

REGISTERED COMPANY NUMBER: 09481323 (England and Wales)

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018
FOR
PRESTOLEE MULTI ACADEMY TRUST**



Wallwork Nelson & Johnson
Chartered Accountants & Statutory Auditors
Chandler House
7 Ferry Road Office Park
Riversway
Preston
Lancashire
PR2 2YH

PRESTOLEE MULTI ACADEMY TRUST

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FOR THE YEAR ENDED 31 AUGUST 2018**

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PRESTOLEE MULTI ACADEMY TRUST

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

MEMBERS

Mrs S Farnworth
Miss A Peek
Mrs D Bithell
Mr S Fox
Mr B Barclay

TRUSTEES

Mr S Fox
Mr A Gallimore
Mrs M Parker (resigned 17/11/2017)
Mrs L Gartside
Mrs L Turner (resigned 17/11/2017)
Mr A L D Sargeant (appointed 27/6/2018)

COMPANY SECRETARY

Mr M J Govier

REGISTERED OFFICE

Church Road
Stoneclough
Radcliffe
Manchester
Greater Manchester
M26 1HJ

REGISTERED COMPANY NUMBER

09481323 (England and Wales)

AUDITORS

Wallwork Nelson & Johnson
Chartered Accountants & Statutory Auditors
Chandler House
7 Ferry Road Office Park
Riversway
Preston
Lancashire
PR2 2YH

BANKERS

Lloyds Bank
9-11 Hotel Street
Bolton
Lancashire
BL1 1DB

SOLICITORS

Browne Jacobson
3 Picadilly Place
Manchester
M1 3BN

PRESTOLEE MULTI ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2018. The Trustees have adopted the provisions of 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) and the Academies Accounts Direction issued by the ESFA.

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1st September 2017 to 31st August 2018. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

On 1 September 2017 two schools, Barton Moss Community Primary School and Waterloo Primary School converted to academy status under the Academies Act 2010 and their operations, assets and liabilities were transferred to Prestolee Multi Academy Trust.

For the period of accounts, the trust comprises Prestolee Primary School, Bowness Primary School, Barton Moss Community Primary School, Waterloo Primary School, Prestolee Teaching School and SCITT and provides leadership to improve educational outcomes primarily across the Northwest Region. Prestolee Primary School has a pupil capacity of 210 and had a roll of 212 at 31st August 2018. Bowness Primary School currently has a pupil capacity of 140 and had a roll of 120 at 31st August 2018. Barton Moss Community Primary School has a pupil capacity of 210 and had a roll of 184 at 31 August 2018. Waterloo Primary School has a pupil capacity of 420 and had a roll of 397 at 31 August 2018.

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 Prestolee Multi Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Prestolee Multi Academy Trust. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

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

Members' Liability

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

Trustees' Indemnities

There are no third party indemnity provisions requiring disclosure in accordance with The Companies Act 2006 s236

Method of Recruitment and Appointment or Election of Trustees

The Members may appoint up to five Trustees through such process as it may determine.

The term of office for any Trustee shall be four years, save that this time limit shall not apply to the posts of Accounting Officer or Chief Financial Officer. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Directors depends on their existing experience. Where appropriate, induction training (provided either internally or by external providers) on charity, educational, legal and financial matters. All Directors have access to copies of policies, procedures, minutes, accounts, budgets, plans and other documents appropriate to their roles.

PRESTOLEE MULTI ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2018

Organisational Structure

The Trust Board are collectively responsible for Prestolee Primary School, Bowness Primary School, Barton Moss Primary School, Waterloo Primary School, Prestolee Teaching School and Prestolee SCITT. These subsidiary organisations have their own local governing body or management committee with responsibility for their operation and achievement in accordance with the policies, standards and targets set by the Trust board. The local governing bodies are responsible to the board of directors (who have overall responsibility) for all forms of statutory and regulatory compliance.

Local Governing Bodies report to the board as required to support the evaluation of compliance and also financial and operational performance in accordance with the required standards and KPIs. The board are responsible for the systems of quality assurance and reporting that underpin this evaluation.

The Board conducts its work through three key sub-committees, each with scope across the whole business covering Finance & Audit, Personnel and Property and Standards.

The Chief Executive is the Accounting Officer. Day to day management is delegated to the Chief Executive, Deputy Chief Executive, Headteachers and their Deputies and the MAT Business Manager who is the Chief Financial Officer. These managers control the Trust and Academies at an executive level.

Arrangements for setting pay and remuneration of key management personnel

Within the FRS102 definition of Key Management Personnel, the Personnel and Premises sub-committee of the board would oversee pay and remuneration.

Trade Union Facility Time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, the Trust reports that there has been no time spent by direct employees on union facilities time and hence no time lost.

The Trust fully supports the work of the unions and is paying the following annually in de-delegation arrangements to support their facilitation via the respective LAs.

£847 Prestolee Primary School
£480 Bowness Primary School
£470 Barton Moss Primary School
£2914 Waterloo Primary School

Related Parties and other Connected Charities and Organisations

There have been no known paid Related Party Transactions.

Prestolee Primary School has been making a regional contribution to the progress of educational outcomes since 2009 when the school provided targeted support to local schools in partnership with the NCTL. This was achieved with the deployment of an LLE and SLEs.

In 2011/12, following an Outstanding Ofsted judgement, Prestolee became a National Support School as the Headteacher was then designated a National Leader of Education. This led to the school playing a significant part in the Greater Manchester Challenge/Leadership Strategy.

In the following year, the school was designated as National Teaching School and now works with a wide variety of partners and through its alliance of schools to deliver the national key strategic objectives. The school has become one of the key providers of school based initial teacher training in the region and chairs the regional ITT board.

The school was the focus of a DfE case study 'A freedom to lead' in July 2014 which examined the ingredients of successful leadership at Prestolee.

PRESTOLEE MULTI ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2018

After several years of providing a high standard of initial teacher training in partnership with Cumbria University, the school has been successful in winning a bid to become a SCITT (School Centred Initial Teacher Training) which started its work in September 2015. This allowed the organisation to be an awarding body for Qualified Teacher Status (QTS) which has previously been the domain of the universities. It affords the opportunity for Prestolee to expand its ITT provision but also able to commission other providers to deliver the government strategy in partnership with Prestolee.

Prestolee is a founding member of the Greater Manchester Learning Partnership. The GMLP is central to the delivery of the School Led system in the North West and brings together the Local Authorities, Regional Schools Commissioner, North West School Improvement Board, Devolution Manchester and the Teaching Schools Council to form the Greater Manchester Executive. The purpose of this is to improve the life chances of all the learners of Greater Manchester. It brings together the whole system in a single place. All members subscribe to the notion of working together, in open and honest collaboration to share capacity, shape the future of Greater Manchester and ensure those charged with delivering education are supported.

OBJECTIVES AND ACTIVITIES

Objectives and aims

In April 2015, Prestolee Multi Academy Trust (MAT) was formed by Prestolee Primary School. Later in the same year, the trust expanded to include Bowness Primary School in addition to the Teaching School and later the SCITT. In 2017 the trust expanded further to incorporate Waterloo Primary School in Tameside and Barton Moss Primary School in Salford. This has provided a platform that facilitates the scalability required to support the organisation as it realises its vision to operate a successful chain of schools that each incorporate a common set of values and ethos that will deliver first class education. The MAT is pursuing a strategy of sustainable growth.

Charitable Objects:

a. to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum ("the mainstream Academies") or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies")

b. to promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Aims

The key aim of the trust is to achieve improvements in educational leadership, systems and outcomes, not only within its own organisation but within the region.

