
PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Academy, its Trustees and advisers	1 - 2
Trustees' report	3 - 11
Governance statement	12 - 16
Statement on regularity, propriety and compliance	17
Statement of Trustees' responsibilities	18
Independent auditor's report on the financial statements	19 - 21
Independent reporting accountant's assurance report on regularity	22 - 23
Statement of financial activities incorporating income and expenditure account	24
Balance sheet	25
Statement of cash flows	26
Notes to the financial statements	27 - 49

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members and trustees	P S Abraham (appointed 29 September 2017) D C Allchin (resigned 4 February 2018) K V Belinis O Bishi (appointed 29 September 2017) R A Bolton, Chair (Term of office ended August 2018) (resigned 31 August 2018) P J Dougherty Revd M P Dunstan P L Edwards H L Freed, Chair from September 2018 W E M Godfrey (resigned 31 July 2018) J Y J Harvey, Vice Chair G R Hayter A Hobson R MacRae (resigned 31 July 2018) S M P Newton (resigned 31 August 2018) M A Robinson P J Samways (resigned 28 March 2018) M Stanley, Staff M J Voaden, (Term of office ended October 2017) M A Waller (appointed 29 September 2017) M L Warren, Headteacher I L Wilson, (Term of office ended August 2018) M J Yates, Staff
Company registered number	07990029
Company name	Presdales School Academy Trust
Principal and registered office	Hoe Lane Ware Hertfordshire SG12 9NX
Senior leadership team	M L Warren, Headteacher K Chandler, Assistant Headteacher S Inwood, Assistant Headteacher S Jennings, Assistant Headteacher S Miller, Deputy Headteacher J Stephenson, Deputy Headteacher M Stanley, Business Manager E Sykes, Assistant Headteacher (appointed September 2017)
Independent auditor	Hillier Hopkins LLP Chartered Accountants Statutory Auditor Radius House 51 Clarendon Road Watford Herts WD17 1HP

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Bankers

Lloyds PLC
1 Bircherley Street
Hertford
SG14 1BU

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Presdales School Academy Trust (the Academy) for the period 01 September 2017 to 31 August 2018. The Trustees confirm that the Annual Report and Financial Statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purpose of both a Trustees' report and a Directors' report under company law.

Presdales School is an academy for girls aged 11-18, with boys welcome in the sixth form, serving a catchment area in Ware, Hertford and surrounding areas. The Pupil Admission Number (PAN) was increased to 180 giving a total capacity of 900 at Key Stages 3 and 4 with 851 students on roll in the school census in January 2018, plus 249 students at Key Stage 5.

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and an exempt charity which was set up by a Memorandum of Association on 14 March 2012.

The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust. The Trustees of Presdales School Academy Trust Limited are also Directors of the charitable company for the purposes of company law. The charitable company is also known as Presdales School.

Details of the Trustees who served during the period are included in the Reference and Administrative Details on page 1.

b. Members' liability

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

c. Trustees' indemnities

In accordance with normal practice, the academy purchases insurance from Marsh Insurance Limited to protect governors and officers from claims arising from negligent act, errors or omissions whilst on academy business.

d. Method of Recruitment and Appointment of Trustees

The management of the academy is the responsibility of the Trustees who are elected and co opted under the terms of the Trust deed.

Staff Trustees are elected by staff from both teaching and support staff employed at the academy. In addition, the Headteacher is a Trustee.

There are a minimum of seven dedicated parental trustee positions which ensures that the parent voice is properly represented. Parent Trustees are elected by parents of pupils registered at the academy through a formal process following notification of vacancies and invitation of nominations. All parents and carers of students at the Academy are eligible to stand.

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Members appoint up to ten Community Trustees. Potential new Trustees are requested to submit a CV and meet with the Chair and Vice Chair of Trustees and the Headteacher. When appropriate, the Chair, Vice Chair and Headteacher will make a recommendation to the Members for an appointment. Care is taken to ensure a balance and mix of skills required for the proper running of the academy and this will be given weight when assessing a new appointment. New Trustees are often drawn from the local community and recruitment is through a combination of approaches to individuals with known skills, the use of School Governors One Stop Shop and other agencies and by contacts received at the Academy from interested parties.

The structure of the Board of Trustees is currently under review and revised Articles of Association, changing the size and constitution of the Board has been lodged with the Department for Education for approval

e. Policies and Procedures Adopted for the Induction and Training of Trustees

New Trustees meet with the Chair of the Board to discuss their role. They are strongly encouraged to attend induction training through Herts for Learning, with whom the Academy contracts for school improvement training and services.

