

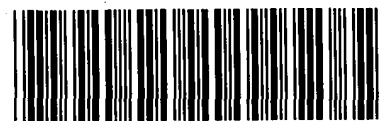
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Registered number: 08359584

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 13
Governance statement	14 - 17
Statement on regularity, propriety and compliance	18
Statement of Trustees' responsibilities	19
Independent auditors' report on the financial statements	20 - 21
Independent reporting accountant's assurance report on regularity	22 - 23
Statement of financial activities incorporating income and expenditure account	24
Balance sheet	25
Statement of cash flows	26
Notes to the financial statements	27 - 43

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members

D Palmer
E Counsell
B Kobel

Trustees

D Palmer, Chair of Trustees Community Trustee
E Counsell, Vice Chairman Parent Trustee
B Chowdhury, Parent Trustee
P Mistry, Parent Trustee
K Rahman, Parent Trustee
E Kafka, LA Trustee
J Bardsley, Teacher Trustee (resigned 24 November 2015)
M Dunmore, Staff Trustee (resigned 20 July 2016)
J Bach, Partnership Trustee
V Luthra, Partnership Trustee
K Patel, Partnership Trustee
S Patel, Partnership Trustee (resigned 11 July 2016)
S Lawrence, Community Trustee
E Ellis, Community Trustee (resigned 11 July 2016)
B Kobel, Headteacher and Accounting Officer
R Baxter, Teacher Trustee (appointed 1 September 2016)

Company registered number

08359584

Company name

Preston Manor Academy Trust

Principal and registered office

Preston Manor School
Carlton Avenue East
Wembley
Middlesex
HA9 8NA

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Advisers (continued)

Chief executive officer

B Kobel

Senior management team

B Kobel, Headteacher
S Welch, Associate Head (appointed 1 September 2016)
L Airey, Assistant Head (to 28 February 2016; Acting Deputy Head to 31 August 2016; Deputy Head 1 September 2016)
G Brougham, Deputy Head
R Homes, Head of Lower School (resigned 31 August 2016)
K Atkinson, Deputy Head of Lower School (1 January 2016 to 31 August 2016; Acting Head of Lower School 1 September 2016)
Q Siddique, Deputy Head of Lower School (appointed 1 September 2016)
S Dareve, Assistant Head
H Evans, Assistant Head (resigned from post 31 August 2016; Classroom Teacher from 1 September 2016)
D Graham, Assistant Head
C Urbani, Acting Deputy Head (to 31 August 2016; Assistant Head 1 September 2016)
S Wallman, Assistant Head
A Ward, Assistant Head
R Wilson, Assistant Head (resigned 10 April 2016)
D McLoughlin, Assistant Head of Lower School
H Mitchell, Assistant Head of Lower School (resigned 31 August 2016)
S Solanki, Assistant Head of Lower School (appointed 1 September 2016)
N Kampta, Finance & Business Manager and Chief Financial Officer

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
(A company limited by guarantee)

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The trust operates an academy for pupils aged 4 to 18 serving a catchment area in Brent. It has a pupil capacity of 1980 and had a roll of 1965 in the school census on 21 January 2016.

Structure, governance and management

a. CONSTITUTION

The academy trust is a charitable 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 are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Preston Manor Academy Trust.

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. 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.

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

d. 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:

- The Headteacher
- Up to Six Parent Governors
- One LA Governor
- One Teacher Governor
- One Staff Governor
- Up to Four Partnership Governors
- Up to 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.

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

During the period under review, the governors held 4 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 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.

f. 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 Head Teacher 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 Head Teacher assumes the role of the accounting officer.

g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

Key Management personnel are paid in line with market standards and reviewed annually by the Pay Committee.

h. 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.

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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 a broad and balanced education for pupils of all abilities in the Brent area. The governors have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the academy.

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, that the Academy will be at the heart of the community promoting community cohesion and sharing facilities; the basis for admitting students to the Academy, that the curriculum should be broad and balanced; there will be an emphasis on the needs of individual pupils including pupils with SEN; the basis for charging pupils.