PRESTOLEE MULTI ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2018

OBJECTIVES AND ACTIVITIES

Significant activities

The Trust deploys several of its key staff in targeted support of other schools. In addition to the benefit provided to the target school, this provides significant gain in experience and skills for our own staff that are intrinsic to achieving continual improvement and expanding leadership capacity within the trust and its alliance. The Trust have successfully supported many schools in the region that have now been rated 'good'.

The Trust also engages staff and leaders from other members of its alliance and strategic partners and they also receive the same indirect benefit in the same way.

As a significant provider of quality Initial Teacher Training (ITT), the Trust is able to provide a high calibre of teachers with future leadership potential. The Trust, its alliance and partners are able to benefit from this rich supply of talent and are able to provide good opportunities for the teachers that are trained.

The Prestolee SCITT has been awarded a rating of outstanding as an ITT provider in 2018. The Trust has been successful in winning some funding to conduct a pilot exercise that will establish and hopefully embed the outstanding ITT practice in other areas of need throughout the North West.

Since taking on Waterloo and Barton Moss in September 2017, the Trust has expanded its work to improve the quality of teaching and engagement, business administration, community work and quality of the curriculum. The Trust has maintained the outstanding standards at Prestolee Primary School.

Bowness Primary School has been rated by OFSTED as Good in 2018. Bowness continues to improve.

Public benefit

All of the strategies and activities described above are wholly relevant in the aggressive pursuit of the public benefit described within the charitable objects and the stated aims of the Trust. This is true, both within the Trust and in the wider region. All four schools are developing their community engagement through their PTAs, community and childcare facilities and strong engagement with its parents and community. The academy trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

PRESTOLEE MULTI ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2018

STRATEGIC REPORT

Achievement and performance

Charitable activities

Prestolee Primary School

Key stage 2

This is provisional data for 2017/2018. Any corrections made to this school will be reflected when the DFE re-publish the data in a few months. National and local authority benchmarks may also change.

Progress in reading, writing and maths

Reading	+2.1
Writing	+1.3
Maths	+5.1

Above average progress. Scores are calculated by comparing the key stage 2 test and assessment results of pupils at this school with the results of pupils in schools across England who started with similar assessment results at the end of key stage 1.

Reading, writing and maths combined

Prestolee school - 81%

National average- 64%

Percentage of pupils achieving the higher standard

Prestolee school - 22%

National average- 10%

Average scaled score in Reading

Prestolee school - 107

National average- 105

Average scaled score in Maths

Prestolee school - 110

National average- 110

Key stage 1

Percentage achieving at least the expected standard in reading

Prestolee school - 70%

National average- 75%

Percentage achieving greater depth in reading

Prestolee school - 20%

National average- 26%

Percentage achieving at least the expected standard in writing

Prestolee school - 70%

National average- 70%

Percentage achieving greater depth in writing

Prestolee school - 17%

National average- 16%

Percentage achieving at least the expected standard in maths

Prestolee school - 73%

National average - 76%

Percentage achieving greater depth in maths

Prestolee school - 17%

National average- 22%

Percentage achieving the expected standard in phonics

A very large majority of pupils (93%) met the expected standard in year 1.

Bowness Primary School

Key stage 2

This is provisional data for 2017/2018. Any corrections made to this school will be reflected when the DFE re-publish the data in a few months. National and local authority benchmarks may also change.

PRESTOLEE MULTI ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2018

STRATEGIC REPORT

Achievement and performance

Charitable activities

Progress in reading, writing and maths

Reading	+0.00
Writing	+1.80
Maths	-0.03

Average progress. Scores are calculated by comparing the key stage 2 test and assessment results of pupils at this school with the results of pupils in schools across England who started with similar assessment results at the end of key stage 1.

Reading, writing and maths combined

Bowness school - 62%
National average- 64%

Percentage of pupils achieving the higher standard

Bowness school - 0%
National average- 10%

Average scaled score in Reading

Bowness school - 102
National average- 105

Average scaled score in Maths

Bowness school - 104
National average-104

Key stage 1

Percentage achieving at least the expected standard in reading

Bowness school - 73%
National average- 75%

Percentage achieving greater depth in reading

Bowness school - 18%
National average- 26%

Percentage achieving at least the expected standard in writing

Bowness school - 73%
National average- 70%

Percentage achieving greater depth in writing

Bowness school - 18%
National average- 16%

Percentage achieving at least the expected standard in maths

Bowness school - 73%
National average- 76%

Percentage achieving greater depth in maths

Bowness school - 18%
National average- 22%

Percentage achieving the expected standard in phonics

A very large majority of pupils (83%) met the expected standard in year 1.

Barton Moss Primary School

Key stage 2

This is provisional data for 2017/2018. Any corrections made to this school will be reflected when the DFE re-publish the data in a few months. National and local authority benchmarks may also change.

Progress in reading, writing and maths

Reading	+0.00
Writing	+1.80
Maths	-0.03

Average progress. Scores are calculated by comparing the key stage 2 test and assessment results of pupils at this school with the results of pupils in schools across England who started with similar assessment results at the end of key stage 1.

PRESTOLEE MULTI ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2018

STRATEGIC REPORT

Achievement and performance

Charitable activities

Reading, writing and maths combined

Barton Moss school - 43%

National average- 75%

Percentage of pupils achieving the higher standard

Barton Moss school - 14%

National average- 10%

Average scaled score in Reading

Barton Moss school - 102

National average- 105

Average scaled score in Maths

Barton Moss school - 102

National average- 104

Key stage 1

Percentage achieving at least the expected standard in reading

Barton Moss school - 79%

National average- 75%

Percentage achieving greater depth in reading

Barton Moss school - 14%

National average- 26%

Percentage achieving at least the expected standard in writing

Barton Moss school - 71%

National average- 70%

Percentage achieving greater depth in writing

Barton Moss school - 14%

National average- 16%

Percentage achieving at least the expected standard in maths

Barton Moss school - 64%

National average- 76%

Percentage achieving greater depth in maths

Barton Moss school - 11%

National average- 22%

Percentage achieving the expected standard in phonics

A large majority of pupils (79%) met the expected standard in year 1.

Waterloo Primary School

Key stage 2

This is provisional data for 2017/2018. Any corrections made to this school will be reflected when the DFE re-publish the data in a few months. National and local authority benchmarks may also change.

Progress in reading, writing and maths

Reading -0.7

Writing -4.2

Maths -2.0

Below average progress. Scores are calculated by comparing the key stage 2 test and assessment results of pupils at this school with the results of pupils in schools across England who started with similar assessment results at the end of key stage 1.

Reading, writing and maths combined

Waterloo school - 43%

National average- 64%

Percentage of pupils achieving the higher standard

Waterloo school - 2%

National average- 10%

PRESTOLEE MULTI ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2018

STRATEGIC REPORT

Achievement and performance

Charitable activities

Average scaled score in Reading

Waterloo school - 103

National average- 105

Average scaled score in Maths

Waterloo school - 101

National average- 104

Key stage 1

Percentage achieving at least the expected standard in reading

Waterloo school - 59%

National average- 75%

Percentage achieving greater depth in reading

Waterloo school - 2%

National average- 26%

Percentage achieving at least the expected standard in writing

Waterloo school - 42%

National average- 70%

Percentage achieving greater depth in writing

Waterloo school - 0%

National average- 16%

Percentage achieving at least the expected standard in maths

Waterloo school - 68%

National average- 76%

Percentage achieving greater depth in maths

Waterloo school - 5%

National average- 22%

Percentage achieving the expected standard in phonics

A large majority of pupils (72%) met the expected standard in year 1.

