

PRESTON MANOR ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

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PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2023

Reference and Administrative Details

Members:

D Palmer
A Braganza
P Fanning

Trustees:

D Palmer, Chair of Trustees, Community Trustee
J Bach, Vice Chair, Partnership Trustee
E Counsell, Vice Chair, Co-opted Trustee
V Luthra, Partnership Trustee (resigned 13 March 2023)
K Patel, Partnership Trustee
S Lawrence, Community Trustee
S Nasrabadi, Staff Trustee
H Pratchett, Staff Trustee
R Gulati, Co-opted Trustee
A Meghji, Co-opted Trustee
S Pramanik, Co-opted Trustee
D Sloan (resigned 31 August 2023)
S Tahir, Co-opted Trustee
S Venables, Co-opted Trustee
J Frater, LA Trustee (resigned 31 August 2023)
A Chavan, Parent Trustee (term ended 15 September 2023)
N Minar, Parent Trustee (term ended 15 September 2023)
R Denial, Executive Headteacher and Accounting Officer

Senior Management Team:

R Denial, Executive Headteacher and Accounting Officer

Upper School

S Taylor, Head of Upper School (resigned 31 August 2023)
T Phillips, Head of Upper School (appointed 1 September 2023)
G Brougham, Deputy Head
C Donne, Deputy Head (appointed 1 January 2023)
Z Dale, Assistant Head
S Clarke (nee Dareve), Assistant Head
J Surani, Assistant Head
D Tully, Assistant Head
A Ward, Assistant Head

Lower School

K Atkinson, Head of Lower School
Q Siddique, Deputy Head
S Solanki, Assistant Head

Chief Financial Officer

N Kampta, Director of Finance & Operations

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Company Name:

Preston Manor Academy Trust

Registered Office:

Preston Manor School, Carlton Avenue East, Wembley, Middlesex, HA9 8NA

Company Registration Number:

08359584

Independent Auditor:

BKL Audit LLP, 35 Ballards Lane, London, N3 1XW

Bankers:

HSBC Bank PLC, Wembley, HA0 2DB

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 2023

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 4 to 18 serving a catchment area in the London Borough of Brent. It has a pupil capacity of 1980 and had a roll of 1966 in the January 2023 school census.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association 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 purposes of company law. The charitable company operates as Preston Manor School.

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on the preceding pages of this document.

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.

Trustees' Indemnities

Subject to the provisions of the Companies Act, every trustee 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.

Method of Recruitment and Appointment or Election of Trustees

The management of the academy is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association and funding agreement as follows:

- the executive headteacher
- parent trustees (minimum of two), elected by parents
- co-opted trustees
- community trustees
- partnership trustees
- local authority trustees
- staff trustees appointed by the members, provided that the maximum number of staff trustees does not exceed one third of the total number of trustees
- any trustees appointed by the Secretary of State for Education

The term of office for any trustee is 4 years. The headteacher's term of office runs parallel with their term of appointment. Subject to remaining eligible to be a particular type of trustee, any trustee may be reappointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new trustees will depend on their individual experience and expertise. Where necessary an induction will provide training on charity and educational, legal and financial matters. All new trustees 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, Governance and Management (continued)

Organisational Structure

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

The governing body has considered its role thoughtfully and decided that the role of the trustees 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.

Trustees 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 Executive Headteacher assumes the accounting officer role.

Arrangements for setting Pay and Remuneration of Key Management Personnel

The Board has delegated the arrangement for setting the pay and remuneration for executive directors and senior management to the Pay Committee whose members comprise three trustees. This committee reviews the performance of the executive directors and ensures that succession planning is in line with the plans of the Trust.

The Trust scheme of delegation sets out the responsibility for pay increases for all staff to the Pay Committee.

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1% - 50%	2
51% - 99%	0
100%	0

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£1,680.41
Provide the total pay bill	£11,743,880
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0.01%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	25%
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, Governance and Management (continued)

Related Parties and other Connected Charities and Organisations

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

Objectives and Activities

Objects and Aims

The principal object and activity of the academy is the operation of Preston Manor Academy Trust 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 academy has adopted a "Scheme of Government" approved by the Secretary of State for Education.

The Scheme of Government specifies, amongst other things, that the Trust will be at the heart of the community promoting community cohesion and sharing facilities; the basis for admitting students to the Trust, 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.

Objectives, Strategies and Activities

Public Benefit

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

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 local, national and international charities, such as.
- Anti bullying alliance (odd socks day)
- Earthquake appeal
- Save the children (Christmas jumper day)
- Crisis
- DEC – Turkey and Syria
- Rays of Sunshine

Strategic Report - Achievements and Performance

Preston Manor School opened as a converter academy in February 2013. In July 2022 Ofsted judged the school's overall effectiveness as Good. It has a pupil capacity of 1980 and had a roll of 1966 in the school Census in January 2023.

Key Performance Indicators

Upper and Lower School:-

Staff cost as a percentage of revenue income

73%

Average number of teaching staff

119

Average number of non-Teaching staff

96

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic Report - Achievements and Performance (continued)

Funded pupil numbers

KS1 & KS2 = 405

KS3 = 758

KS4 = 502

KS5 = 282

Upper School:-

2023 saw the return of 2019 grade boundaries and standards following the pandemic and 2022 being the first formal examinations for two years.

The importance of these results at KS4 meant that the Upper School continued with its sustained trend of achieving above national averages.