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The Academy has undertaken self-evaluation activities to correctly identify objectives for the next year. These objectives are:

- o To develop more effective relationships between all stakeholders to positively impact on the ethos of the academy and behaviour of pupils within the academy.
- o The academy seeks to develop its approach to creativity & engagement so that this positively impacts on the quality of teaching and learning in the school.
- o The academy will strengthen its accountability structure through a review of the effectiveness of leadership and management. It will achieve this through developing a more effective appraisal framework.
- o Achieve consistently high standards of teaching and learning.
- o Provide local leadership capacity and support.
- o Develop cost effective curriculum design and collaboration which optimises opportunities for pupils and students and provides added value progress for them.
- o Achieve best value in service delivery especially where partnership working can add value.
- o The Academy's main strategy is encompassed in the Academy's Aims, which are to develop students who are:
 - o Active Citizens
 - o Prepared for their future
 - o Happy, healthy and safe
 - o Caring individuals
 - o Responsible learners

The Academy's vision is to build an ethos of:

- o Every child is capable of extraordinary achievement.
- o For any child to realise their inner potential they need an environment and adult role models that support their love and enjoyment of learning.
- o Every child has an absolute right to an equal opportunity to flourish in the academy.
- o Our pupils will develop the skills, knowledge and attitudes to realise their own dreams through a positive contribution to their community and wider society.
- o Self-realisation and positive contribution stem from a confidence and strength in one's own identity that allows us to embrace and respect the identity of other individuals and groups in our community and wider society.
- o The long-term well-being of our pupils is dependent on a sustainable economy, society and environment. We need to teach our children to be able to contribute to achieving that sustainability as adults.
- o It is the responsibility of all of the adult staff in Preston Manor School to remove the barriers to each individual child's development and create the conditions in which they are able to love and enjoy learning.
- o It is the responsibility of Preston Manor School to reach out and raise and support the aspiration of their community to believe in their children's potential.

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

The main activities for achieving objectives the academy will undertake will be:

- o Developing a new teaching and learning policy and implementing this effectively.
- o The academy will review and develop its curriculum provision to enhance creativity and engagement.
- o The accountability of the academy will be strengthened by the development of new policies and procedures and implementation of a new self-evaluation framework.
- o Active Citizens
 - o Participate in a range of community activities.
 - o Have opportunities for leadership in all Key Stages of their time at the school.
 - o Create cultural social and economic links with the local and wider communities.
 - o Understand the importance of and contribute to student voice activities.
 - o Demonstrate local, national and global social awareness.
 - o Demonstrate environmental awareness in school and wider communities.
 - o Understand democracy and the importance of voting.
 - o Understand that in any society there are limits to individual freedom for the wellbeing of the society as a whole.
- o Prepared for their future
 - o Develop the ability to adapt to change.
 - o Develop a broad range of transferable skills.
 - o Develop a broad knowledge of the world of work
 - o Have real experience of the next Key Stage before making their choices of subjects to study.
 - o Have a broad knowledge of post school options to make informed choices.
 - o Develop life skills and academic and personal independence.
 - o Understand the economic realities of their and others lives and ways to manage financial responsibilities.
- o Happy, Healthy and Safe
 - o Understand the importance of healthy eating for physical and mental wellbeing.
 - o Understanding the importance of exercise for physical and mental wellbeing.
 - o Act on awareness of healthy lifestyle choices.
 - o Take advantage of and enjoy a range of extra-curricular activities.
 - o Develop a knowledge of health issues, including sexual, mental and drug related, to enable informed decisions and choices.
 - o Safely enjoy new technologies, experiences and environments.
- o Caring Individuals
 - o Respect everyone and welcome differences.
 - o Be aware of the consequences of our actions, however small, for ourselves and others.
 - o Provide social and academic support for all members of our community.
 - o Learn to be good listeners and communicators.
 - o Respect other's opinions and beliefs.
 - o Respect oneself.
- o Responsible Learners
 - o Recognise that making mistakes is a key part of successful learning and develop perseverance
 - o Enjoy and cultivate a positive approach to, and accept responsibility for their learning.
 - o Be able to and enjoy applying knowledge & understanding to a wide range of situations.
 - o Work successfully in teams and as individuals.
 - o Supported to take responsibility to achieve beyond their potential.
 - o Reflect on both achievements and setbacks and learn from their experiences.