SCITT / Teaching School

Key Strengths Highlighted by OFSTED in the 2018 Inspection (rated Outstanding)

"The Leadership of the ITT partnership is outstanding. Leaders are relentless in their drive for excellence and are highly ambitious for the success of both their current and former trainees, and for the schools in their partnership. Their excellent leadership has been instrumental in securing outstanding outcomes for trainees and NQTs.

Leaders have established a strong culture of continuous improvement and make excellent use of their detailed and accurate self-evaluation. Their swift and comprehensive response following stage 1 of the inspection added additional value for current trainees and NQTs.

Communication at all levels within the partnership is outstanding and is seen as a significant strength by all stakeholders.

The partnership is extremely successful in meeting the needs of individual trainees, through personalising their training programme. This ensures that trainees have the skills, knowledge and resilience needed to teach successfully in schools within the partnership and beyond."

PRESTOLEE MULTI ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2018

STRATEGIC REPORT

Financial review

Financial position

After establishing the Trust with Prestolee Primary School and then Bowness Primary School in 2015, the Trust completed the planned conversion of Waterloo Primary School and Barton Moss Primary School on 1st September 2017. The Trust received revenue balances from the respective Local Authorities of:

£128,813.78 for Barton Moss Primary School revenue balance

£217,753.10 for Waterloo Primary School revenue balance

The Trust inherited further assets on Conversion:

£81,750 for Barton Moss Primary School Furniture, Fittings and Equipment (FFE)

£85,400 for Waterloo Primary School Furniture, Fittings and Equipment (FFE)

£20,300 for Barton Moss Primary School IT Equipment

£61,500 for Waterloo Primary School IT Equipment

£1,720,000 for Barton Moss Land (Long term lease)

£780,000 for Barton Moss Buildings (Long term lease)

£2,995,000 for Waterloo Land (Long term lease)

£1,065,000 for Waterloo Buildings (Long term lease)

The original Land and buildings valuation was supplied by valuers FHP on the basis of Depreciation Replacement Cost (DRC)

The majority of the MAT's grant funding allocation comes from the following sources:

General Annual Grants, Pupil Premium, Devolved Formula Capital, Primary Sports Grant, Universal Infant Free School Meals Grant, Collaborative Grant, High Needs and Early Years Funding from the Local Authority. This income is proportioned to statemented children and contextual pupil numbers.

All schools within the Trust have a cumulative surplus balance as noted within the statements.

Investment policy and objectives

The aim of this policy is to ensure that funds not immediately required to cover anticipated expenditure, where appropriate are invested in such a way as to maximise income but take into account risks. Where investments are made, suitable financial advice will be sought. During the period, no investments were made.

Reserves policy

The policy of the trust is to generate reserves sufficient to safeguard financial stability and operation. This will always be in balance with current and future resourcing requirements to best deliver its strategic and charitable objectives.

The directors consider the reserves here to be appropriate in line with these aims. The Trust has a plan to use some of the present surplus of central reserves to fund an operational hub for teacher training, continuing professional development and leadership development within the region. The aim of this is to facilitate the growth in ITT services.

Principal risks and uncertainties

The main inherent risk in any school relates to performance. There is substantial and regular monitoring of performance measures and systems of quality assurance and benchmarking for each of the subsidiary organisations within the Trust. This is regularly reviewed by each of their LGBs and Management Committees who in turn report to the Trust Standards Committee. Each subsidiary organisation is also subject to external scrutiny and audit from Ofsted and other regulatory bodies. The Trust also seeks regular external scrutiny and peer review to provide the evidence to confirm and validate the required standards and performance. The Trustees are satisfied that they are in receipt of information that will facilitate timely actions sufficient to mitigate the risk of any deterioration of performance or failure to improve and safeguard any loss of accreditation or reputation. The effect of the new national funding formula is uncertain as is future government policy that may reduce several aspects of our current funding allocations in future years. There is risk in parent/carer expectations and understanding of how policy is developing with SEND funding and EHCP personal budgets. Funding for system leadership responsibilities does not allow the school to invest in the capacity needed to respond to the system demands or local needs in the required timeframes. The ESFA and LAs have reduced elements of school funding at the same time as costs are increasing. The Trust is pursuing a policy of steady growth in order to provide healthy funding for central school improvement functionality. The Trust reports and analyses its financial outlook in accordance with the Academy Handbook requirements.

PRESTOLEE MULTI ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2018

STRATEGIC REPORT

Future plans

The Trust are pursuing a planned programme of steady expansion and are now in discussions with DfE and potential schools that have an interest in joining the MAT. The Trust are also exploring opportunities to open a free school within 2-3 years. A key enabler for the future operation of the SCITT and Teaching School is a Teacher Training Centre (TTC). The Trust are considering opportunities to purchase a suitable building for this purpose. These developments will deliver the wider objectives that have been the purpose of its incorporation as a Multi Academy Trust in order to maximise its impact and reach within the region.

STRUCTURE, GOVERNANCE AND MANAGEMENT


Key management remuneration

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1.

AUDITORS

The auditors, Wallwork Nelson & Johnson, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on12/12/18..... and signed on the board's behalf by:



Mr S Fox - Trustee

PRESTOLEE MULTI ACADEMY TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Prestolee Multi 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 of loss.

The board of the Trustees has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Prestolee Multi 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 Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 3 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
Mr S Fox	3	3
Mr A Gallimore	3	3
Mrs L Gartside	2	3
Mrs L Turner	2	3

A review of governance has taken place within the reported accounting period.

The finance committee is a sub-committee of the main board of trustees. The committee met twice.

	Meetings attended	Out of a possible
M Tonge	2	3
A Gallimore	2	3
S Fox	2	3
M Govier	3	3
M Parker	0	3

The personnel and property committee is a sub-committee of the main board of trustees. The committee met twice.

	Meetings attended	Out of a possible
M Tonge	2	3
A Gallimore	3	3
S Fox	3	3
M Govier	2	3
M Parker	0	3
R Dunne	2	3

The standards committee is a sub-committee of the main board of trustees. The committee met twice.

	Meetings attended	Out of a possible
M Tonge	3	3
A Gallimore	3	3

PRESTOLEE MULTI ACADEMY TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018

S Fox	3	3
M Govier	2	3
M Parker	1	3
R Dunne	3	3

Review of Value for Money

As Accounting Officer (AO), the Executive Principal / Chief Executive has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The AO understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

"The Trust is now deploying staff flexibly within its own businesses and also when providing external support. This is utilising existing resources to achieve the best possible outcomes, both inside and outside out of the Trust. This is also helping secure the most efficient staff development that in turn adds to the quality of our own provision. The Trust has continued to be successful within its bid applications for funding that enables both remedial and developmental work. This improves the quality of the learning environment and its safety and security. The Trust is continuing with steady expansion in order to extend its reach and impact whilst making the MAT overhead costs more sustainable. The Trust has continued to review its procurement of external services and continues to obtain the best quality services for the best price. The Trust has also rearranged many of its services to apply across the MAT and hence delivers greater value".

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 charitable company 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 Prestolee Multi Academy Trust for the period 1 September 2017 to 31 August 2018 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 charitable company 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 charitable company's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board.

The Risk and Control Framework

The 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 have been under development.
- " Regular reviews by the finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- " Setting targets to measure financial and other performance
- " Clearly defined purchasing (asset purchase or capital investment) guidelines
- " Delegation of authority and segregation of duties
- " Identification and management of risks

PRESTOLEE MULTI ACADEMY TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018

Internal Audit

The Board of Trustees has considered the need for a specific internal audit function and decided that this will be performed by an external accountant who has been engaged to provide external objective audit feedback. Jennifer Cain has provided this programme of internal checks alongside a programme of internal auditing conducted by the MAT team.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included Payroll, Budgeting, Banking, Sales invoicing, Purchase order invoicing, Payment runs, Fixed asset register, Charge cards, VAT, ParentPay Settlements

On a termly basis, the auditor will report to the Board of Trustees, through the Finance Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

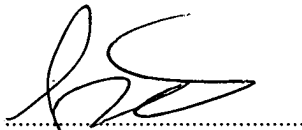
The internal auditor provided reports relevant to the period in question across the year from termly checks involving all areas of the business.