Ongoing training is available for all Trustees and specific in house training events have been arranged throughout the year. An annual Trustee Performance Review was introduced in June 2013 to analyse training and activity undertaken with a view to identifying skill/training gaps which can be filled through appropriate training or mentoring.

f. Organisational Structure

The Trustees have responsibility for setting and monitoring the overall strategic direction and objectives of the charitable company. The Board of Trustees meets six times each year.

The work of the Board is shared amongst three committees:

- Achievement and Curriculum
- Resources
- Personnel

Committees meet five or six times each year to consider detailed matters and recommend decisions to the full Board. A nominated Assistant Head attends most committee meetings to provide information and to aid liaison with the Senior Leadership Team.

In addition, a committee designated the Chairs Group comprising the Chair of Trustees, Vice Chair, Chairs of the committees and the Headteacher meet at least termly, and as required, to organise business, make recommendations to the Board and to consider strategic matters.

A scheme of financial delegation is in place that allows budgetary responsibility to be delegated through the Headteacher to the lowest level.

Trustees are responsible for setting general policy, approving the School Improvement Plan, approving the annual budget and making major decisions about the direction of the school. Decisions are taken at meetings of the full Board following consideration of reports and recommendations from Trustees' committees and the Headteacher.

Responsibility for managing the school on a day-to-day basis is delegated to the Headteacher, who also acts as the Accounting Officer. The Headteacher will implement the policies approved by Trustees and report to Trustees through the various sub committees and at full Board meetings.

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

A committee of Trustees with the participation of an external adviser undertakes the annual performance review of the Headteacher and monitors performance and achievements against targets.

Individual Trustees are allocated to academic subject areas as 'Link Trustees', meeting with the Head of Department and undertaking visits. Individual governors also assume responsibility for particular areas such as health and safety and special educational needs.

Trustees are encouraged to, and do, participate fully in the work of the committees and the Board.

g. Arrangements for setting pay and remuneration of key management personnel

The Board of Trustees gives due consideration to national guidance for the setting of staff salaries and will ensure that all key management personnel receive a salary review as part of the annual performance management process. On completion of this process, any pay awards, if due, will be made in accordance with the school pay policy.

h. Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the year	-
Full-time equivalent employee number	99

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

£

Total cost of facility time	-
Total pay bill	4,664,659
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
---------------------------------------------------------------------------------------------	-----

i. Related Parties

The Academy Trust's register of interests captures relevant business and pecuniary interests of members, Trustees and senior employees.

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Objectives and Activities

a. Objects and Aims

Presdales School is a six form entry all ability school which became an academy on 1 April 2012 for girls aged eleven to eighteen, with boys welcome in the sixth form. The Academy's principal activity is to advance, for the public benefit, education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. The school will also support the provision of recreational facilities for the local community. The trust was incorporated on 14 March 2012 and converted to an Academy School under the Trust on 1 April 2012.

b. Objectives, Strategies and Activities

Our vision is of a school which values pupils of all ages and abilities and helps them to exceed expectations through high quality teaching, learning, access to a wide variety of activities which enrich their education and personal development beyond the classroom.

The aims of the school are to promote:

- Individual fulfilment of potential and achievement of excellence for all
- The belief that education rightly challenges people to exceed expectations
- The expansion of interests through richness of opportunity
- The development of a sense of initiative and leadership skills
- Good relations with the wider community and especially with parents whose support is invaluable to educational progress
- A love of learning throughout life
- The understanding of 'what it is to be me' and by extension 'what it is to be another'
- Sensitivity to the needs of others and a sense of team spirit
- The development of a social conscience through the experience of belonging to a community
- The development of a sense of public service
- Respect for the environment
- Acknowledgement of the importance of morality and the value of everyone
- Curiosity about the spiritual dimension and eagerness to explore this
- The development of wisdom and the importance of vision
- Resilience in the face of life's challenges

The school offers a broad and balanced curriculum which exceeds the basic requirements of the National Curriculum by offering increased opportunities to all students.