Progress in both English and Maths as one of our main headline figures were extremely positive. It is also important to note that our disadvantaged progress measure is broadly in line with national averages and our progress gap has not increased.

Our Ebacc entry figures in Key Stage 4 are also well above national averages and on track to meet DfE targets for 2025.

Progress measures for 2023 Year 13 are not being published and this is due to this cohort's GCSE results in 2021 being 'teacher assessed grades'. Progress measures for Year 13 in 2024 will be published due to the 2022 cohort sitting formal examinations. Our results in 2023 were broadly in line with 2019 outcomes.

There is a slight difference in average attainment between the disadvantaged and non-disadvantaged in academic qualifications (average grade C) whereas in the applied general qualifications the average grade of Merit was excellent.

Upper School

KS4

	2019			2020			2021			2022			2023		
	Actual	Nat	Diff	Actual	Nat	Diff	Actual	Nat	Diff	Actual	Nat	Diff	Actual	Nat	Diff
Progress 8	0.4	0	0.4	0.6	0	0.6	0.6	0	0.6	0.4	0	0.4	0	0	0.0
Attainment 8	48.8	46.7	2.1	51.8	46.7	5.1	51	46.7	4.3	52.9	48.8	4.1	44.2	48.8	-4.6
Grade 5/C or above in English and Maths	49%	43%	6%	53%	43%	10%	51%	43%	8%	61%	50%	11%	45%	50%	-5%
Grade 4/C or above in English and Maths	72%	65%	7%	77%	65%	12%	74%	65%	9%	77%	69%	8%	61%	69%	-8%
Entering Ebacc	81%	40%	41%	74%	40%	34%	69%	40%	29%	80%	39%	41%	71%	39%	32%
Ebacc/Ebacc APS	4.64	4.06	0.58	4.88	4.06	0.82	4.8	4.06	0.74	4.95	4.27	0.68	4.08	4.27	-0.19
Cohort	245			246			248			240			247		

PLEASE NOTE: The DfE did not publish any national data for all of the key performance measures in 2020 and 2021 due to the COVID-19 pandemic, and national data for 2023 has not yet been released. Therefore, 2020 and 2021 results have been compared with 2019 nationals in this table. 2022 and 2023 provisional results have been compared with 2022 nationals in this table.

Nat = all state-funded schools in England (2019).

Nat = all state-funded schools in England (2022).

KS5

A Level	2019	2020	2021	2022	2023
A*-C	65%	84%	81%	66%	59%

N.B. 2023 Progress 8 estimates have not been released by the DfE yet. Therefore, the Progress 8 figure (below) for the 2023 KS4 provisional results is based on 2022 DfE P8 estimates.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic Report - Achievements and Performance (continued)

Lower School

SATs outcomes for children in year 6 for the 2022/23 academic year are

School Reading 75% at ARE

School Reading 19% at GD

National Reading at ARE was 73%

School Writing at ARE 73%

School Writing at GD 13%

National Writing at ARE was 71%

National Writing at GD was 13%

School Maths at ARE 81%

School Maths at GD 29%

National Maths at ARE was 73%

National Maths at GD was 19%

School GPS at ARE 81%

School GPS at GD 33%

National GPS at ARE was 72%

Combined Outcomes for Reading, Writing and Maths at the end of Key Stage 2:

School combined 65%

School GD combined 8%

National combined 59%

Disadvantaged Children Performance Analysis:

In KS2, our disadvantaged children performed well in line with their peers. In Reading FSM children achieved ARE at 77% (+3% above non FSM children) , in Writing FSM children achieved ARE at 69% (-5% against non FSM children), and in Maths FSM children achieved 92% (+14% above non FSM children)

Overall attendance for the 2022/2023 academic year from Sept - July was 93.3%. Overall FSM attendance for the 2022/2023 academic year was 90%. Overall children with EHCP attendance for the 2022/2023 academic year was 91.2%. Overall CLA attendance for the 2022/2023 academic year was 93.7%.

School Absence Data
(Whole School)

	21/22	22/23
Authorised	6.2%	5.1%
Unauthorised	2.5%	2.8%
Total	8.7%	7.9%

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic Report - Financial Review

Finance Review

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2023 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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:

- permanent endowment funds
- expendable endowment funds
- restricted income funds
- 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 (i.e., 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 Trustees 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 whilst in keeping with the principal object of the Academy.

Total reserves at the end of the period amounted to £2,654,031. This balance includes unrestricted funds (free reserves) of £640,871, which are considered appropriate for the Academy Trust, and restricted funds of £2,013,160 and a pension deficit of £NIL.

The Governing Body have determined that the appropriate level of free reserves should be a sum equivalent to two month's payroll, approximately £1,750,000 and an additional £650,000 due to the uncertainties of future Government spending. The reason for this reserve is to provide sufficient working capital and to provide a cushion to deal with unexpected emergencies.

The amount of designations made in relation to the restricted reserves totals to £270,000 relating to the following specific capital projects:

£160,000 approx. (contributions towards potential future CIF projects)
£100,000 approx. for LED lighting project
£10,000 approx. for internal repair/redecoration work resulting from historical roofing leaks

However, if the school is unsuccessful with its 2024/25 CIF bids, instead of a £160,000 contribution, the school is likely to need to fund from its restricted reserves approx. £500,000 for repairs/replacement of the lower school roof and urgent electrical upgrade work taking the total to £610,000.