Review of Effectiveness

As AO, the Exec Principal / Chief Executive 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 and external auditors.
- " The financial management and governance self-assessment process
- " The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework
- " The AO has been advised of the implications of the result of their review of the system of internal control by the finance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on12/12/18..... and signed on its behalf by:



Mr S Fox - Trustee



Michael Tonge - Accounting Officer

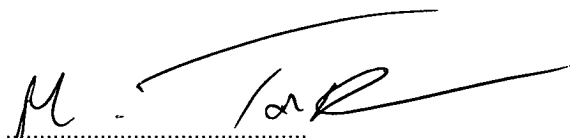
PRESTOLEE MULTI ACADEMY TRUST

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2018**

As accounting officer of Prestolee Multi Academy Trust I have considered my responsibility to notify the charitable company 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 charitable company, under the funding agreement in place between the charitable company and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of all funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2017.

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.

A handwritten signature in black ink, appearing to be 'M. Tonge', written over a dotted line.

Michael Tonge - Accounting Officer

Date: 12/12/18

PRESTOLEE MULTI ACADEMY TRUST

STATEMENT OF TRUSTEES RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2018

The trustees (who act as governors of Prestolee Multi Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Academies Accounts Direction issued 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 trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- 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 auditors are aware of that information.

Approved by order of the members of the board of trustees on 12/12/18 and signed on its behalf by:



Mr S Fox - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PRESTOLEE MULTI ACADEMY TRUST

Opinion

We have audited the financial statements of Prestolee Multi Academy Trust (the 'charitable company') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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) and the Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PRESTOLEE MULTI ACADEMY TRUST

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

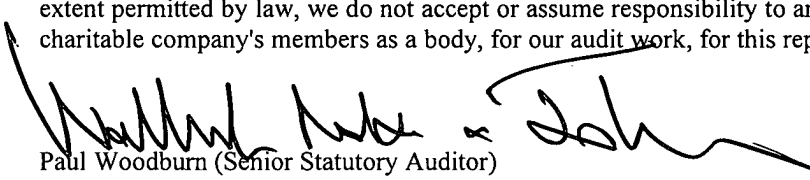
Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors 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.

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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Woodburn (Senior Statutory Auditor)
for and on behalf of Wallwork Nelson & Johnson
Chartered Accountants & Statutory Auditors
Chandler House
7 Ferry Road Office Park
Riversway
Preston
Lancashire
PR2 2YH

Date: 12 October 2013

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PRESTOLEE MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Prestolee Multi Academy Trust during the period 1 September 2017 to 31 August 2018 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 Prestolee Multi Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Prestolee Multi Academy Trust and the 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 Prestolee Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Prestolee Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Prestolee Multi Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. 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 period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

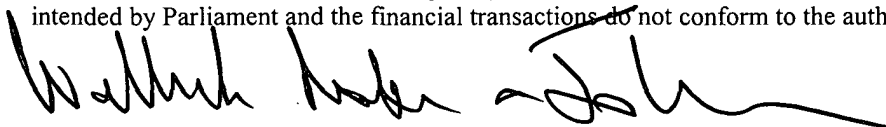
The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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 charitable company's income and expenditure.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Wallwork Nelson & Johnson
Chandler House
7 Ferry Road Office Park
Riversway
Preston
Lancashire
PR2 2YH

Date:



PRESTOLEE MULTI ACADEMY TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2018**

					31/8/18	31/8/17
	Notes	Unrestricted funds £	Restricted fund £	Restricted Fixed Asset Fund £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	-	174	43,381	43,555	10,388
Transfer from Local Authority on conversion	21	6,617	-	6,509,172	6,515,789	-
Charitable activities						
Funding for the academy's educational operations	3	-	4,819,655	-	4,819,655	1,870,302
Teaching schools		3,927	-	-	3,927	-
Other trading activities	4	98,037	238,052	-	336,089	430,184
Investment income	5	81	473	-	554	566
Other income		251,293	-	-	251,293	-
Total		359,955	5,058,354	6,552,553	11,970,862	2,311,440
EXPENDITURE ON						
Raising funds	7	-	-	-	-	25,771
Charitable activities						
Academy's educational operations		10,311	1,596,618	230,793	1,837,722	1,006,817
Teaching schools		299,363	-	-	299,363	-
Other		101,798	3,748,596	-	3,850,394	1,492,842
Total	6	411,472	5,345,214	230,793	5,987,479	2,525,430
NET INCOME/(EXPENDITURE)						
		(51,517)	(286,860)	6,321,760	5,983,383	(213,990)
Transfers between funds	16	51,517	(4,685,796)	4,634,279	-	-
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		-	503,000	-	503,000	164,000
Net movement in funds		-	(4,469,656)	10,956,039	6,486,383	(49,990)
RECONCILIATION OF FUNDS						
Total funds brought forward		-	3,985,750	-	3,985,750	4,035,740
TOTAL FUNDS CARRIED FORWARD		-	(483,906)	10,956,039	10,472,133	3,985,750

All of the charitable company's activities derive from acquisitions in the current year.

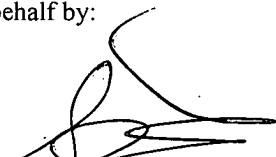
The notes form part of these financial statements

PRESTOLEE MULTI ACADEMY TRUST

**BALANCE SHEET
AT 31 AUGUST 2018**

				31/8/18	31/8/17	
	Notes	Unrestricted funds £	Restricted fund £	Restricted Fixed Asset Fund £	Total funds £	Total funds £
FIXED ASSETS						
Tangible assets	13	-	-	10,956,039	10,956,039	4,194,545
CURRENT ASSETS						
Debtors	14	-	395,689	-	395,689	149,875
Cash at bank		<u>-</u>	<u>1,054,493</u>	<u>-</u>	<u>1,054,493</u>	<u>897,989</u>
		-	1,450,182	-	1,450,182	1,047,864
CREDITORS						
Amounts falling due within one year	15	-	(765,088)	-	(765,088)	(416,659)
		<u>-</u>	<u>(765,088)</u>	<u>-</u>	<u>(765,088)</u>	<u>(416,659)</u>
NET CURRENT ASSETS		<u>-</u>	<u>685,094</u>	<u>-</u>	<u>685,094</u>	<u>631,205</u>
TOTAL ASSETS LESS CURRENT LIABILITIES						
		-	685,094	10,956,039	11,641,133	4,825,750
PENSION LIABILITY	17	<u>-</u>	<u>(1,169,000)</u>	<u>-</u>	<u>(1,169,000)</u>	<u>(840,000)</u>
NET ASSETS		<u>-</u>	<u>(483,906)</u>	<u>10,956,039</u>	<u>10,472,133</u>	<u>3,985,750</u>
FUNDS						
Unrestricted funds:	16					
Restricted funds:						
Restricted General Funds					(483,906)	(208,795)
Restricted Fixed Asset Funds					<u>10,956,039</u>	<u>4,194,545</u>
					<u>10,472,133</u>	<u>3,985,750</u>
TOTAL FUNDS					<u>10,472,133</u>	<u>3,985,750</u>

The financial statements were approved by the Board of Trustees on 12/12/18 and were signed on its behalf by:


-Trustee - Mr S Fox

The notes form part of these financial statements

PRESTOLEE MULTI ACADEMY TRUST

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Notes	31/8/18 £	31/8/17 £
Cash flows from operating activities:			
Cash generated from operations	1	339,568	206,561
Interest paid		<u>(280)</u>	<u>(192)</u>
Net cash provided by (used in) operating activities		<u>339,288</u>	<u>206,369</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(183,338)	(325,259)
Sale of tangible fixed assets		-	10,000
Interest received		<u>554</u>	<u>566</u>
Net cash provided by (used in) investing activities		<u>(182,784)</u>	<u>(314,693)</u>
Change in cash and cash equivalents in the reporting period		156,504	(108,324)
Cash and cash equivalents at the beginning of the reporting period		<u>897,989</u>	<u>1,006,313</u>
Cash and cash equivalents at the end of the reporting period		<u>1,054,493</u>	<u>897,989</u>

PRESTOLEE MULTI ACADEMY TRUST

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31/8/18 £	31/8/17 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	5,983,383	(213,990)
Adjustments for:		
Depreciation	230,793	126,164
Capital grants from DfE/ESFA	-	114,877
Transfer from Local Authority on conversion	(6,528,270)	-
Interest received	(554)	(566)
Interest paid	280	192
Increase/(Decrease) in pension liability	(285,000)	(99,000)
Cash inherited on conversion	333,321	-
Increase in debtors	(245,814)	(30,768)
Increase in creditors	348,429	145,652
Difference between pension charge and cash contributions	<u>503,000</u>	<u>164,000</u>
Net cash provided by (used in) operating activities	<u><u>339,568</u></u>	<u><u>206,561</u></u>

PRESTOLEE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2017 to 2018 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Prestolee Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

Going concern

The trustees assess whether the use of going concern is appropriate i.e whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

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

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

Valuation of the Local Government Pension Scheme Defined Benefit Liability

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Impairment of fixed assets

At each balance sheet date, management undertake an assessment of the carrying value of tangible fixed assets to determine whether there is any indication that the value has been impaired. Where necessary, an impairment is recorded as an impairment loss.

Impairment of trade debtors

At each balance sheet date, management undertake a review of outstanding debtor balances and consider whether there is any indication of impairment or any balances requiring provision.

This calculation is based on the financial position of the customers, the payment history and any ongoing discussions.

PRESTOLEE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES - continued

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable, and the amount can be measured reliably. These will be on a receivable basis.

Grants Receivable

Grants will be included in the Financial Activities (SOFA) on a receivable basis. The balance of income received for specific purposes but not expended during the period will be shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition will be deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income will be 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 period is deducted from income and recognised as a liability.

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

Donations

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance related conditions) where the receipt is probable and it can be measured reliably.

Donated services and gifts in kind

Donated facilities and services provided to the academy trust are recognised at their value to the academy trust in the period when it is probable that the economic benefits associated with the donated items will flow to the academy trust, provided they can be measured reliably. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities.

Donated goods

Goods donated are recognised at fair values unless it is impractical to measure this reliably in which case a derived value, being the cost of the item to the donor (for example sponsor services), is used. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities except where the donated good is a fixed asset in which case the gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Other income

All other income including catering income and fees for out of school care and Teaching School and SCITT will be recognised in the period it is receivable.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES - continued

Resources expended

Expenditure is recognized 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 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.

Whilst not registered for VAT and operating under VAT126 arrangements, resources will be recorded net of VAT, with the exception of business costs where VAT is irrecoverable. All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

Governance costs

These include the costs incurred on the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and governor's meetings and reimbursed expenses.

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.

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.

Depreciation

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

Freehold Buildings	2%
Land	Nil
Fixtures, fittings and equipment	15%
ICT equipment	33%

PRESTOLEE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES - continued

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The trust currently operates as a VAT126 organisation until such times the analysis of taxable business activity achieves the threshold for registration or until the trust decides to register.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

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

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

Pension costs and other post-retirement benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

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 trust in such 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, as stated in note 17. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the academy trust 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. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Conversion to an academy

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

PRESTOLEE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES - continued

Conversion to an academy

The assets and liabilities transferred on conversion from Barton Moss Community Primary School & Waterloo Primary School into the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Income - transfer from local authority on conversion, in the Statement of Financial Activities and analysed under unrestricted and restricted funds. Further details of the transactions are set out in the Notes to the Financial Statements.

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 trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2. DONATIONS AND CAPITAL GRANTS

	31/8/18	31/8/17
	£	£
Donations	173	366
Capital grants	<u>43,382</u>	<u>10,022</u>
	<u>43,555</u>	<u>10,388</u>

Grants received, included in the above, are as follows:

	31/8/18	31/8/17
	£	£
Other DfE/ESFA Grants	43,382	-
Other grants	<u>-</u>	<u>10,022</u>
	<u>43,382</u>	<u>10,022</u>

PRESTOLEE MULTI ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31/8/18 Total funds £	31/8/17 Total funds £
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	4,073,485	4,073,485	1,586,727
Other DfE/ESFA Grants	-	<u>577,554</u>	<u>577,554</u>	<u>202,054</u>
	-	4,651,039	4,651,039	1,788,781
Other government grant				
Local authority grants	-	167,516	167,516	94,920
Other funds				
Other incoming resources	-	<u>1,100</u>	<u>1,100</u>	<u>(13,399)</u>
	-	<u><u>4,819,655</u></u>	<u><u>4,819,655</u></u>	<u><u>1,870,302</u></u>

4. OTHER TRADING ACTIVITIES

	31/8/18 £	31/8/17 £
Hire of facilities	2,635	3,540
Other income	<u>333,454</u>	<u>426,644</u>
	<u><u>336,089</u></u>	<u><u>430,184</u></u>

5. INVESTMENT INCOME

	31/8/18 £	31/8/17 £
Deposit account interest	<u>554</u>	<u>566</u>

PRESTOLEE MULTI ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

6. EXPENDITURE

				31/8/18	31/8/17
	Staff costs £	Non-pay expenditure Premises £	Other costs £	Total £	Total £
Raising funds					
Costs of fundraising					
Allocated support costs	-	-	-	-	25,771
Charitable activities					
Academies educational operations					
Direct costs	-	97,807	414,909	512,716	335,012
Allocated support costs	431,651	477,733	415,622	1,325,006	671,805
Teaching schools					
Direct costs	-	-	70,136	70,136	-
Allocated support costs	<u>151,812</u>	<u>52,515</u>	<u>24,900</u>	<u>229,227</u>	<u>-</u>
	583,463	628,055	925,567	2,137,085	1,032,588
Other	<u>3,850,394</u>	<u>-</u>	<u>-</u>	<u>3,850,394</u>	<u>1,492,842</u>
	<u>4,433,857</u>	<u>628,055</u>	<u>925,567</u>	<u>5,987,479</u>	<u>2,525,430</u>

Net income/(expenditure) is stated after charging/(crediting):

	31/8/18 £	31/8/17 £
Auditors' remuneration	14,165	8,000
Auditors' remuneration for non audit work	3,100	3,825
Depreciation - owned assets	<u>230,794</u>	<u>126,165</u>

The amount of £3,850,394 (2017: £1,492,842) included in other expenditure all relates to direct staff costs.