Our vision for the school focuses on six main strands:

1. To ensure the highest achievement for all students
2. To further improve the quality of Teaching and Learning at Presdales School
3. To further improve the quality of pastoral care in the school
4. To ensure the highest quality of Leadership and Management
5. To develop an outstanding sixth form for all
6. To ensure the highest quality resources and environment

c. Public Benefit

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Trustees are satisfied that the academy has complied with its requirement for the public benefit for the education of girls in the Ware, Hertford and surrounding areas

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

in accordance with its charitable purpose, which can be demonstrated by the continued excellent examination results achieved by students of this academy.

In addition, the school maintains links with a number of local primary schools by providing curricular support in Physical Education and sports and recreational facilities are made available for public use. The school has recently been accepted by the DfE as one of 9 Language Hubs in the country sharing our wealth of expertise with four other schools in the local area

The Academy follows the coordinated admissions arrangements for single sex schools previously designed by Hertfordshire County Council.

STRATEGIC REPORT

Achievements and performance

a. Key performance indicators

Ofsted Inspections

The Academy was rated 'outstanding' at the last four inspections and confirmed as such by letter in 2011.

Admissions/Pupil numbers

The Academy's excellent reputation ensures that it remains very popular in the local area and is consistently over subscribed for admissions into Year 7. There were 197 first rank applications for September 2017. The Academy's PAN was 180 and 179 places were taken up.

Attendance

The Academy's attendance rate for 2017/18 was 96.1% which is above average for secondary schools.

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Examination results

The school continues to achieve results well above the national average.

GCSE	August 2017 (validated)	August 2018 (unvalidated)
Attainment 8	56.76	58.15
% students achieving 4+ in both En and Ma	85%	92%
% students achieving 5+ in both En and Ma	60%	69%
% entered for Ebacc	88%	81%
% achieving EBacc at 4+	67%	69%
% A*/A/9-7 grades	35%	38%
Ebacc APS for all students	NA	5.66

A level	August 2017	August 2018
Average pints score per entry (A2 only)	39.08	39.67
Expressed as a grade	B	B

Financial Performance Indicators

The Academy spent 80% of its total income on staff costs. Of the total salary spend, teachers' salaries account for 76% and support staff account for 24%.

Recruitment and Retention of Staff

Despite difficulties in the local area the school remains fully staffed and has been able to recruit high quality teaching staff. The turnover of staff is in line with expectations.

Teaching and Learning

The school follows the National Curriculum at KS3 and KS4. Students have the opportunity to study 2 languages in Year 7, including Russian and Italian. The average Pupil/Teacher ratio is 16.1 against a benchmark figure of 15 and teaching staff costs account for approximately 70% of the Academy's GAG income.

Destination of Year 13 Leavers

	August 2014	August 2015	August 2016	August 2017	August 2018
Total number of students in year	108	109	126	117	115
Percentage in Higher Education	80%	76%	77%	64%	78%
Percentage in Further Education and Higher Apprenticeships	13%	13%	3%	13%	15%

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Other Achievements

During the period under review the following objectives have been achieved:

KS3/KS4 curriculum review

- Implementation of the change to the length of the school day from September 2017
- Improved GCSE and A level results
- Students have participated in a very wide range of extra curricular activities including sports, musical concerts, and drama performances
- A successful World Challenge expedition to Norway was completed
- Students have participated in wide range of school trips to support their learning outside the classroom
- The sum of £10,816.46 was raised for Teens Unite Fighting Cancer which was the school's 2017 chosen charity.

Financial review

a. Going Concern

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

b. Financial review

Funding was provided by the Educational Funding Agency (EFA) from 1 September 2017 to 31 August 2018 and the main funding was from the General Annual Grant (GAG). Additional funding was received from pupil premium, lettings and catering. Expenditure has been used to support the key objectives of the academy, focussing on Teaching and Learning. The Academy continues to recruit excellent teaching staff and appropriate levels of staffing have been maintained.

Although revenue funds show an in-year deficit, this has been covered by unrestricted funds carried forward from the previous financial year

The Academy held net assets at 31 August 2018 of £11,170,502 which included a surplus in general funds of £127,620 a deficit in the local government pension fund of £1,212,000 and fixed asset funds totalling £12,254,882.

c. Reserves Policy

The Trustees have operated on the basis that, whilst efforts will be made to allocate funds to be spent on the education of those students who have generated the income, it is prudent to set a reasonable contingency to allow for unforeseen and emergency expenditure and to plan for future projects. The contingency sum for 2017/18 was £114,000. At 31 August 2018 the value of unrestricted general reserves was £127,620.

d. Investment Policy

The Board of Trustees has investigated the transfer of surplus funds to a higher interest account whilst ensuring that sufficient funds are readily available for the academy's monthly expenditure. It was concluded that as interest rates were generally very low and a small amount of interest was already generated on the school's current accounts, at this stage, this would not be beneficial to the school.