Within the reserves policy users should note that, because of accounting for the Local Government Pension Scheme (LGPS), the Trust does not recognise a pension fund asset as at 31 August 2023 (2022: deficit of £1,168,000). In accordance with the FRS 102 pension report there was a pension asset of £93,000 as at 31 August 2023.

Users should also note that a surplus or deficit position of the pension scheme would generally result in a cash flow effect for the Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The 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 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 Trust due to the recognition of the deficit.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Investment Policy

Investment policies are determined by the Trust Board. This ensures the level of funds the Trust holds can cover any immediate expenditure, without exposing the Trust to additional risk. Should any potential investment opportunity arise this would be escalated to the Trust Board for consideration.

As at 31 August 2023, no investments were held.

Principal Risks and Uncertainties

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The Trust is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Trust'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 trust'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 Trust faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

The trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances. The trustees have implemented a number of systems to assess risks that the Academies face, 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 Trust 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.

The trustees also are fully aware of their responsibilities to ensure that the trust's estate is safe, well maintained and compliant with the relevant regulations.

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme, in which there was no deficit at 31 August 2023. 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Fundraising

The Trust does not engage in any formal fundraising.

Plans for Future Periods

In January 2023, Preston Manor School suffered a serious fire in the upper school reception area which caused extensive damage to the school entrance, main front corridor and numerous offices. Due to this fewer capital works took place during the year than previously due to staffing resources having to be diverted to other priorities. The fire reinstatement project has been fully funded by the school's insurance claim and there was no excess to pay. Work was completed in mid-October and re-occupation of the affected areas took place on 30 October just after the school's half term break.

During July to August 2023, various improvements were made around the upper and lower school sites including painting and repairs.

The remaining work related to the Fire Doors, Compartmentation and Emergency Lighting project (2022/23 Condition Improvement Fund) continued throughout the year and was completed at the end of October 2023. This included upgrades to the school's fire alarm systems.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Plans for Future Periods (continued)

Preston Manor School was unsuccessful with its bids under the Condition Improvement Fund (CIF) 2023/24. The school had submitted bids for urgent electrical upgrades in the upper school and roofing repairs in the lower school.

The school is therefore intending to resubmit its bids in the 2024/25 CIF round using the feedback given by the ESFA to improve its scores. If unsuccessful again, the electrical replacement work will need to take place on a rolling programme using funds from reserves, commencing as soon as possible (once the CIF outcomes are announced in Spring 2024).

The school decided to use its 2022/23 Capital Funding to replace all the lighting in the school with LED lighting (both the DFC grant and the additional Capital Energy Efficiency grant). It was intended for this work to take place during the 2022/23 year, but due to the fire that took place, this delayed the work until October 2023. Therefore all Capital Grant money received in 2022/23 was retained and carried forward into 2023/24.

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

Funds Held as Custodian Trustee on Behalf of Others

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

Auditor

Insofar as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 27 November 2023 and signed on the board's behalf by:

Sarah Venables

S Venables
Chair of Resources, Audit and Risk Committee

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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.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of trustees has delegated the day-to-day responsibility to the Executive 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 6 times during the year.

Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Russell Denial	6	6
Donald Palmer	6	6
Everton Counsell	4	6
Jonathan Bach	5	6
Susan Lawrence	5	6
Kinna Patel	5	6
Shiraz Nasrabadi	5	6
Shahzea Tahir	5	6
Rajeev Gulati	6	6
Sarah Venables	6	6
James Frater	3	3
Archana Chavan	4	6
Suzanna Pramanik	6	6
Nadir Minar	0	6
Alqayam Mehji	6	6
Harry Pratchett	6	6

At the start of each meeting, Governors are asked (and it is minuted) whether there are any conflicts of interest to declare. If any are declared, the register of pecuniary interests is updated and the revised version is published on the school's website.

The last Governance self-evaluation and review focused on supporting the school in achieving its development priorities and the role of the governor in achieving this following our very successful Ofsted report in July 2022. Governors are aware of the two Ofsted targets and work with governors has begun in addressing the Ofsted targets with significant work already underway. Feedback on progress and priorities is through sub-committees and further discussion at bi-termly Governing Board meetings. Governors are also kept up to date with

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

education news and changes through specific agenda items in meetings, and termly Executive Headteacher reports so that leaders can be challenged effectively. The next review is due in the Autumn Term 2023.

The Resources, Audit and Risk Committee, is a sub-committee of the main board of trustees. Its main purpose is to ensure that the Academy is following the ESFA's financial regulations.

Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Sarah Venables	4	4
Everton Counsell	2	4
Russell Denial	4	4
Alqayam Mehj	4	4
Rajeev Gulati	4	4

Review of Value for Money

As accounting officer, the Executive Head 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 academy 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 or by using a framework where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year 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. There has been a particular focus on our pupil premium students to ensure that they are receiving relevant targeted intervention
- Monitoring staff performance and providing appropriate challenge, support and development

The Purpose of the System of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust 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 period 1 September 2022 to 31 August 2023 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 trust 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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GOVERNANCE STATEMENT (CONTINUED)

The Risk and Control Framework

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

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

The board of trustees has decided:

- to buy-in an internal audit service from Academy Education Services Limited

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

- Procurement
- Payroll
- Banking
- Reporting and Compliance
- Governance
- Fixed Assets
- Risk Register
- Staff expenses
- Insurance claim testing

On a termly basis, the internal auditor reports to the board of trustees, through the Resources, Audit and Risk Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The agreed schedule of work has been delivered as planned. No material control issues were identified as a result of the work undertaken.