7. RAISING FUNDS

Costs of fundraising

	31/8/18 £	31/8/17 £
Support costs	<u>-</u>	<u>25,771</u>

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31/8/18 Total funds £	31/8/17 Total funds £
Direct costs	1,309	511,407	512,716	335,012
Direct costs - teaching schools	70,136	-	70,136	-
Support costs	9,002	1,316,004	1,325,006	671,805
Support costs - teaching schools	<u>229,227</u>	<u>-</u>	<u>229,227</u>	<u>-</u>

PRESTOLEE MULTI ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued

	Unrestricted funds £	Restricted funds £	31/8/18 Total funds £	31/8/17 Total funds £
	<u>309,674</u>	<u>1,827,411</u>	<u>2,137,085</u>	<u>1,006,817</u>
			31/8/18 Total £	31/8/17 Total £
Analysis of support costs				
Support staff costs			583,463	221,886
Printing, postage & stationery			66,584	38,964
Premises costs			507,416	198,656
Other support costs			356,673	183,823
Governance cost			<u>40,097</u>	<u>28,476</u>
Total support costs			<u>1,554,233</u>	<u>671,805</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2018 nor for the year ended 31 August 2017.

PRESTOLEE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS

	31/8/18 £	31/8/17 £
Wages and salaries	3,428,856	1,309,777
Social security costs	308,110	117,817
Operating costs of defined benefit pension schemes	625,453	268,571
Apprenticeship levy	<u>5,491</u>	<u>-</u>
	4,367,910	1,696,165
Supply teacher costs	<u>65,947</u>	<u>18,563</u>
	<u>4,433,857</u>	<u>1,714,728</u>

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	31/8/18	31/8/17
Teaching	45	20
Administration & Support	104	50
Management	<u>13</u>	<u>9</u>
	<u>162</u>	<u>79</u>

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

	31/8/18	31/8/17
£60,001 - £70,000	1	-
£80,001 - £90,000	-	1
£90,001 - £100,000	<u>1</u>	<u>-</u>
	<u>2</u>	<u>1</u>

Key management personnel

The following employees were deemed to be key management personnel of the academy trust and their remuneration details are as follows;

M Tonge (Chief Executive Officer)

Remuneration £90,000 - £100,000

Employer's pension contributions £15,000 - £20,000

M Govier (Senior Business Manager)

Remuneration £40,000 - £45,000

Employer's pension contributions £5,000 - £10,000

R Dunne (Deputy Chief Executive Officer & Headteacher of Prestolee Primary School)

Remuneration £50,000 - £55,000

Employer's pension contribution £5,000 - £10,000

Daryl Anns (Headteacher of Barton Moss Community Primary School)

Remuneration £50,000 - £60,000

Employer's pension contribution £5,000 - £10,000

PRESTOLEE MULTI ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

10. STAFF COSTS

Victoria Unsworth (Headteacher of Bowness Primary School)

Remuneration £40,000 - £50,000

Employer's pension contribution £5,000 - £10,000

Angela Goodman (Headteacher of Waterloo Primary School)

Remuneration £60,000 - £70,000

Employer's pension contribution £10,000 - £15,000

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased membership of the academies Risk Protection Arrangements to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. This affords unlimited cover on any one claim.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Restricted Fixed Asset Fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	279	10,109	-	10,388
Charitable activities				
Funding for the academy's educational operations	79,795	1,790,507	-	1,870,302
Other trading activities	330,140	100,044	-	430,184
Investment income	<u>1</u>	<u>565</u>	<u>-</u>	<u>566</u>
Total	410,215	1,901,225	-	2,311,440
 EXPENDITURE ON				
Raising funds	-	25,771	-	25,771
Charitable activities				
Academy's educational operations	268,440	620,564	117,813	1,006,817
Other	<u>148,889</u>	<u>1,343,953</u>	<u>-</u>	<u>1,492,842</u>
Total	417,329	1,990,288	117,813	2,525,430
 NET INCOME/(EXPENDITURE)	(7,114)	(89,063)	(117,813)	(213,990)
 Transfers between funds	<u>7,114</u>	<u>(199,145)</u>	<u>192,031</u>	<u>-</u>
 Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	<u>-</u>	<u>164,000</u>	<u>-</u>	<u>164,000</u>
 Net movement in funds	-	(124,208)	74,218	(49,990)

PRESTOLEE MULTI ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted fund £	Restricted Fixed Asset Fund £	Total funds £
RECONCILIATION OF FUNDS				
Total funds brought forward	-	(84,587)	4,120,327	4,035,740
TOTAL FUNDS CARRIED FORWARD	<u>-</u>	<u>(208,795)</u>	<u>4,194,545</u>	<u>3,985,750</u>

13. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 September 2017	4,100,339	248,319	100,180	4,448,838
Additions	20,473	88,775	74,090	183,338
Transfer on conversion	<u>6,560,000</u>	<u>167,150</u>	<u>81,800</u>	<u>6,808,950</u>
At 31 August 2018	<u>10,680,812</u>	<u>504,244</u>	<u>256,070</u>	<u>11,441,126</u>
DEPRECIATION				
At 1 September 2017	128,217	63,694	62,382	254,293
Charge for year	<u>97,807</u>	<u>70,818</u>	<u>62,169</u>	<u>230,794</u>
At 31 August 2018	<u>226,024</u>	<u>134,512</u>	<u>124,551</u>	<u>485,087</u>
NET BOOK VALUE				
At 31 August 2018	<u>10,454,788</u>	<u>369,732</u>	<u>131,519</u>	<u>10,956,039</u>
At 31 August 2017	<u>3,972,122</u>	<u>184,625</u>	<u>37,798</u>	<u>4,194,545</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/8/18 £	31/8/17 £
Trade debtors	144,302	44,647
VAT	145,028	40,335
Prepayments and accrued income	<u>106,359</u>	<u>64,893</u>
	<u>395,689</u>	<u>149,875</u>

PRESTOLEE MULTI ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/8/18	31/8/17
	£	£
Trade creditors	126,746	85,420
Other creditors	454,796	276,692
Accruals and deferred income	<u>183,546</u>	<u>54,547</u>
	<u>765,088</u>	<u>416,659</u>

16. MOVEMENT IN FUNDS

	At 1/9/17 £	Net movement in funds £	Transfers between funds £	At 31/8/18 £
Unrestricted funds				
Unrestricted Funds	-	(51,517)	51,517	-
Restricted funds				
Restricted General Funds	3,985,750	216,140	(4,685,796)	(483,906)
Restricted Fixed Asset Funds	<u>-</u>	<u>6,321,760</u>	<u>4,634,279</u>	<u>10,956,039</u>
	<u>3,985,750</u>	<u>6,537,900</u>	<u>(51,517)</u>	<u>10,472,133</u>
TOTAL FUNDS	<u>3,985,750</u>	<u>6,486,383</u>	<u>-</u>	<u>10,472,133</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted Funds	359,955	(411,472)	-	(51,517)
Restricted funds				
Restricted General Funds	5,058,354	(5,345,214)	503,000	216,140
Restricted Fixed Asset Funds	<u>6,552,553</u>	<u>(230,793)</u>	<u>-</u>	<u>6,321,760</u>
	<u>11,610,907</u>	<u>(5,576,007)</u>	<u>503,000</u>	<u>6,537,900</u>
TOTAL FUNDS	<u>11,970,862</u>	<u>(5,987,479)</u>	<u>503,000</u>	<u>6,486,383</u>