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

- o Think and learn creatively.

The Academy's Aims are being reviewed and edited in the autumn term of 2016.

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:

- o Raising money for local, national and international charities
- o Raising money for the Poppy Appeal
- o Sixth Form involved in local community projects, e.g. annual Christmas party and the National Citizen Service
- o Tanzania Appeal
- o Genes for Jeans
- o Macmillan
- o Children in Need
- o One World (Crohns and Colitis UK)

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Achievements and performance

a. KEY PERFORMANCE INDICATORS

Preston Manor School opened as an academy in February 2013. In June 2016 Ofsted judged the school's overall Effectiveness to be Good.

Lower School

Although attainment outcomes in July 2016 for Year 6 children were lower than National and Brent, progress was well above national floor standards for this first cohort of year 6 children.

Outcomes for children in Year 2 in July 2016 were very positive and were above Brent and National attainment outcomes in Reading and Writing and were above national outcomes for Maths. Children's combined outcomes for Reading, Writing and Maths were also above Brent and National.

Outcomes for Year 1 phonics screening were very positive and were above Brent and National. Outcomes for children in Reception in July 2016 were very positive and were above Brent and National attainment for Good Levels of Development (GLD).

Overall attendance for 2015/2016 was 95.8%, up from 95.6% for the year 2014/2015.

Upper School

	2014			2015			2016		
	Target	Actual	Diff	Target	Actual	Diff	Target	Actual	Diff
Expected Progress KS2-4 English	96.6	83.4	-13.2	96.7	80.1	-16.6	96.5	73.5	-23.0
Expected Progress KS2-4 Maths	96.6	75.1	-21.5	96.2	73	-23.2	96.0	69.7	-26.3
5+ A*-C inc Eng & Maths	75.7	63.7	-12	79.3	61.4	-17.9	79.7	58.6	-21.1
Cohort	251			241			246		

Whole School

Authorised Absences = 3.3%

Unauthorised Absences - 2.8%

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

a. FINANCIAL REVIEW

During the period, EFA/LA grants received totalled £12,861,921 (2015: £13,119,780). Other income included within restricted funds totalled £538,072 (2015: £546,508). Restricted fund expenditure totalled £13,000,952 (2015: £14,586,155).

The main source of unrestricted income is lettings, totalling £ 95,924 (2015: £95,993).

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 2016 and the associated expenditure are shown as restricted funds in the Statement of financial activities.

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 and will be using the reserves 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 regularly reviews the financial processes and controls. The Governors through the Resources Committee and Headteacher receive financial progress reports throughout the year and compare against budgets submitted to the Education Funding Agency.

b. 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.

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

c. RESERVES POLICY

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 Resources Committee 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 £26,056,946. This balance includes unrestricted funds (free reserves) of £242,850, which is considered appropriate for the Academy Trust, and restricted funds of £1,540,909.

The amount of designations made in relation to the unrestricted reserves totals to £nil.

Restricted funds have been designated by the Governing Body as follows:

- o £250,000 (approx) – Replace the boilers and heating systems in the Science Block (work due to commence in July/August 2016.)
- o £20,000 (approx) – Painting and refresh of all school buildings (work due to commence from February 2017)

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 £4,554,000. 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.

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

d. INVESTMENTS POLICY

It should be noted that the Academy has substantial power with regards to investments due to cash balances held. Investment policies are determined by 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. The most typical investments that are held by academies are the Special Interest Deposit accounts which are immediately available to draw against. At 31 August 2016, no investments were held.

e. 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 the health and safety regulations, pertaining to both staff and pupils.

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme, in which there was a deficit at 31 August 2016.

Plans for future periods

a. FUTURE DEVELOPMENTS

Preston Manor School's expansion programme was completed in September 2015 and it is now an All-Through School. The lower school is 2-form entry (Reception to Year 6) and the Upper School is nine-form entry and has a sixth form.