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

e. Principal Risks and Uncertainties

The Board of Trustees is responsible for overseeing the risks faced by the school. A Risk Management Policy and Risk Register are maintained by the Audit Committee and reviewed annually. The academy has identified and assessed other major risks to which the school is exposed and ensured that policies and procedures are in place to mitigate such risks. These include strategic and reputational risks, compliancy risks, operational and financial risks including the following:

- a reduction in and uncertainty over EFA funding due to a change in the funding formula or a reduction in student numbers.
- reduced numbers of students in the sixth form
- insufficient funds in a flat cash budget allocation to honour staff pay rises and increased NI employer's contributions
- extensive staff absence
- difficulty in recruiting appropriate staff.
- damage to buildings or failure of plant and equipment
- LGPS pension deficit (currently calculated at £1,212,000)

Trustees are satisfied that the major risks identified have been adequately mitigated where necessary, although it is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

a. Plans for Future Periods

For the coming financial year, the Academy plans to focus on the following key objectives and highlighted in the School Improvement Plan:

- To ensure the highest achievement for all students
- To further improve the quality of Teaching and Learning at Presdales School
- To further improve the quality of pastoral care in the school
- To ensure the highest quality of Leadership and Management
- To develop an outstanding sixth form for all
- To ensure the highest quality resources and environment
- To continue to investigate the feasibility of installing an all-weather pitch and potential funding streams

In addition the academy plans to re-submit a bid to the Academies Capital Maintenance Fund for the replacement of flat roofs as well as a safeguarding bid for fencing, CCTV and gates

Funds Held as Custodian

None.

Disclosure of information to Auditors

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

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 5 December 2018 and signed on its behalf by:


.....
H L Freed
Chair of Trustees


.....
M L Warren
Accounting Officer

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Presdales School Academy Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Presdales School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
P S Abraham	4	6
D C Allchin	3	3
K V Belinis	4	6
O Bishi	4	6
R A Bolton	6	6
P J Dougherty	4	6
Revd M P Dunstan	5	6
P L Edwards	6	6
H L Freed	6	6
W E M Godfrey	4	6
J Y J Harvey	6	6
G R Hayter	4	6
A Hobson	4	4
R MacRae	4	4
S M P Newton	4	6
M A Robinson	6	6
P J Samways	2	2
M Stanley, Staff	4	6
M J Voaden	1	1
M A Waller	6	6
M L Warren	6	6
I L Wilson	6	6
M J Yates	5	6

There have been no significant changes to the composition of the board.

During the year the Finance and Health, Safety and Premises committees were amalgamated to form the Resources Committee, which is a sub committee of the main Board of Trustees. Its purpose is to closely review the Trust's financial position, financial policies and procedures, to provide strategic financial direction and to ensure that the Academy's premises and health and safety obligations are fulfilled. Attendance at meetings in the period was as follows:

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
P Abrahams	3	3
O Bishi	2	3
P Dougherty	3	4
P Edwards	3	4
W E M Godfrey	4	4
G Hayter	4	4
A Hobson	3	4
M A Robinson (Chair)	3	4
M Stanley	4	4
M Warren (Headteacher)	4	4
I Wilson	3	4
M Yates	2	3

Trustees have appointed a Responsible Officer from within the Board, whose role includes giving advice on financial matters and performing a range of checks on the academy's financial systems and the review of internal audit reports. The Responsible Officer reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The school contracts with Hertfordshire County Council Shared Internal Audit Systems to carry out termly audits, and produce formal reports on the schools internal financial controls for consideration by the Responsible Officer and Resources Committee.

Review of Value for Money

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

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by:

Raising Student Attainment

The school was rated 'outstanding' at the last four Ofsted inspections and confirmed as such by letter in 2011. The school continues to achieve results well above the national average and this is demonstrated by the excellent examination results for 2017/18. Full details are available on the Academy website <http://www.presdales.herts.sch.uk>.

- **Targeted Improvement**

The Headteacher carries out an annual review of teaching staff and to ensure best value in terms of quality of teaching and learning, pupil-teacher ratio, and curriculum management.