Review of Effectiveness

As accounting officer, the Executive 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 internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the academy trust 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 Resources, Audit and Risk Committee and a plan to ensure continuous improvement of the system is in place.

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Board of Trustees on 27 November 2023 and signed on their behalf by:

Sarah Venables

S Venables
Chair of Resources, Audit and Risk Committee

R A Denial

R Denial
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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academy Trust Handbook 2022.

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

R A Denial

R Denial
Accounting Officer
Date: 27 November 2023

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEE'S RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustee (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustee's report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustee to prepare financial statements for each financial year. Under company law, the Trustee 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 Trustee are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustee 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 Trustee 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 ESFA/DfE have been applied for the purposes intended.

The Trustee 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 27 November 2023 and signed on its behalf by:

Sarah Venables

S Venables
Chair of Resources, Audit and Risk Committee

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

We have audited the financial statements of Preston Manor Academy Trust (the 'academy') for the year ended 31 August 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2023 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 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

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

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of trustees

As explained more fully in the Statement of trustee's 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We considered the nature of the industry and its control environment, and reviewed the academy's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the academy operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the charitable company's ability to operate or to avoid a material penalty.
- We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

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

Use of our report

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 opinions we have formed.

Jake Lew

Jake Lew (Senior statutory auditor)

for and on behalf of

BKL Audit LLP

Chartered Accountants
Statutory Auditor

35 Ballards Lane
London
N3 1XW

27 November 2023

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 12 March 2012 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, 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 2022 to 31 August 2023 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 ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Preston Manor Academy Trust and ESFA, 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 Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- review of management reporting documents.
- review of Trustees/Governors meeting minutes
- confirming compliance with the Academy Trust's Scheme of Delegation.
- compliance with delegated authorities.
- consideration of whether any personal benefit has been derived from the Academy Trust's transactions by staff or related parties.
- adherence to tendering policies.

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PRESTON
MANOR ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

BKL Audit LLP

Reporting Accountant

BKL Audit LLP

Chartered Accountants
Statutory Auditor

35 Ballards Lane
London
N3 1XW

Date: 27 November 2023

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants	3	-	15,119	808,378	823,497	1,121,934
Other trading activities	5	151,146	522,417	-	673,563	411,926
Investments	6	21,767	-	-	21,767	1,356
Charitable activities		-	14,647,982	-	14,647,982	13,871,142
Total income		172,913	15,185,518	808,378	16,166,809	15,406,358
Expenditure on:						
Charitable activities	8	67,853	14,654,839	961,155	15,683,847	15,415,476
Total expenditure		67,853	14,654,839	961,155	15,683,847	15,415,476
Net income/(expenditure)		105,060	530,679	(152,777)	482,962	(9,118)
Transfers between funds	18	-	(110,127)	110,127	-	-
Net movement in funds before other recognised gains		105,060	420,552	(42,650)	482,962	(9,118)
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	26	-	1,033,000	-	1,033,000	7,300,000
Net movement in funds		105,060	1,453,552	(42,650)	1,515,962	7,290,882
Reconciliation of funds:						
Total funds brought forward		535,811	559,608	30,360,646	31,456,065	24,165,183
Net movement in funds		105,060	1,453,552	(42,650)	1,515,962	7,290,882
Total funds carried forward		640,871	2,013,160	30,317,996	32,972,027	31,456,065

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 26 to 50 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	30,245,313	30,360,646
		<u>30,245,313</u>	<u>30,360,646</u>
Current assets			
Debtors	15	525,449	1,212,702
Cash at bank and in hand		3,080,401	2,659,925
		<u>3,605,850</u>	<u>3,872,627</u>
Creditors: amounts falling due within one year	16	(799,001)	(1,494,953)
Net current assets		<u>2,806,849</u>	<u>2,377,674</u>
Total assets less current liabilities		<u>33,052,162</u>	<u>32,738,320</u>
Creditors: amounts falling due after more than one year	17	(80,135)	(114,255)
Net assets excluding pension asset / liability		<u>32,972,027</u>	<u>32,624,065</u>
Defined benefit pension scheme liability	26	-	(1,168,000)
Total net assets		<u><u>32,972,027</u></u>	<u><u>31,456,065</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	30,317,996	30,360,646
Restricted income funds	18	2,013,160	1,727,608
		<u>32,331,156</u>	<u>32,088,254</u>
Restricted funds excluding pension liability	18	32,331,156	32,088,254
Pension reserve	18	-	(1,168,000)
Total restricted funds	18	<u>32,331,156</u>	<u>30,920,254</u>
Unrestricted income funds	18	<u>640,871</u>	<u>535,811</u>
Total funds		<u><u>32,972,027</u></u>	<u><u>31,456,065</u></u>

The financial statements on pages 23 to 50 were approved by the Trustee, and authorised for issue on 27 November 2023 and are signed on their behalf, by:

Sarah Venables

S Venables
Chair of Resources, Audit and Risk Committee

The notes on pages 26 to 50 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 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	20	496,174	413,030
Cash flows from investing activities	22	(37,444)	(608,227)
Cash flows from financing activities	21	(38,254)	(13,782)
Change in cash and cash equivalents in the year		420,476	(208,979)
Cash and cash equivalents at the beginning of the year		2,659,925	2,868,904
Cash and cash equivalents at the end of the year	23, 24	<u>3,080,401</u>	<u>2,659,925</u>

The notes on pages 26 to 50 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 2023

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustee 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 Trustee 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

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

• **Grants**

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

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

• **Donations**

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

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following basis:

Freehold property	-	2%
Building improvement	-	6%
Furniture and fixtures	-	20%
Computer equipment	-	33%
Motor vehicles	-	20%

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

1.6 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.

