETS			<u>716,634</u>		<u>946,022</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>30,080,396</u>		<u>30,820,488</u>
Defined benefit pension scheme liability	19		(2,893,000)		(2,866,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>27,187,396</u></u>		<u><u>27,954,488</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	15	521,408		777,679	
Restricted fixed asset funds	15	29,363,762		29,874,466	
Restricted funds excluding pension liability		<u>29,885,170</u>		<u>30,652,145</u>	
Pension reserve		<u>(2,893,000)</u>		<u>(2,866,000)</u>	
Total restricted funds			<u>26,992,170</u>		<u>27,786,145</u>
Unrestricted funds	15		<u>195,226</u>		<u>168,343</u>
TOTAL FUNDS			<u><u>27,187,396</u></u>		<u><u>27,954,488</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 30 November 2015 and are signed on their behalf, by:

D Palmer, Chair of Trustees



The notes on pages 27 to 42 form part of these financial statements.

PRESTON MANOR 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	17	(362,958)	(471,873)
DECREASE IN CASH IN THE YEAR		<u>(362,958)</u>	<u>(471,873)</u>

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

	2015 £	2014 £
Decrease in cash in the year	(362,958)	(471,873)
MOVEMENT IN NET FUNDS IN THE YEAR	(362,958)	(471,873)
Net funds at 1 September 2014	1,054,488	1,526,361
NET FUNDS AT 31 AUGUST 2015	<u>691,530</u>	<u>1,054,488</u>

The notes on pages 27 to 42 form part of these financial statements.

PRESTON MANOR 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.

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.

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

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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 £1,000 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:

Freehold property	-	2% Straight-line basis
Building Improvement	-	6% Straight-line basis
Motor vehicles	-	20% Straight-line basis
Fixtures and fittings	-	20% Straight-line basis
Computer equipment	-	33% Straight-line basis

PRESTON MANOR 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 Taxation

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

1.9 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the EFA. Payments received from the 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 22.

2. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Educational Operations	<u>100,230</u>	<u>13,752,130</u>	<u>13,852,360</u>	<u>13,692,928</u>

PRESTON MANOR 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

Preston Manor

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
General Annual Grant	-	11,062,520	11,062,520	10,981,285
Pupil Premium	-	760,607	760,607	620,502
Capital Grant	-	34,639	34,639	491,324
PE Teacher Grant	-	9,195	9,195	8,865
SEN Funding	-	706,782	706,782	858,234
Other Government Grant	-	411,099	411,099	117,795
Pupil Premium LA	-	1,200	1,200	900
Letting Income	95,873	120	95,993	123,164
Catering Income	-	224,051	224,051	225,278
Music Income	-	27,870	27,870	28,604
Other Fees & Charges Income	-	88,060	88,060	38,444
Donations	3,649	3,929	7,578	6,390
Bank Interest	708	-	708	924
Other Income	-	155,223	155,223	48,933
School Trips	-	61,171	61,171	44,337
Other EFA Grants	-	170,775	170,775	77,750
Rates Relief	-	34,889	34,889	20,199
	<u>100,230</u>	<u>13,752,130</u>	<u>13,852,360</u>	<u>13,692,928</u>

3. DIRECT COSTS

	Educational Operation £	Total 2015 £	Total 2014 £
Pension Expenses	87,000	87,000	77,000
Educational Supplies	402,181	402,181	442,523
ICT	83,713	83,713	59,668
Agency Staff	516,259	516,259	337,698
Recruitment	83,923	83,923	87,166
Other Staff Costs	61,681	61,681	57,447
General Maintenance	131,712	131,712	167,938
Ground Maintenance	27,714	27,714	22,939
Furniture	5,049	5,049	16,213
Examination Fees	129,894	129,894	136,507
Other Student Expense	71,763	71,763	68,295
Wages and salaries	6,596,996	6,596,996	6,064,458
National insurance	577,860	577,860	532,980
Pension cost	876,671	876,671	802,124
Depreciation	610,544	610,544	537,038
	<u>10,262,960</u>	<u>10,262,960</u>	<u>9,409,994</u>