- **Focus on Individual students**

The Academy focuses on the wide range of needs of our students, arranging one-to-one tuition where applicable and providing mentoring and counselling when appropriate. Pupil Premium funding has primarily been used for interventions to close gaps in core subjects. The Academy has focused on initiatives identified by the Education Endowment Foundation as having the best educational gain for financial outlay. The impact of interventions in Presdales' context is evaluated and strategies are extended, modified or changes altogether in light of student outcomes.

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

- **Collaboration**

The academy works collaboratively with local secondary schools for the provision of some sixth form courses and with local primary schools in Physical Education.

Financial Governance and Oversight

The Board of Trustees has a strong oversight of the financial management of the budget and is mindful of the need to balance expenditure against income to ensure the academy remains a 'going concern'. The Board approves the annual school budget and the Annual Accounts and responds to issues raised in the External Audit Management Reports on the financial statements and on regularity.

The Finance Committee considers the annual budget before recommending it for approval by the Board of Trustees, alongside the School Improvement Plan. The Committee receives termly budget monitoring information and reviews performance in line with budget.

The Academy has engaged an internal audit service from Hertfordshire County Council to review key financial policies, systems and procedures. Reports on compliance are considered by the Responsible Officer and Audit Committee.

Effective Purchasing

The Academy has procedures and controls for assessing need and procuring goods and services which provide "best value" in terms of suitability, efficiency, time, and cost.

Improved Income Generation

The Academy's excellent reputation ensures that it remains popular in the local area and is consistently oversubscribed for admissions into Year 7. The Academy attracts good numbers of students into the sixth form and is continuing its drive to recruit across a wide local area in order to ensure the viability of the varied curriculum and increase income.

School facilities are made available for hire by the local community and organisations which generates additional income for the school in terms of lettings.

Reviewing Controls and Managing Risks

- The Academy has prepared a Risk Register and Risk Management Policy to identify potential financial and business risks and put measures in place to minimise the implications of these risks.
- The Finance Committee regularly reviews the Medium Term Financial Plan to ensure that any future financial risks are identified as soon as possible.
- Monthly budget monitoring reports are produced and reviewed by the Headteacher and Finance Manager and any necessary remedial actions taken to address significant variances that may have an impact on the budget out-turn.

Monitoring

The Academy will continue to use the following strategies to be able to maintain and improve student attainment and to achieve best value:

- In-house monitoring by the Senior Leadership Team, Heads of Department and Heads of Year, including classroom observation, work scrutiny
- Annual programme of Performance Appraisal for all staff
- Annual Budget Planning including medium term 3 to 5 year plan
- Review of progress in achieving School Improvement Plan objectives
- Termly internal audit reviews
- Analysis of bench mark data for all schools
- Analysis of DfE student performance data
- Trustees' meetings (full and committee).
- Annual achievement meetings with subject leaders

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Presdales School Academy Trust for the year 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 Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 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 of Trustees.

The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint the Hertfordshire County Council Shared Internal Audit Service to carry out a range of internal checks of the academy trust's financial systems including: as internal auditor.

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

- Effectiveness of Governance
- Budget preparation and controls
- Financial controls
- Purchasing and payment systems and contracting
- Payroll systems
- Income controls

On a quarterly basis, the auditor reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The results of these each inspection are reported immediately to the Responsible Officer, Headteacher and Chair of Resources and followed up with an end-of-year report which concluded with substantial assurance of financial controls and no major recommendations to implement.

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Review of Effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Responsible Officer and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Members of the Board of Trustees on 5 December 2017 and signed on their behalf, by:


.....
H L Freed
Chair of Trustees


.....
M L Warren
Accounting Officer

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Presdales School Academy Trust I have considered my responsibility to notify the Academy trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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



.....
M L Warren
Accounting Officer

Date: 5 December 2018

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who act as governors of Presdales School Academy Trust and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

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

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

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

Approved by order of the Members of the Board of Trustees on and signed on its behalf by:


.....
H L Freed
Chair of Trustees

Date: 5 December 2018

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PRESDALES SCHOOL ACADEMY TRUST**

OPINION

We have audited the financial statements of Presdales School Academy Trust (the 'academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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 academy'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.

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PRESDALES SCHOOL ACADEMY TRUST**

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 Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the Directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PRESDALES SCHOOL ACADEMY TRUST**

concern basis of accounting unless the Trustees either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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 Auditor's report.