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.7 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.

1.8 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Pensions

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. Accounting policies (continued)

1.10 Pensions (continued)

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.11 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 Trustee.

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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.

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3. Income from donations and capital grants

	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Donations	15,119	-	15,119
Capital Grants	-	808,378	808,378
	<u>15,119</u>	<u>808,378</u>	<u>823,497</u>
	<u>15,119</u>	<u>808,378</u>	<u>823,497</u>

	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Donations	11,435	-	11,435
Capital Grants	-	1,110,499	1,110,499
	<u>11,435</u>	<u>1,110,499</u>	<u>1,121,934</u>
	<u>11,435</u>	<u>1,110,499</u>	<u>1,121,934</u>

4. Funding for the Academy's charitable activities

	Restricted funds 2023 £	Total funds 2023 £
DfE/ESFA grants		
General Annual Grant	12,403,500	12,403,500
Other DfE/ESFA grants		
Pupil Premium	474,363	474,363
UFSM	57,925	57,925
Others	862,834	862,834
	<u>13,798,622</u>	<u>13,798,622</u>
Other Government grants		
Local authority grants	849,360	849,360
	<u>849,360</u>	<u>849,360</u>
	<u>14,647,982</u>	<u>14,647,982</u>
	<u>14,647,982</u>	<u>14,647,982</u>

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4. Funding for the Academy's charitable activities (continued)

	Restricted funds 2022 £	Total funds 2022 £
DfE/ESFA grants		
General Annual Grants	12,149,432	12,149,432
Other DfE/ESFA grants		
Pupil Premium	458,499	458,499
UFSM	53,343	53,343
Others	375,925	375,925
	13,037,199	13,037,199
Other Government grants		
Local authority grants	815,263	815,263
	815,263	815,263
COVID-19 additional funding (DfE/ESFA)		
Other DfE/ESFA COVID-19 funding	18,680	18,680
	18,680	18,680
	13,871,142	13,871,142
	13,871,142	13,871,142

5. Income from other trading activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Letting Income	148,146	-	148,146
Catering Income	-	223,626	223,626
Other Income	3,000	259,573	262,573
Trip Income	-	39,218	39,218
	151,146	522,417	673,563
	151,146	522,417	673,563

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**NOTES TO THE FINANCIAL STATEMENTS
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5. Income from other trading activities (continued)

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Letting Income	105,828	-	105,828
Catering Income	-	234,585	234,585
Other Income	6,000	46,990	52,990
Trip Income	-	18,523	18,523
	<u>111,828</u>	<u>300,098</u>	<u>411,926</u>

6. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Investment Income	<u>21,767</u>	<u>21,767</u>

	Unrestricted funds 2022 £	Total funds 2022 £
Investment Income	<u>1,356</u>	<u>1,356</u>

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7. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £
Educational Activities:				
Direct costs	8,427,298	876,500	688,620	9,992,418
Allocated support costs	3,812,789	520,174	1,358,466	5,691,429
	<u>12,240,087</u>	<u>1,396,674</u>	<u>2,047,086</u>	<u>15,683,847</u>
	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £
Educational Activities:				
Direct costs	7,943,520	766,583	461,999	9,172,102
Allocated support costs	4,172,630	433,742	1,637,002	6,243,374
	<u>12,116,150</u>	<u>1,200,325</u>	<u>2,099,001</u>	<u>15,415,476</u>

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Educational Activities	<u>67,853</u>	<u>15,615,994</u>	<u>15,683,847</u>
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Educational Activities	<u>52,860</u>	<u>15,362,616</u>	<u>15,415,476</u>

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9. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Educational Activities	9,992,418	5,691,429	15,683,847

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Educational Activities	9,172,102	6,243,374	15,415,476

Analysis of direct costs

	Educational Activities 2023 £	Total funds 2023 £
Staff Costs	7,990,470	7,990,470
Depreciation	961,155	961,155
Educational Supplies	167,295	167,295
Technology Costs	172,033	172,033
Teaching Supply Costs	436,828	436,828
Staff Development and Training	35,731	35,731
Examination Fees	172,701	172,701
Other Direct Costs	56,205	56,205
	9,992,418	9,992,418

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9. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	Educational Activities 2022 £	Total funds 2022 £
Staff costs	7,485,687	7,485,687
Depreciation	831,921	831,921
Educational Supplies	165,039	165,039
Technology Costs	14,582	14,582
Teaching Supply Costs	457,833	457,833
Staff Development and Training	17,717	17,717
Examination Fees	157,913	157,913
Other Direct Costs	41,410	41,410
	<u>9,172,102</u>	<u>9,172,102</u>