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

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

3. DIRECT COSTS (continued)

4. SUPPORT COSTS

	Educational Operation £	Total 2015 £	Total 2014 £
Educational Supplies	3,371	3,371	2,848
ICT	764,162	764,162	453,129
Agency Staff	132,771	132,771	115,284
Recruitment	4,488	4,488	1,270
Other Staff Costs	33,672	33,672	93,799
General Maintenance	35,230	35,230	160,110
Ground Maintenance	-	-	20,615
Utilities	172,983	172,983	212,303
Water & Rates	53,415	53,415	57,290
Insurance	78,010	78,010	72,837
Cleaning	35,657	35,657	20,236
Furniture	17,513	17,513	51,550
Photocopier & Reprographic	112,466	112,466	86,201
Professional Fees	290,903	290,903	419,214
Catering Expenditure	208,299	208,299	180,032
Other Office Expenses	106,022	106,022	116,938
Other Student Expense	11,447	11,447	13,571
Wages and salaries	1,826,681	1,826,681	1,648,081
National insurance	120,004	120,004	106,902
Pension cost	360,318	360,318	336,683
	<u>4,367,412</u>	<u>4,367,412</u>	<u>4,168,893</u>

5. RESOURCES EXPENDED

	Staff costs 2015 £	Non Pay Expenditure Other costs 2015 £	Total 2015 £	Total 2014 £
Educational Operations	8,567,786	1,695,174	10,262,960	9,409,994
Support costs	2,307,003	2,060,409	4,367,412	4,168,893
Charitable activities	<u>10,874,789</u>	<u>3,755,583</u>	<u>14,630,372</u>	<u>13,578,887</u>
Governance	<u>-</u>	<u>7,080</u>	<u>7,080</u>	<u>9,150</u>
	<u>10,874,789</u>	<u>3,762,663</u>	<u>14,637,452</u>	<u>13,588,037</u>

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

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

6. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2015 £	Support costs 2015 £	Total 2015 £	Total 2014 £
Educational Operations	<u>10,262,960</u>	<u>4,367,412</u>	<u>14,630,372</u>	<u>13,578,887</u>

7. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the charity	610,544	537,038
Auditors' remuneration	4,000	4,000
Internal audit costs	-	-
Auditors non audit costs	<u>3,080</u>	<u>5,150</u>

8. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	8,423,677	7,712,539
Social security costs	697,864	639,882
Other pension costs (Note 19)	<u>1,236,989</u>	<u>1,138,807</u>
	<u>10,358,530</u>	<u>9,491,228</u>
Supply teacher costs	516,259	337,968
	<u>10,874,789</u>	<u>9,829,196</u>

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8. STAFF (continued)

b. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2015	2014
Support and Admin	98	98
Management	13	11
Teacher	121	117
	<u>232</u>	<u>226</u>

c. Higher paid staff

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

	2015	2014
In the band £60,000 - £70,000	6	6
In the band £70,000 - £80,000	1	1
In the band £80,000 - £90,000	1	1
In the band £100,000 - £110,000	0	1
In the band £120,000 - £130,000	1	0
	<u>1</u>	<u>1</u>

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9. RELATED PARTY TRANSACTIONS - 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 principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and 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:

Matthew Lantos (Principal and Trustee):

Remuneration £120,000 - £125,000 (2014: £105,000 - £110,000)

Employer's pension contributions £15,000 - £20,000 (2014: £15,000 - £20,000)

Marion Dunmore (Staff Trustee):

Remuneration £30,000 - £35,000 (2014: £30,000 - £35,000)

Employer's pension contributions £10,000 - £15,000 (2014: £10,000 - £15,000)

Sabine Foley (Staff Trustee)

Remuneration £50,000 - £55,000 (2014: £45,000 - £50,000)

Employer's pension contributions £5,000 - £10,000 (2014: £5,000 - £10,000)

During the year, no Trustees received any reimbursement of expenses (2014: £NIL)

10. 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 £1,000,000 on any one claim and the cost for the year ended 31 August 2015 was £763 (2014 - £763). The cost of this insurance is included in the total insurance cost.