USE OF OUR REPORT

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



Alexander Bottom ACA (Senior statutory auditor)

for and on behalf of

Hillier Hopkins LLP

Chartered Accountants

Statutory Auditor

Radius House

51 Clarendon Road

Watford

Herts

WD17 1HP

Date:

18th December 2017

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PRESDALES
SCHOOL ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 1 May 2012 and further to the requirements of the Education & 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 Presdales School Academy Trust during the year 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 Presdales School 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 Presdales School 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 Presdales School Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF PRESDALES SCHOOL ACADEMY TRUST'S ACCOUNTING
OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Presdales School Academy Trust's funding agreement with the Secretary of State for Education dated 15 March 2012, and the Academies Financial Handbook extant from 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 year 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.

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PRESDALES
SCHOOL ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

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 Academy's income and expenditure.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity across the Academy Trust's activities.
- Testing and review of areas identified through risk assessment including enquiry, observation, inspection and review of supporting evidence.
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime
- Consideration of evidence obtained through the work performed as part of our financial statements audit in order to support the regularity conclusion

CONCLUSION

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



Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor
Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

Date: 18th December 2018

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	-	36,147	23,609	59,756	55,654
Charitable activities	3	827,315	5,307,795	-	6,135,110	6,210,885
Other trading activities	4	90,292	-	-	90,292	65,955
Investments	5	436	-	-	436	507
TOTAL INCOME		918,043	5,343,942	23,609	6,285,594	6,333,001
EXPENDITURE ON:						
Charitable activities		795,574	5,552,837	344,473	6,692,884	6,644,168
Other expenditure		-	-	-	-	44,319
TOTAL EXPENDITURE	6	795,574	5,552,837	344,473	6,692,884	6,688,487
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	122,469 (105,578)	(208,895) 76,895	(320,864) 28,683	(407,290) -	(355,486) -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		16,891	(132,000)	(292,181)	(407,290)	(355,486)
Actuarial gains on defined benefit pension schemes	22	-	175,000	-	175,000	1,037,000
NET MOVEMENT IN FUNDS		16,891	43,000	(292,181)	(232,290)	681,514
RECONCILIATION OF FUNDS:						
Total funds/(deficit) brought forward		110,588	(1,255,000)	12,547,063	11,402,651	10,721,137
TOTAL FUNDS/(DEFICIT) CARRIED FORWARD		127,479	(1,212,000)	12,254,882	11,170,361	11,402,651

The notes on pages 27 to 49 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		12,247,882		12,547,063
CURRENT ASSETS					
Stocks	14	2,087		2,228	
Debtors	15	286,713		240,610	
Cash at bank and in hand		520,562		471,869	
		<u>809,362</u>		<u>714,707</u>	
CREDITORS: amounts falling due within one year	16	<u>(586,248)</u>		<u>(491,757)</u>	
NET CURRENT ASSETS			223,114		222,950
TOTAL ASSETS LESS CURRENT LIABILITIES			12,470,996		12,770,013
CREDITORS: amounts falling due after more than one year	17		<u>(88,635)</u>		<u>(112,362)</u>
NET ASSETS EXCLUDING PENSION			12,382,361		12,657,651
Defined benefit pension scheme liability	22		<u>(1,212,000)</u>		<u>(1,255,000)</u>
NET ASSETS INCLUDING PENSION			<u>11,170,361</u>		<u>11,402,651</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted fixed asset funds		12,254,882		12,547,063	
Pension reserve		<u>(1,212,000)</u>		<u>(1,255,000)</u>	
Total restricted income funds			11,042,882		11,292,063
Unrestricted income funds	18		<u>127,479</u>		<u>110,588</u>
TOTAL FUNDS			<u>11,170,361</u>		<u>11,402,651</u>

The financial statements on pages 24 to 49 were approved by the Trustees, and authorised for issue, on 5 December 2018 and are signed on their behalf, by:


.....
H L Freed
Chair of Trustees

The notes on pages 27 to 49 form part of these financial statements.

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>93,667</u>	<u>132,514</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		436	507
Purchase of tangible fixed assets		(45,292)	(71,530)
Capital grants from DfE Group		23,609	23,980
Net cash used in investing activities		<u>(21,247)</u>	<u>(47,043)</u>
Cash flows from financing activities:			
Repayments of borrowings		(23,727)	(23,750)
Net cash used in financing activities		<u>(23,727)</u>	<u>(23,750)</u>
Change in cash and cash equivalents in the year		48,693	61,721
Cash and cash equivalents brought forward		471,869	410,148
Cash and cash equivalents carried forward	21	<u><u>520,562</u></u>	<u><u>471,869</u></u>

The notes on pages 27 to 49 form part of these financial statements.