PRESTOLEE MULTI ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/9/16 £	Net movement in funds £	Transfers between funds £	At 31/8/17 £
Unrestricted Funds				
Unrestricted Funds	-	(7,114)	7,114	-
Restricted Funds				
Restricted General Funds	(84,587)	74,937	(199,145)	(208,795)
Restricted Fixed Asset Funds	<u>4,120,327</u>	<u>(117,813)</u>	<u>192,031</u>	<u>4,194,545</u>
	<u>4,035,740</u>	<u>(42,876)</u>	<u>(7,114)</u>	<u>3,985,750</u>
TOTAL FUNDS	<u><u>4,035,740</u></u>	<u><u>(49,990)</u></u>	<u><u>-</u></u>	<u><u>3,985,750</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted Funds	410,215	(417,329)	-	(7,114)
Restricted funds				
Restricted General Funds	1,901,225	(1,990,288)	164,000	74,937
Restricted Fixed Asset Funds	<u>-</u>	<u>(117,813)</u>	<u>-</u>	<u>(117,813)</u>
	<u>1,901,225</u>	<u>(2,108,101)</u>	<u>164,000</u>	<u>(42,876)</u>
TOTAL FUNDS	<u><u>2,311,440</u></u>	<u><u>(2,525,430)</u></u>	<u><u>164,000</u></u>	<u><u>(49,990)</u></u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/9/16 £	Net movement in funds £	Transfers between funds £	At 31/8/18 £
Unrestricted funds				
Unrestricted Funds	-	(58,631)	58,631	-
Restricted funds				
Restricted General Funds	(84,587)	291,077	(4,884,941)	(4,678,451)
Restricted Fixed Asset Funds	<u>4,120,327</u>	<u>6,203,947</u>	<u>4,826,310</u>	<u>15,150,584</u>
	<u>4,035,740</u>	<u>6,495,024</u>	<u>(58,631)</u>	<u>10,472,133</u>
TOTAL FUNDS	<u><u>4,035,740</u></u>	<u><u>6,436,393</u></u>	<u><u>-</u></u>	<u><u>10,472,133</u></u>

PRESTOLEE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

16. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted Funds	770,170	(828,801)	-	(58,631)
Restricted funds				
Restricted General Funds	6,959,579	(7,335,502)	667,000	291,077
Restricted Fixed Asset Funds	<u>6,552,553</u>	<u>(348,606)</u>	<u>-</u>	<u>6,203,947</u>
	<u>13,512,132</u>	<u>(7,684,108)</u>	<u>667,000</u>	<u>6,495,024</u>
TOTAL FUNDS	<u><u>14,282,302</u></u>	<u><u>(8,512,909)</u></u>	<u><u>667,000</u></u>	<u><u>6,436,393</u></u>

17. PENSION COMMITMENTS

The academy trust'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 being the Greater Manchester Pension Fund, which is managed by Tameside Metropolitan Borough Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2018.

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

Teachers' pension scheme

Introduction

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

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018

17. PENSION COMMITMENTS
- continued

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are;

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

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% which was payable from September 2015. The next valuation of the TPS will be as at 31 March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employers pension costs paid to TPS in the period amounted to £346,453 (2017: £123,571).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The academy trust has set out above the information available on the scheme.

PRESTOLEE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

17. PENSION COMMITMENTS - continued

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 35.1% for employers. Employee contribution rates are 5.5% below £13,500, 5.8% up to £21,200 and 6.5% above £21,200.

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.

Prestolee Primary School

The estimated value of employer contributions for the forthcoming year is £92,000.

Total contributions made

	2018 £000	2017 £000
Employer's contributions	92	74
Employees' contributions	23	18
	<u>115</u>	<u>92</u>

Principal actuarial assumptions

	2018 %	2017 %
Rate of increase in salaries	3.10	3.20
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	2.80	2.50
Inflation assumption (CPI)	<u>2.30</u>	<u>2.40</u>

An allowance is included for future retirements to elect to take 55% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 80% of the maximum tax-free cash for post-April 2008 service.

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

	2018 Years	2017 Years
Retiring today		
- Males	21.5	21.5
- Females	24.1	24.1
Retiring in 20 years		
- Males	23.7	23.7
- Females	<u>26.2</u>	<u>26.2</u>

The academy trust's share of the assets in the scheme

2018	2017
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PRESTOLEE MULTI ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

17. PENSION COMMITMENTS
- continued

Local government pension scheme

	Fair value £000	Fair value £000
Equities	319	405
Bonds	75	89
Property	33	33
Cash	42	28
	<u>469</u>	<u>555</u>
Total market value of assets		
	<u>469</u>	<u>555</u>
Actual return on scheme assets was - gain/(loss)	<u>19</u>	<u>(17)</u>

Amounts recognised in the statement of financial activities

	2018 £000	2017 £000
Current service cost (net of employee contributions)	(157)	(106)
Net interest cost	<u>(15)</u>	<u>(12)</u>
Total operating charge	<u>(172)</u>	<u>(118)</u>

Analysis of pension finance income/(costs)

	2018 £000	2017 £000
Expected return on pension scheme assets	15	11
Interest on pension liabilities	<u>(30)</u>	<u>(23)</u>
Pension finance income/(costs)	<u>(15)</u>	<u>(12)</u>

Changes in the present value of defined benefit obligations

	2018 £000	2017 £000
Obligations at 1 September	1,110	1,029
Current service cost	157	106
Interest cost	30	23
Employee contributions	23	18
Actuarial (gain)/loss	<u>(154)</u>	<u>(66)</u>
At 31 August	<u>1,166</u>	<u>1,110</u>

Changes in the fair value of academy trust's share of scheme assets

	2018 £000	2017 £000
Assets at 1 September	555	475
Interest income	15	11
Actuarial gain/(loss)	19	(17)
Employer contributions	92	74
Employee contributions	23	18
Benefits paid	<u>(7)</u>	<u>(6)</u>

PRESTOLEE MULTI ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

**17. PENSION COMMITMENTS
- continued**

Local government pension scheme

At 31 August	697	555
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Bowness Primary School

The estimated value of employer contributions for the forthcoming year is £25,000.

Total contributions made

	2018 £000	2017 £000
Employer's contributions	25	26
Employees' contributions	6	6
	<u>31</u>	<u>32</u>

Principal actuarial assumptions

	2018 %	2017 %
Rate of increase in salaries	3.10	3.20
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	2.80	2.50
Inflation assumption (CPI)	<u>2.30</u>	<u>2.40</u>

An allowance is included for future retirements to elect to take 55% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 80% of the maximum tax-free cash for post-April 2008 service.

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

	2018 Years	2017 Years
Retiring today		
- Males	21.5	21.5
- Females	24.1	24.1
Retiring in 20 years		
- Males	23.7	23.7
- Females	<u>26.2</u>	<u>26.1</u>

PRESTOLEE MULTI ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

17. PENSION COMMITMENTS
- continued

Local government pension scheme

The academy trust's share of the assets in the scheme

	2018	2017
	Fair value	Fair value
	£000	£000
Equities	262	245
Bonds	62	54
Property	27	20
Cash	35	16
	<u>385</u>	<u>335</u>

Total market value of assets

Actual return on scheme assets was - (loss)/gain

Amounts recognised in the statement of financial activities

	2018	2017
	£000	£000
Current service cost (net of employee contributions)	(41)	(39)
Net interest cost	(7)	(8)
	<u>(48)</u>	<u>(47)</u>

Total operating charge

Analysis of pension finance income/(costs)

Expected return on pension scheme assets	9	6
Interest on pension liabilities	(16)	(14)
	<u>(7)</u>	<u>(8)</u>

Pension finance income/(costs)

Changes in the present value of defined benefit obligations

	2018	2017
	£000	£000
Obligations at 1 September	620	653
Current service cost	41	39
Interest cost	16	14
Employee contributions	6	6
Actuarial (gain)/loss	(68)	(92)
	<u>615</u>	<u>620</u>

At 31 August

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

	2018	2017
	£000	£000
Assets at 1 September	335	268
Interest income	9	6
Actuarial gain/(loss)	10	29
Employer contributions	25	26

PRESTOLEE MULTI ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

17. PENSION COMMITMENTS
- continued

Local government pension scheme

Employee contributions	6	6
At 31 August	<u>385</u>	<u>335</u>

Barton Moss Community Primary School

The estimated value of employer contributions for the forthcoming year is £48,000.