Preston Manor was unsuccessful with its bid under the Condition Improvement Fund (CIF) 2016-17 for Heating Improvements in the Science & Jubilee Blocks and Refurbishment of two of the Science Laboratories. The school is currently preparing an amended bid for the 2017-18 CIF for the Heating Improvements.

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

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

FUNDS HELD AS CUSTODIAN

The Academy Trust and 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 was approved by order of the board of trustees as the company directors, on 28 November 2016 and signed on its behalf by:



D Palmer, Chair of Trustees

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, 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 Statement of Trustees' responsibilities. 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 Community Trustee	4	4
E Counsell, Vice Chairman Parent Trustee	4	4
B Chowdhury, Parent Trustee	3	4
P Mistry, Parent Trustee	4	4
K Rahman, Parent Trustee	4	4
E Kafka, LA Trustee	4	4
J Bardsley, Teacher Trustee	1	1
M Dunmore, Staff Trustee	4	4
J Bach, Partnership Trustee	4	4
V Luthra, Partnership Trustee	4	4
K Patel, Partnership Trustee	3	4
S Patel, Partnership Trustee	1	4
S Lawrence, Community Trustee	4	4
E Ellis, Community Trustee	2	2
B Kobel, Headteacher and Accounting Officer	4	4

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:

NONE NOTED

The 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.

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Lawrence	4	4
E Kafka	3	4
E Counsell	1	4
P Mistry	2	3
B Chowdhury	1	4
M Dunmore	4	4
B Kobel	4	4

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy 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 the 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

The school has ensured that all children and students are provided with opportunities to raise achievement, for example by:

- Making innovative use of targeted funding (e.g. Pupil Premium Grant, Looked After Children Funding, Year 7 Catch-up funding and PE & Sports Premium)
- 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 and the Brent Teaching School Alliance

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

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 regular tests for value for money and tendering compliance.

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 2015 to 31 August 2016 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 2015 to 31 August 2016 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. On a regular basis, the RO 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.

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:

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

- 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 28 November 2016 and signed on their behalf, by:



D Palmer
Chair of Trustees



B Kobel
Accounting Officer

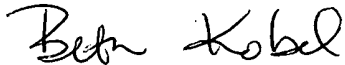
PRESTON MANOR ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Preston Manor Academy Trust I have considered my responsibility to notify the academy trust 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 trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust'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: 28 November 2016

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

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 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 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 the 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 28 November 2016 and signed on its behalf by:



D Palmer
Chair of Trustees

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS 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 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company 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 Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PRESTON MANOR ACADEMY TRUST**

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.

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
28 November 2016

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 2015 to 2016, 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 2015 to 31 August 2016 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 the 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 the 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 the 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 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the 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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

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

28 November 2016

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	3	3,441	5,251	35,264	43,956	42,217
Charitable activities	6	-	12,861,291	-	12,861,291	13,157,067
Other trading activities	4	96,024	538,072	-	634,096	652,368
Investments	5	631	-	-	631	708
TOTAL INCOME		100,096	13,404,614	35,264	13,539,974	13,852,360
EXPENDITURE ON:						
Charitable activities		52,472	12,458,101	542,851	13,053,424	14,655,452
TOTAL EXPENDITURE	9	52,472	12,458,101	542,851	13,053,424	14,655,452
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	47,624	946,513	(507,587)	486,550	(803,092)
		-	28,988	(28,988)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		47,624	975,501	(536,575)	486,550	(803,092)
Actuarial gains/(losses) on defined benefit pension schemes	22	-	(1,617,000)	-	(1,617,000)	36,000
NET MOVEMENT IN FUNDS		47,624	(641,499)	(536,575)	(1,130,450)	(767,092)
RECONCILIATION OF FUNDS:						
Total funds brought forward		195,226	(2,371,592)	29,363,762	27,187,396	27,954,488
TOTAL FUNDS CARRIED FORWARD		242,850	(3,013,091)	28,827,187	26,056,946	27,187,396