Analysis of support costs

	Educational Activities 2023 £	Total funds 2023 £
Pension Finance Cost	46,000	46,000
Staff Costs	3,196,187	3,196,187
Technology Costs	299,103	299,103
Recruitment and Support	52,570	52,570
Support Staff Supply Costs	797,602	797,602
Maintenance of Premises and Equipment	193,870	193,870
Other Premises Costs	30,585	30,585
Energy	223,405	223,405
Rent & Rates	67,936	67,936
Insurance	44,603	44,603
Cleaning	51,992	51,992
Security and Transport	17,025	17,025
Non Cash Pension Costs	(181,000)	(181,000)
Catering Costs (excl catering staff)	228,043	228,043
Other Support Costs	285,498	285,498
Governance Costs	338,010	338,010
	<u>5,691,429</u>	<u>5,691,429</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Educational Activities 2022 £	Total funds 2022 £
Pension finance costs	133,000	133,000
Staff costs	2,943,824	2,943,824
Technology Costs	653,895	653,895
Recruitment and Support	39,691	39,691
Support Staff Supply Costs	695,806	695,806
Maintenance of Premises and Equipment	150,676	150,676
Other Premises Costs	20,972	20,972
Energy	231,967	231,967
Rent & Rates	63,870	63,870
Insurance	44,080	44,080
Cleaning	26,744	26,744
Security and Transport	22,670	22,670
Non Cash Pension Costs	533,000	533,000
Catering Costs (excl catering staff)	210,793	210,793
Other Support Costs	188,780	188,780
Governance Costs	283,606	283,606
	<u>6,243,374</u>	<u>6,243,374</u>

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	151,864	-
Depreciation of tangible fixed assets	961,155	831,921
Fees paid to auditors for:		
- audit	6,480	5,610
- other services	2,160	2,000
	<u>6,480</u>	<u>5,610</u>
	<u>2,160</u>	<u>2,000</u>

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11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	8,307,924	7,752,396
Social security costs	897,796	841,979
Pension costs	1,980,937	1,814,902
	<u>11,186,657</u>	<u>10,409,277</u>
Agency staff costs	436,828	457,833
Non cash pension costs	(181,000)	533,000
Support staff agency costs	797,602	695,806
Staff restructuring costs	-	20,234
	<u>12,240,087</u>	<u>12,116,150</u>

Staff restructuring costs comprise:

	2023 £	2022 £
Severance payments	-	20,234
	<u>-</u>	<u>20,234</u>

b. Staff numbers

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

	2023 No.	2022 No.
Support and Admin	96	95
Management	12	14
Teachers	107	104
	<u>215</u>	<u>213</u>

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11. Staff (continued)

c. Higher paid staff

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	24	24
In the band £70,001 - £80,000	6	1
In the band £80,001 - £90,000	2	3
In the band £90,001 - £100,000	3	1
In the band £120,001 - £130,000	1	1
	<u>1</u>	<u>1</u>

d. Key management personnel

The key management personnel of the Academy comprise the Trustee and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £1,426,526 (2022 - £1,505,492 (restated)).

12. Trustee's remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. 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. The value of Trustee's remuneration and other benefits was as follows:

		2023 £	2022 £
S Nasrabadi, Staff Trustee	Remuneration	40,000 -	40,000 -
		45,000	45,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000
R Denial, Headteacher	Remuneration	125,000 -	120,000 -
		130,000	125,000
	Pension contributions paid	30,000 -	25,000 -
		35,000	30,000
H Pratchett, Teacher Trustee	Remuneration	60,000 -	45,000 -
		65,000	50,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £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 2023 was £224 (2022 - £251). The cost of this insurance is included in the total insurance cost.

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14. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2022	34,971,731	651,719	506,726	80,849	36,211,025
Additions	685,239	70,768	89,815	-	845,822
Disposals	-	(183,496)	(294,254)	(12,000)	(489,750)
At 31 August 2023	<u>35,656,970</u>	<u>538,991</u>	<u>302,287</u>	<u>68,849</u>	<u>36,567,097</u>
Depreciation					
At 1 September 2022	4,977,175	426,358	391,774	55,072	5,850,379
Charge for the year	794,872	81,628	79,031	5,624	961,155
On disposals	-	(183,496)	(294,254)	(12,000)	(489,750)
At 31 August 2023	<u>5,772,047</u>	<u>324,490</u>	<u>176,551</u>	<u>48,696</u>	<u>6,321,784</u>
Net book value					
At 31 August 2023	<u>29,884,923</u>	<u>214,501</u>	<u>125,736</u>	<u>20,153</u>	<u>30,245,313</u>
At 31 August 2022	<u>29,994,556</u>	<u>225,361</u>	<u>114,952</u>	<u>25,777</u>	<u>30,360,646</u>

15. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	1,096	3,052
Other debtors	56,725	223,326
Prepayments and accrued income	467,628	986,324
	<u>525,449</u>	<u>1,212,702</u>

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16. Creditors: Amounts falling due within one year

	2023 £	2022 £
Other loans	29,499	33,633
Trade creditors	72,948	794,524
Other taxation and social security	225,147	210,163
Other creditors	217,007	201,687
Accruals and deferred income	254,400	254,946
	<u>799,001</u>	<u>1,494,953</u>
	2023 £	2022 £
Deferred income at 1 September 2022	37,662	60,511
Resources deferred during the year	79,673	37,662
Amounts released from previous periods	(37,662)	(60,511)
	<u>79,673</u>	<u>37,662</u>

At the balance sheet date the academy trust was holding funds received in advance for ESFA Universal Free School Meals grant income of £35,473 (2022: £31,653) and London Borough of Brent of £41,791, unspent bursary grant income totalling £59 (2022: £6,009) and other income of £2,350 (2022: £NIL).

17. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Other loans	80,135	114,255

Included within creditors less than and greater than one year is a total loan amount of £109,634 (2022: £147,888) from the Education & Skills Funding Agency (ESFA). Within this balance, there are four CIF loans. The first CIF loan is repayable in 2023, with a total balance outstanding of £Nil (2022: £6,878) at year end with an interest rate accruing on the balance of 1.07%. The second CIF loan is repayable in 2024 with a total balance outstanding of £6,497 (2022: £14,872) with a 1.55% interest rate accruing on the balance. The third CIF loan was taken out in FY2021 repayable in 2026. The total balance outstanding at year end is £13,974 (2022: £19,095) with a interest rate accruing of 1.91%. In addition, there was a new CIF loan drawn down during the current financial year which matures in 5 years' time, in 2027. The total balance outstanding at the year end for this loan is £7,477 (2022: £9,346) with an interest rate accruing of 1.99%. Within this balance there are also four Salix loans. The first Salix loan is repayable in 2025 with a balance outstanding at year end of £13,994 (2022: £19,591) with an interest rate accruing of 0%. The second Salix loan is repayable in 2029 with a balance outstanding at year end of £16,571 (2022: £19,121) with a 0% interest rate accruing on the balance. The third Salix loan is repayable in 2029 with a balance outstanding at year end of £43,538 (2022: £50,237) with a 0% interest rate accruing on the balance. The fourth salix loan is a new loan which was drawn down during the current year. The total balance outstanding at year end is £7,581 (2022: £8,747) within a 0% interest rate accruing on the balance. This loan is repayable in 8 years' time, in 2030.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General Funds - all funds	535,811	172,913	(67,853)	-	-	640,871
Restricted general funds						
GAG	1,727,608	12,403,500	(12,007,821)	(110,127)	-	2,013,160
Pupil Premium	-	474,363	(474,363)	-	-	-
Other ESFA Funding	-	862,834	(862,834)	-	-	-
UIFSM	-	57,925	(57,925)	-	-	-
SEN Funding (LA)	-	514,952	(514,952)	-	-	-
Other LA Funding	-	334,408	(334,408)	-	-	-
General Funds	-	537,536	(537,536)	-	-	-
Pension reserve	(1,168,000)	-	135,000	-	1,033,000	-
	<u>559,608</u>	<u>15,185,518</u>	<u>(14,654,839)</u>	<u>(110,127)</u>	<u>1,033,000</u>	<u>2,013,160</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - All Funds	30,360,646	808,378	(961,155)	110,127	-	30,317,996
Total Restricted funds	<u>30,920,254</u>	<u>15,993,896</u>	<u>(15,615,994)</u>	<u>-</u>	<u>1,033,000</u>	<u>32,331,156</u>
Total funds	<u><u>31,456,065</u></u>	<u><u>16,166,809</u></u>	<u><u>(15,683,847)</u></u>	<u><u>-</u></u>	<u><u>1,033,000</u></u>	<u><u>32,972,027</u></u>

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

Restricted fixed assets funds have been increased by capital grants provided by DfE and reduced by depreciation charges.

Restricted general fund have been increased by revenue grants provided by DfE and reduced by expenditure incurred in the operation of the academy.

The restricted funds can only be used in terms of limitations imposed by the Funding Agreement with the DfE and the terms of any specific grant.

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18. Statement of funds (continued)

Unrestricted funds have been increased by voluntary contributions by parents and reduced by expenditure incurred in the operation of the academy.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2023.

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General Funds - all funds	472,707	113,184	(50,080)	-	-	535,811
Restricted general funds						
GAG	1,933,819	12,149,432	(11,757,055)	(598,588)	-	1,727,608
Pupil Premium	-	458,499	(458,499)	-	-	-
Other ESFA Funding	-	312,219	(312,219)	-	-	-
UIFSM	-	53,343	(53,343)	-	-	-
SEN Funding (LA)	-	521,993	(521,993)	-	-	-
Other LA Funding	-	293,270	(293,270)	-	-	-
Catch up Premium	77,177	-	(77,177)	-	-	-
Other DfE/ESFA COVID-19 Funding	-	82,386	(82,386)	-	-	-
General Funds	-	311,533	(311,533)	-	-	-
Pension reserve	(7,802,000)	-	(666,000)	-	7,300,000	(1,168,000)
	<u>(5,791,004)</u>	<u>14,182,675</u>	<u>(14,533,475)</u>	<u>(598,588)</u>	<u>7,300,000</u>	<u>559,608</u>

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18. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	29,483,480	1,110,499	(831,921)	598,588	-	30,360,646
Total Restricted funds	<u>23,692,476</u>	<u>15,293,174</u>	<u>(15,365,396)</u>	<u>-</u>	<u>7,300,000</u>	<u>30,920,254</u>
Total funds	<u><u>24,165,183</u></u>	<u><u>15,406,358</u></u>	<u><u>(15,415,476)</u></u>	<u><u>-</u></u>	<u><u>7,300,000</u></u>	<u><u>31,456,065</u></u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	30,245,313	30,245,313
Current assets	640,871	2,782,662	182,317	3,605,850
Creditors due within one year	-	(769,502)	(29,499)	(799,001)
Creditors due in more than one year	-	-	(80,135)	(80,135)
Total	<u><u>640,871</u></u>	<u><u>2,013,160</u></u>	<u><u>30,317,996</u></u>	<u><u>32,972,027</u></u>