Total contributions made

	2018	2017
	£000	£000
Employer's contributions	47	-
Employees' contributions	<u>12</u>	<u>-</u>
	<u>59</u>	<u>-</u>

Principal actuarial assumptions

	2018	2017
	%	%
Rate of increase in salaries	3.10	-
Rate of increase for pensions in payment/inflation	2.30	-
Discount rate for scheme liabilities	2.80	-
Inflation assumption (CPI)	<u>2.30</u>	<u>-</u>

An allowance is included for future retirements to elect to take 55% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 80% of the maximum tax-free cash for post-April 2008 service.

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

	2018	2017
	Years	Years
Retiring today		
- Males	21.5	-
- Females	24.1	-
Retiring in 20 years		
- Males	23.7	-
- Females	<u>26.2</u>	<u>-</u>

The academy trust's share of the assets in the scheme

	2018	2017
	Fair value	Fair value
	£000	£000
Equities	122	-
Bonds	29	-

PRESTOLEE MULTI ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

17. PENSION COMMITMENTS
- continued

Local government pension scheme

Property	13	-
Cash	16	-
	<u>180</u>	<u>-</u>
Total market value of assets		
	<u>180</u>	<u>-</u>
Actual return on scheme assets was - (loss)/gain	17	-
	<u>17</u>	<u>-</u>

Amounts recognised in the statement of financial activities

	2018	2017
	£000	£000
Current service cost (net of employee contributions)	(75)	-
Net interest cost	(6)	-
	<u>(81)</u>	<u>-</u>
Total operating charge		
	<u>(81)</u>	<u>-</u>
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	14	-
Interest on pension liabilities	(20)	-
	<u>(6)</u>	<u>-</u>
Pension finance income/(costs)		
	<u>(6)</u>	<u>-</u>

Changes in the present value of defined benefit obligations

	2018	2017
	£000	£000
Obligation upon conversion	757	-
Current service cost	75	-
Interest cost	20	-
Employee contributions	12	-
Actuarial (gain)/loss	(60)	-
	<u>804</u>	<u>-</u>
At 31 August		
	<u>804</u>	<u>-</u>

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

	2018	2017
	£000	£000
Assets upon conversion	534	-
Interest income	14	-
Actuarial gain/(loss)	17	-
Employer contributions	47	-
Employee contributions	12	-
	<u>624</u>	<u>-</u>
At 31 August		
	<u>624</u>	<u>-</u>

PRESTOLEE MULTI ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

17. PENSION COMMITMENTS
- continued

Local government pension scheme
Waterloo Primary School

The estimated value of employer contributions for the forthcoming year is £115,000.

Total contributions made

	2018	2017
	£000	£000
Employer's contributions	115	-
Employees' contributions	27	-
	<u>142</u>	<u>-</u>

Principal actuarial assumptions

	2018	2017
	%	%
Rate of increase in salaries	3.10	-
Rate of increase for pensions in payment/inflation	2.30	-
Discount rate for scheme liabilities	2.80	-
Inflation assumption (CPI)	<u>2.30</u>	<u>-</u>

An allowance is included for future retirements to elect to take 55% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 80% of the maximum tax-free cash for post-April 2008 service.

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

	2018	2017
	Years	Years
Retiring today		
- Males	21.5	-
- Females	24.1	-
Retiring in 20 years		
- Males	23.7	-
- Females	<u>26.2</u>	<u>-</u>

PRESTOLEE MULTI ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

17. PENSION COMMITMENTS
- continued

The academy trust's share of the assets in the scheme

	2018	2017
	Fair value	Fair value
	£000	£000
Equities	197	-
Local government pension scheme		
Bonds	46	-
Property	20	-
Cash	26	-
	<u>290</u>	<u>-</u>
Total market value of assets	<u>290</u>	<u>-</u>
Actual return on scheme assets was - (loss)/gain	<u>27</u>	<u>-</u>

Amounts recognised in the statement of financial activities

	2018	2017
	£000	£000
Current service cost (net of employee contributions)	(185)	-
Net interest cost	(11)	-
Total operating charge	<u>(196)</u>	<u>-</u>

Analysis of pension finance income/(costs)

Expected return on pension scheme assets	23	-
Interest on pension liabilities	(34)	-
Pension finance income/(costs)	<u>(11)</u>	<u>-</u>

Changes in the present value of defined benefit obligations

	2018	2017
	£000	£000
Obligation upon conversion	1,244	-
Current service cost	185	-
Interest cost	34	-
Employee contributions	27	-
Actuarial (gain)/loss	(155)	-
At 31 August	<u>1,335</u>	<u>-</u>

PRESTOLEE MULTI ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

17. PENSION COMMITMENTS
- continued

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

	2018	2017
	£000	£000
Assets upon conversion	853	-
Interest income	23	-
Actuarial gain/(loss)	27	-
Employer contributions	115	-
Employee contributions	27	-
	<hr/>	<hr/>
At 31 August	1,045	-

Local government pension scheme

As described in note 20 an obligation on conversion of £391,000 for Waterloo Primary School and £223,000 for Barton Moss Primary School relates to the employees of the academy trust who were the employees transferred as part of the conversion from the maintained school. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

18. RELATED PARTY DISCLOSURES

Greater Manchester Learning Partnership, a related party, was owed £101,444 by the Academy Trust at the year end (2017: £137,003).

19. CENTRAL SERVICES

The multi academy trust has provided the following central services to its academies during the year including but not limited to;

Human resources
Financial services
Legal services
Educational support services

The academy trust charges for these services on the following basis:

The policy for charging central services is to simply charge costs as incurred. This has been evaluated, agreed and has been kept flat for several years.

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
Prestolee Primary School	41,478	-
Bowness Primary School	27,920	40,000
Barton Moss Community Primary School	43,710	-
Waterloo Primary School	80,425	-
Prestolee Teaching School	2,000	-
SCITT	12,000	-
	<hr/>	<hr/>
	207,533	40,000
	<hr/>	<hr/>

PRESTOLEE MULTI ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

20. FUNDS

Fund balances at 31 august 2018 were allocated as follows:

	2018 £000	2017 £000
Prestolee Primary School	108	144
Bowness Primary School	151	142
Barton Moss Primary School	93	123
Waterloo Primary School	203	218
Prestolee Trading	84	74
Bowness Trading	11	12
Prestolee SCITT	(27)	(32)
Prestolee Teaching School	46	(42)
MAT Services	16	(8)
	<hr/>	<hr/>
Total before fixed assets and pension reserve	685	631
Restricted fixed asset fund	10,956	4,195
Pension reserve	(1,169)	(840)
	<hr/>	<hr/>
Total	10,472	3,986

21. CONVERSION TO AN ACADEMY

On 1 September 2017 Barton Moss Community Primary School converted to academy status under the Academies Act 2010 and all the operations, assets and liabilities were transferred to Prestolee Multi Academy Trust from the Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
Freehold land and buildings			2,500	2,500
Other tangible fixed assets			102	102
Current assets				
Cash at bank		123		123
Non current liabilities				
LGPS pension deficit		223		223
Net Assets		346	2,602	2,948

PRESTOLEE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

On 1 September 2017 Waterloo Primary School converted to academy status under the Academies Act 2010 and all the operations, assets and liabilities were transferred to Prestolee Multi Academy Trust from the Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
Freehold land and buildings			4,060	4,060
Other tangible fixed assets			147	147
Current assets				
Cash at bank		191		191
Non current liabilities				
LGPS pension deficit		391		391
Net Assets		582	4,207	4,789