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

**BALANCE SHEET
AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	15		28,827,187		29,363,762
CURRENT ASSETS					
Debtors	16	668,856		604,778	
Cash at bank and in hand		1,571,980		691,530	
		<u>2,240,836</u>		<u>1,296,308</u>	
CREDITORS: amounts falling due within one year	17	<u>(457,077)</u>		<u>(579,674)</u>	
NET CURRENT ASSETS			<u>1,783,759</u>		<u>716,634</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>30,610,946</u>		<u>30,080,396</u>
Defined benefit pension scheme liability	22		<u>(4,554,000)</u>		<u>(2,893,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>26,056,946</u>		<u>27,187,396</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	18	1,540,909		521,408	
Restricted fixed asset funds	18	<u>28,827,187</u>		<u>29,363,762</u>	
Restricted income funds excluding pension liability		<u>30,368,096</u>		<u>29,885,170</u>	
Pension reserve		<u>(4,554,000)</u>		<u>(2,893,000)</u>	
Total restricted income funds			<u>25,814,096</u>		<u>26,992,170</u>
Unrestricted income funds	18		<u>242,850</u>		<u>195,226</u>
TOTAL FUNDS			<u>26,056,946</u>		<u>27,187,396</u>

The financial statements were approved by the Trustees, and authorised for issue, on 28 November 2016 and are signed on their behalf, by:

D Palmer, Chair of Trustees



The notes on pages 27 to 43 form part of these financial statements.

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	851,462	(297,757)
Cash flows from investing activities:			
Purchase of tangible fixed assets		(6,276)	(99,840)
Capital grants from DfE/EFA		35,264	34,639
Net cash provided by/(used in) investing activities		28,988	(65,201)
Change in cash and cash equivalents in the year		880,450	(362,958)
Cash and cash equivalents brought forward		691,530	1,054,488
Cash and cash equivalents carried forward		1,571,980	691,530

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Preston Manor Academy Trust constitutes a public benefit entity as defined by FRS 102.

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 the Department for Education where the asset acquired or created is held for a specific purpose.

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

1.3 Income

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

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

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

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

1.5 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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. 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 2016

1. ACCOUNTING POLICIES (continued)

1.7 Operating leases

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

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

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.

1.10 Debtors

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

1.11 Cash at Bank and in hand

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

1.12 Liabilities and provisions

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

1.13 Financial instruments

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.14 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 August 2016 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the academy was subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy has not exceeded these limits during the year ended 31 August 2016.

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	3,441	5,251	-	8,692	7,578
Capital Grants	-	-	35,264	35,264	34,639
	<u>3,441</u>	<u>5,251</u>	<u>35,264</u>	<u>43,956</u>	<u>42,217</u>
Total donations and capital grants	3,441	5,251	35,264	43,956	42,217

In 2015, of the total income from donations and capital grants, £3,649 was to unrestricted funds and £38,568 was to restricted funds

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Letting Income	95,924	1,600	97,524	95,993
Catering Income	-	281,955	281,955	224,051
Music Income	-	28,347	28,347	27,870
Other Income	-	75,434	75,434	155,223
Trips Income	-	52,729	52,729	61,171
Other Fees & Charges	100	98,007	98,107	88,060
	<u>96,024</u>	<u>538,072</u>	<u>634,096</u>	<u>652,368</u>

In 2015, of the total income from other trading activities, £95,873 was to unrestricted funds and £556,495 was to restricted funds.

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income	631	-	631	708
	<u>631</u>	<u>-</u>	<u>631</u>	<u>708</u>

In 2015, of the total investment income, £ 708 was to unrestricted funds and £ NIL was to restricted funds.