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19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	30,360,646	30,360,646
Current assets	535,811	3,336,816	-	3,872,627
Creditors due within one year	-	(1,494,953)	-	(1,494,953)
Creditors due in more than one year	-	(114,255)	-	(114,255)
Provisions for liabilities and charges	-	(1,168,000)	-	(1,168,000)
Total	535,811	559,608	30,360,646	31,456,065

20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2023 £	2022 £
Net income/(expenditure) for the year (as per Statement of financial activities)	482,962	(9,118)
Adjustments for:		
Depreciation	961,155	831,921
Capital grants from DfE and other capital income	(808,378)	(1,100,860)
Defined benefit pension scheme cost less contributions payable	(181,000)	533,000
Defined benefit pension scheme finance cost	46,000	133,000
Decrease/(increase) in debtors	687,253	(528,580)
(Decrease)/increase in creditors	(691,818)	553,667
Net cash provided by operating activities	496,174	413,030

21. Cash flows from financing activities

	2023 £	2022 £
Cash inflows from new borrowing	-	18,676
Repayments of borrowing	(38,254)	(32,458)
Net cash used in financing activities	(38,254)	(13,782)

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22. Cash flows from investing activities

	2023 £	2022 £
Purchase of tangible fixed assets	(845,822)	(1,709,087)
Capital grants from DfE Group	808,378	1,100,860
Net cash used in investing activities	(37,444)	(608,227)

23. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand and at bank	3,080,401	2,659,925
Total cash and cash equivalents	3,080,401	2,659,925

24. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	2,659,925	420,476	3,080,401
Debt due within 1 year	(33,633)	4,134	(29,499)
Debt due after 1 year	(114,255)	34,120	(80,135)
	2,512,037	458,730	2,970,767

25. Capital commitments

	2023 £	2022 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	-	787,875
LED lighting project	101,094	-
	101,094	787,875

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26. Pension commitments

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

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

Contributions amounting to £216,897 were payable to the schemes at 31 August 2023 (2022 - £200,957) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the year amounted to £1,256,354 (2022 - £1,168,127).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

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26. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £856,000 (2022 - £765,000), of which employer's contributions totalled £725,000 (2022 - £649,000) and employees' contributions totalled £131,000 (2022 - £116,000). The agreed contribution rates for future years are 33.5 per cent for employers for the fiscal year ending 31 March 2024 and 32 per cent for the fiscal year ending 31 March 2025 and 5.5 -12.5 per cent 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Principal actuarial assumptions

London Borough of Brent Pension Fund

	2023	2022
	%	%
Rate of increase in salaries	3.25	3.35
Rate of increase for pensions in payment/inflation	2.95	3.05
Discount rate for scheme liabilities	5.20	4.25

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

	2023	2022
	Years	Years
Retiring today		
Males	21.8	22.1
Females	24.5	24.5
Retiring in 20 years		
Males	22.8	23.2
Females	25.8	26.0

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26. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2023 £	At 31 August 2022 £
Equities	6,175,000	5,571,000
Gilts	860,000	766,000
Property	547,000	487,000
Cash and other liquid assets	235,000	140,000
Total market value of assets	7,817,000	6,964,000

The actual return on scheme assets was £323,000 (2022 - £316,000).

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

	2023 £	2022 £
Current service cost	(544,000)	(1,182,000)
Interest income	312,000	112,000
Interest cost	(358,000)	(245,000)
Total amount recognised in the Statement of financial activities	(590,000)	(1,315,000)

Changes in the present value of the defined benefit obligations were as follows:

	2023 £	2022 £
At 1 September	8,132,000	14,279,000
Current service cost	544,000	1,182,000
Interest cost	358,000	245,000
Employee contributions	131,000	116,000
Actuarial gains	(1,252,000)	(7,616,000)
Benefits paid	(96,000)	(74,000)
At 31 August	7,817,000	8,132,000

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26. Pension commitments (continued)

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2023 £	2022 £
At 1 September	6,964,000	6,477,000
Interest income	312,000	112,000
Actuarial losses	(219,000)	(316,000)
Employer contributions	725,000	649,000
Employee contributions	131,000	116,000
Benefits paid	(96,000)	(74,000)
At 31 August	<u>7,817,000</u>	<u>6,964,000</u>

27. Contingent asset

As at 31 August 2023, the actuarial valuation of the Local Government Pension Scheme was calculated as a surplus of £93,000 (2022: £1,168,000 deficit). As this valuation does not give rise to a virtually certain economic benefit for the trust, either in the form of a reduction in future contributions or a cash settlement, any surplus arising on the valuation is recognised solely as a contingent asset.

28. Operating lease commitments

At 31 August 2023 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	216,540	-
Later than 1 year and not later than 5 years	291,315	-
	<u>507,855</u>	<u>-</u>

29. 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 £10 for the debts and liabilities contracted before he/she ceases to be a member.

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30. Related party transactions

Owing to the nature of the Academy 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 trustee have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

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

31. Post balance sheet event

The supreme court ruling on *Harpur vs Brazel* (2022) has upheld the ruling impacting holiday pay for part time workers. Employers will now be required to revisit their historical holiday calculations to retrospectively apply this ruling. Whilst this will create a liability for the trust, the government are yet to produce guidance as to the specifics of the calculation required, and hence no accurate provision can currently be made.

32. Agency arrangements

The academy trust distributes 16 -19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2023 the trust received £23,548 (2022: £20,519) and disbursed £27,252 (2022: £13,900) from the fund. An amount of £59 (2022: £6,009) is included in deferred income relating to undistributed funds that is repayable to the ESFA.