11. OTHER FINANCE INCOME

	2015	2014
	£	£
Expected return on pension scheme assets	57,000	41,000
Interest on pension scheme liabilities	(144,000)	(118,000)
	<u>(87,000)</u>	<u>(77,000)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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12. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2014	30,223,626	52,729	190,023	258,239	30,724,617
Additions	55,293	-	36,467	8,080	99,840
At 31 August 2015	30,278,919	52,729	226,490	266,319	30,824,457
Depreciation					
At 1 September 2014	637,406	7,194	59,811	145,740	850,151
Charge for the year	465,699	10,546	37,180	97,119	610,544
At 31 August 2015	1,103,105	17,740	96,991	242,859	1,460,695
Net book value					
At 31 August 2015	29,175,814	34,989	129,499	23,460	29,363,762
At 31 August 2014	29,586,220	45,535	130,212	112,499	29,874,466

13. DEBTORS

	2015 £	2014 £
Trade debtors	2,821	2,454
Other debtors	518,380	514,104
Prepayments and accrued income	83,577	155,896
	<u>604,778</u>	<u>672,454</u>

**14. CREDITORS:
Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	24,057	41,499
Other taxation and social security	199,764	182,151
Other creditors	161,965	148,480
Accruals and deferred income	193,888	408,790
	<u>579,674</u>	<u>780,920</u>

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14. CREDITORS:
Amounts falling due within one year (continued)

	£
Deferred income	
Deferred income at 1 September 2014	67,934
Resources deferred during the year	84,875
Amounts released from previous years	(67,934)
	<u>84,875</u>
Deferred income at 31 August 2015	<u>84,875</u>

At the balance sheet date the academy trust was holding funds received in advance for the EFA Universal Free School Meals grant, the EFA Rates grant and the EFA 16-19 bursary grant.

15. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds - all funds	168,343	100,230	(73,347)	-	-	195,226
Restricted funds						
Restricted Funds - all funds	777,679	13,717,491	(13,908,561)	(65,201)	-	521,408
Pension reserve	(2,866,000)	-	(45,000)	-	18,000	(2,893,000)
	<u>(2,088,321)</u>	<u>13,717,491</u>	<u>(13,953,561)</u>	<u>(65,201)</u>	<u>18,000</u>	<u>(2,371,592)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	29,874,466	34,639	(610,544)	65,201	-	29,363,762
Total restricted funds	27,786,145	13,752,130	(14,564,105)	-	18,000	26,992,170
Total of funds	<u>27,954,488</u>	<u>13,852,360</u>	<u>(14,637,452)</u>	<u>-</u>	<u>18,000</u>	<u>27,187,396</u>

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

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.

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

Restricted general funds are resources for educational purposes.

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	168,343	100,230	(73,347)	-	-	195,226
Restricted funds	(2,088,321)	13,717,491	(13,953,561)	(65,201)	18,000	(2,371,592)
Restricted fixed asset funds	29,874,466	34,639	(610,544)	65,201	-	29,363,762
	<u>27,954,488</u>	<u>13,852,360</u>	<u>(14,637,452)</u>	<u>-</u>	<u>18,000</u>	<u>27,187,396</u>

16. 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	-	-	29,363,762	29,363,762	29,874,466
Current assets	195,226	1,101,082	-	1,296,308	1,726,942
Creditors due within one year	-	(579,674)	-	(579,674)	(780,920)
Provisions for liabilities and charges	-	(2,893,000)	-	(2,893,000)	(2,866,000)
	<u>195,226</u>	<u>(2,371,592)</u>	<u>29,363,762</u>	<u>27,187,396</u>	<u>27,954,488</u>