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

Preston Manor Academy Trust

	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants			
General Annual Grant	11,190,303	11,190,303	11,062,520
Pupil Premium	654,700	654,700	760,607
PE Teacher Grant	9,495	9,495	9,195
Bursary Fund	3,131	3,131	-
Other EFA Grants	85,194	85,194	170,775
Rates Relief	50,625	50,625	34,889
	<u>11,993,448</u>	<u>11,993,448</u>	<u>12,037,986</u>
Other government grants			
SEN Funding	727,009	727,009	706,782
Other Government Grants	140,834	140,834	411,099
Pupil Premium LA	-	-	1,200
	<u>867,843</u>	<u>867,843</u>	<u>1,119,081</u>
	<u><u>12,861,291</u></u>	<u><u>12,861,291</u></u>	<u><u>13,157,067</u></u>

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £13,157,067 was to restricted funds.

7. DIRECT COSTS

	Educational Operations £	Total 2016 £	Total 2015 £
Educational Supplies	165,933	165,933	402,181
ICT	5,328	5,328	83,713
Agency Staff Supply	345,160	345,160	516,259
Recruitment	32,133	32,133	83,923
Other Staff Costs	55,713	55,713	61,681
General Maintenance	69,560	69,560	131,712
Ground Maintenance	23,487	23,487	27,714
Furniture	577	577	5,049
Examination Fees	144,934	144,934	129,894
Other Student Expense	50,525	50,525	71,763
Wages and salaries	6,389,034	6,389,034	6,596,996
National insurance	611,927	611,927	577,860
Pension cost	961,508	961,508	876,671
Depreciation	542,851	542,851	610,544
	<u>9,398,670</u>	<u>9,398,670</u>	<u>10,175,960</u>

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

7. DIRECT COSTS (continued)

In 2015, the academy incurred the following Direct costs:

£10,175,960 in respect of Educational Operations

8. SUPPORT COSTS

	Governance	Educational Operations	Total 2016	Total 2015
	£	£	£	£
Pension Finance Costs- LGPS	-	108,000	108,000	105,000
Educational Supplies	-	525	525	3,371
ICT	-	447,209	447,209	764,162
Agency Staff Supply	-	147,746	147,746	132,771
Recruitment	-	3,483	3,483	4,488
Other Staff Costs	-	56,658	56,658	33,672
General Maintenance	-	28,169	28,169	35,230
Utilities	-	173,359	173,359	172,983
Water & Rates	-	56,194	56,194	53,415
Insurance	-	52,525	52,525	78,010
Cleaning	-	38,050	38,050	35,657
Furniture	-	12,790	12,790	17,513
Photocopier & Reprographics	-	86,274	86,274	112,466
Professional Fees	-	210,290	210,290	290,903
Catering Expenditure	-	196,298	196,298	208,299
Other Office Expenses	7,330	86,215	93,545	113,102
Other Student Expenses	-	12,239	12,239	11,447
Wages and salaries	-	1,520,557	1,520,557	1,826,681
National insurance	-	110,630	110,630	120,004
Pension cost	-	300,213	300,213	360,318
	7,330	3,647,424	3,654,754	4,479,492

During the year ended 31 August 2016, the academy incurred the following Governance costs:

£7,330 (2015 - £7,080) included within the table above in respect of Educational Operations.

In 2015, the academy incurred the following Support costs:

£4,472,412 in respect of Educational Operations

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

9. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Educational Operations:					
Direct costs	8,305,389	93,624	999,657	9,398,670	10,175,960
Support costs	2,079,146	361,087	1,207,191	3,647,424	4,436,412
	<u>10,384,535</u>	<u>454,711</u>	<u>2,206,848</u>	<u>13,046,094</u>	<u>14,612,372</u>

In 2016, of the total expenditure, £74,193 (2015- £73,347) was to unrestricted funds and £12,790,039 (2015 - £14,539,025) was to restricted funds.

10. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	542,851	610,544
Auditors' remuneration	4,000	4,000
Auditors non audit costs	<u>3,330</u>	<u>3,080</u>

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

11. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	7,909,591	8,423,677
Social security costs	722,557	697,864
Operating costs of defined benefit pension schemes	1,261,721	1,236,989
	<u>9,893,869</u>	<u>10,358,530</u>
Supply teacher costs	490,666	516,259
	<u>10,384,535</u>	<u>10,874,789</u>

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

	2016	2015
Support and Admin	90	98
Management	13	13
Teacher	122	121
	<u>225</u>	<u>232</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £59,999 was:

	2016	2015
In the band £60,000 - £70,000	7	6
In the band £70,000 - £80,000	2	1
In the band £80,000 - £90,000	0	1
In the band £100,000 - £110,000	1	0
In the band £120,000 - £130,000	0	1

The key management personnel of the academy comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy was £1,125,655 (2015: £1,208,508)

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

12. 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 other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2016 £	2015 £
B Kobel (Headteacher)	Remuneration	105,000-110,000	75,000-80,000
	Pension contributions paid	15,000-20,000	10,000-15,000
M Dunmore (Staff Trustee)	Remuneration	25,000-30,000	30,000-35,000
	Pension contributions paid	5,000-10,000	10,000-15,000
S Foley (Staff Trustee)	Remuneration	£NIL	50,000-55,000
	Pension contributions paid	£NIL	5,000-10,000
J Bardsley (Staff Trustee)	Remuneration	40,000-45,000	£NIL
	Pension contributions paid	£NIL	£NIL
M Lantos (Former Headteacher and Trustee)	Remuneration	£NIL	120,000-125,000
	Pension contributions paid	£NIL	15,000-20,000

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

13. 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 2016 was £887 (2015 - £763).

14. PENSION FINANCE CHARGES

	2016 £	2015 £
Interest income on pension scheme assets	62,000	39,000
Interest on pension scheme liabilities	(170,000)	(144,000)
	<u>(108,000)</u>	<u>(105,000)</u>

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

15. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2015	30,278,919	52,729	226,490	266,319	30,824,457
Additions	1,044	-	5,232	-	6,276
At 31 August 2016	30,279,963	52,729	231,722	266,319	30,830,733
Depreciation					
At 1 September 2015	1,103,105	17,740	96,991	242,859	1,460,695
Charge for the year	467,722	10,546	46,007	18,576	542,851
At 31 August 2016	1,570,827	28,286	142,998	261,435	2,003,546
Net book value					
At 31 August 2016	28,709,136	24,443	88,724	4,884	28,827,187
At 31 August 2015	29,175,814	34,989	129,499	23,460	29,363,762

16. DEBTORS

	2016 £	2015 £
Trade debtors	9,431	2,821
Other debtors	356,287	518,380
Prepayments and accrued income	303,138	83,577
	<u>668,856</u>	<u>604,778</u>

17. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	2,037	24,057
Other taxation and social security	208,006	199,764
Other creditors	161,414	161,965
Accruals and deferred income	85,620	193,888
	<u>457,077</u>	<u>579,674</u>

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

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

	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	84,875	67,934
Resources deferred during the year	64,148	84,875
Amounts released from previous years	(84,875)	(67,934)
Deferred income at 31 August 2016	<u>64,148</u>	<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.

18. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds - all funds	195,226	100,096	(52,472)	-	-	242,850
Restricted funds						
Restricted Funds - all funds	521,408	13,404,614	(12,424,101)	28,988	-	1,530,909
Pension reserve	(2,893,000)	-	(34,000)	-	(1,617,000)	(4,544,000)
	<u>(2,371,592)</u>	<u>13,404,614</u>	<u>(12,458,101)</u>	<u>28,988</u>	<u>(1,617,000)</u>	<u>(3,013,091)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	29,363,762	35,264	(542,851)	(28,988)	-	28,827,187
Total restricted funds	26,992,170	13,439,878	(13,000,952)	-	(1,617,000)	25,814,096
Total of funds	<u>27,187,396</u>	<u>13,539,974</u>	<u>(13,053,424)</u>	<u>-</u>	<u>(1,617,000)</u>	<u>26,056,946</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.

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

18. 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 2016.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	28,827,187	28,827,187	29,363,762
Current assets	249,690	1,991,146	-	2,240,836	1,296,308
Creditors due within one year	(6,840)	(450,237)	-	(457,077)	(579,674)
Provisions for liabilities and charges	-	(4,554,000)	-	(4,554,000)	(2,893,000)
	<u>242,850</u>	<u>(3,013,091)</u>	<u>28,827,187</u>	<u>26,056,946</u>	<u>27,187,396</u>

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net income/(expenditure) for the year (as per Statement of financial activities)	486,550	(803,092)
Adjustment for:		
Depreciation charges	542,851	610,544
(Increase)/decrease in debtors	(64,078)	67,676
Decrease in creditors	(122,597)	(201,246)
Capital grants from DfE and other capital income	(35,264)	(34,639)
FRS 102 pension adjustments	44,000	63,000
Net cash provided by/(used in) operating activities	<u>851,462</u>	<u>(297,757)</u>

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	1,571,980	691,530
Total	<u>1,571,980</u>	<u>691,530</u>

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

22. 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 Multi-employer defined benefit pension schemes.

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

The employer's pension costs paid to TPS in the period amounted to £890,358 (2015 - £801,324).

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

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

22. PENSION COMMITMENTS (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £549,000 (2015 - £587,000), of which employer's contributions totalled £452,000 (2015 - £479,000) and employees' contributions totalled £97,000 (2015 - £108,000). The agreed contribution rates for future years are 30% 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.

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Rate of increase in salaries	3.90 %	4.40 %
Rate of increase for pensions in payment / inflation	2.10 %	2.70 %

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

	2016	2015
Retiring today		
Males	22.0	22.2
Females	24.3	24.4
Retiring in 20 years		
Males	24.4	24.3
Females	26.8	26.8

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	1,342,000	846,920
Debt instruments	550,000	396,140
Property	198,000	81,960
Cash	110,000	40,980
Total market value of assets	<u>2,200,000</u>	<u>1,366,000</u>

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

22. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(388,000)	(437,000)
Net interest cost	(108,000)	(105,000)
Total	(496,000)	(542,000)

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

	2016 £	2015 £
Opening defined benefit obligation	4,259,000	3,645,000
Current service cost	388,000	437,000
Interest cost	170,000	144,000
Contributions by employees	97,000	108,000
Actuarial losses/(gains)	1,868,000	(61,000)
Benefits paid	(28,000)	(14,000)
Closing defined benefit obligation	6,754,000	4,259,000

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

	2016 £	2015 £
Opening fair value of scheme assets	1,366,000	779,000
Interest income	62,000	39,000
Actuarial gains and (losses)	251,000	(25,000)
Contributions by employer	452,000	479,000
Contributions by employees	97,000	108,000
Benefits paid	(28,000)	(14,000)
Closing fair value of scheme assets	2,200,000	1,366,000

23. MATERIAL PENSION COST

The latest valuation of the Local Government Pension Scheme (LGPS) occurred on 31 August 2016. Since the date of the previous valuation, a number of changes, both legislative and economic, have occurred which has impacted upon the actuarial assumptions made. Consequently, a significant cost has been incurred in the current financial period which is reflective of these changes made. The comparative for the prior year has been restated.

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

24. 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 the trust 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.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

25. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2016 the trust received £38,631 and disbursed £36,168 from the fund. An amount of £nil is included in other creditors relating to undistributed funds that is repayable to EFA.

26. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £ 1 for the debts and liabilities contracted before he/she ceases to be a member.

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

27. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure. The table below shows the effect of the transition to FRS 102 on the SOFA for the prior year:-

	<u>Notes</u>	<u>As previously stated</u>	<u>Effect of transition</u>	<u>Year Ended 31 August 2015</u> <u>FRS 102 (as restated)</u>
Total Income		£13,852,360	£NIL	£13,852,360
Total Expenditure	1	£14,637,452	£18,000	£14,655,452
Actuarial gains and (losses) on defined benefit schemes	1	£18,000	£18,000	£36,000

NOTES TO RECONCILIATION

1. Local Government Pension Scheme

In the prior year, there were actuarial gains recognised in the scheme of £18,000. Under FRS 102, the pension costs have been recognised as follows:

An increase in support pension finance costs of £18,000;
An increase in the actuarial gain of £18,000