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

	2015 £	2014 £
Net incoming resources before revaluations	(785,092)	104,891
Fixed assets additions	(99,840)	(1,164,910)
Depreciation of tangible fixed assets	610,544	-
Decrease in debtors	67,676	95,143
(Decrease)/increase in creditors	(201,246)	408,003
FRS 17 adjustments	45,000	85,000
Net cash outflow from operations	(362,958)	(471,873)

18. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	1,054,488	(362,958)	-	691,530
Net funds	1,054,488	(362,958)	-	691,530

19. 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 London Borough of Brent. 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 August 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.

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

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:

- 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 £801,324 (2014: £737,414).

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 £587,000, of which employer's contributions totalled £479,000 and employees' contributions totalled £108,000. The agreed contribution rates for future years are 5.5 - 12.5% for employers and 28.4% 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.

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

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(4,259,000)	(3,645,000)
Fair value of scheme assets	1,366,000	779,000
	<u>(2,893,000)</u>	<u>(2,866,000)</u>
Net liability	<u>(2,893,000)</u>	<u>(2,866,000)</u>

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

	2015 £	2014 £
Current service cost	(437,000)	(345,000)
Interest on obligation	(144,000)	(118,000)
Expected return on scheme assets	57,000	41,000
	<u>(524,000)</u>	<u>(422,000)</u>
Total	<u>(524,000)</u>	<u>(422,000)</u>
Actual return on scheme assets	<u>15,000</u>	<u>75,000</u>

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

	2015 £	2014 £
Opening defined benefit obligation	3,645,000	2,367,000
Current service cost	437,000	345,000
Interest cost	144,000	118,000
Contributions by scheme participants	108,000	77,000
Actuarial (Gains)/losses	(61,000)	742,000
Benefits paid	(14,000)	(4,000)
	<u>4,259,000</u>	<u>3,645,000</u>
Closing defined benefit obligation	<u>4,259,000</u>	<u>3,645,000</u>

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

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

	2015 £	2014 £
Opening fair value of scheme assets	779,000	435,000
Expected return on assets	57,000	41,000
Actuarial gains and (losses)	(43,000)	(107,000)
Contributions by employer	479,000	337,000
Contributions by employees	108,000	77,000
Benefits paid	(14,000)	(4,000)
	<u>1,366,000</u>	<u>779,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £(831,000) (2014 - £(849,000)).

The academy expects to contribute £300,000 to its Defined benefit pension scheme in 2016.

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

	2015	2014
Equities	62.00 %	68.00 %
Bonds	29.00 %	23.00 %
Property	6.00 %	6.00 %
Cash	3.00 %	3.00 %

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

	2015	2014
Discount rate for scheme liabilities	3.80 %	3.70 %
Expected return on scheme assets at 31 August	3.80 %	5.40 %
Rate of increase in salaries	4.40 %	4.30 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %

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	22.2	22.0
Females	24.4	24.3
Retiring in 20 years		
Males	24.3	24.4
Females	26.8	26.8

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

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2015 £	2014 £
Defined benefit obligation	(4,259,000)	(3,645,000)
Scheme assets	1,366,000	779,000
Deficit	<u>(2,893,000)</u>	<u>(2,866,000)</u>
Experience adjustments on scheme liabilities	61,000	(742,000)
Experience adjustments on scheme assets	<u>(43,000)</u>	<u>(107,000)</u>

20. OPERATING LEASE COMMITMENTS

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

	2015 £	2014 £
Expiry date:		
Between 2 and 5 years	<u>-</u>	<u>638</u>

21. 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 transactions during the period.

22. 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 £37,856 and disbursed £22,050 from the fund. An amount of £nil is included in other creditors relating to undistributed funds that is repayable to EFA.