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Presdales School Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

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

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

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

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

1.4 Expenditure

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

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised 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 incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	2% straight line on property, 125 years on land
Furniture and fixtures	-	10% straight line & 20% straight line
Plant and equipment	-	20% straight line & 33.3% straight line

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 incorporating income and expenditure account.

1.6 Operating leases

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

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 Debtors

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

1.9 Cash at Bank and in hand

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

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.10 Liabilities and provisions

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

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.12 Taxation

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

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, 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 incorporating income and expenditure account 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.

1.14 Fund accounting

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

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

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

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the LGPS defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

1.16 Agency Arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 27.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	-	36,147	-	36,147	10,300
Government grants	-	-	23,609	23,609	45,354
	-	36,147	23,609	59,756	55,654
<i>Total 2017</i>	-	10,300	45,354	55,654	

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Educational activities	-	5,293,533	5,293,533	5,370,779
Other income	33,211	14,262	47,473	81,737
Trip income	370,016	-	370,016	346,871
Music income	133,074	-	133,074	130,889
Catering income	291,014	-	291,014	280,609
	<u>827,315</u>	<u>5,307,795</u>	<u>6,135,110</u>	<u>6,210,885</u>
<i>Total 2017</i>	<u>795,817</u>	<u>5,415,068</u>	<u>6,210,885</u>	

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	5,151,624	5,151,624	5,262,814
	<u>-</u>	<u>5,151,624</u>	<u>5,151,624</u>	<u>5,262,814</u>
Other government grants				
Other government grants	-	30,135	30,135	7,300
School Standards Fund	-	92,574	92,574	82,550
Rates grant	-	19,200	19,200	17,818
Insurance grant	-	-	-	297
	<u>-</u>	<u>141,909</u>	<u>141,909</u>	<u>107,965</u>
	<u>-</u>	<u>5,293,533</u>	<u>5,293,533</u>	<u>5,370,779</u>
<i>Total 2017</i>	<u>-</u>	<u>5,370,779</u>	<u>5,370,779</u>	

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings income	25,149	-	25,149	24,512
Fund income	65,143	-	65,143	41,443
	<u>90,292</u>	<u>-</u>	<u>90,292</u>	<u>65,955</u>
<i>Total 2017</i>	<u>65,955</u>	<u>-</u>	<u>65,955</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	436	-	436	507
	<u>436</u>	<u>-</u>	<u>436</u>	<u>507</u>
<i>Total 2017</i>	<u>507</u>	<u>-</u>	<u>507</u>	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Educational activities:					
Direct costs	3,842,608	-	782,085	4,624,693	4,580,020
Support costs	985,556	628,801	453,834	2,068,191	2,108,467
	<u>4,828,164</u>	<u>628,801</u>	<u>1,235,919</u>	<u>6,692,884</u>	<u>6,688,487</u>
<i>Total 2017</i>	<u>4,718,700</u>	<u>636,245</u>	<u>1,333,542</u>	<u>6,688,487</u>	

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational activities	4,624,693	2,068,191	6,692,884	6,644,168
<i>Total 2017</i>	-	-	-	

Analysis of direct costs

	Educational activities £	Total 2018 £	Total 2017 £
Teaching and educational supplies	138,192	138,192	174,360
Examination fees	101,539	101,539	98,733
Trip expenditure	366,701	366,701	347,568
Other direct costs	175,653	175,653	171,698
Agency costs	15,210	15,210	25,659
Wages and salaries	3,076,992	3,076,992	3,039,671
National insurance	276,779	276,779	279,198
Pension cost	473,627	473,627	443,133
	4,624,693	4,624,693	4,580,020
<i>At 31 August 2017</i>	4,580,020	4,580,020	

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

Analysis of support costs

	Educational activities £	Total 2018 £	Total 2017 £
Pension expense	35,000	35,000	44,000
Staff costs	950,556	950,556	956,698
Depreciation	340,505	340,505	372,067
Support staff costs	20,537	20,537	27,381
Recruitment	25,157	25,157	30,803
Premises maintenance costs	154,236	154,236	140,143
Rent and rates	30,242	30,242	29,607
Catering costs	146,027	146,027	155,467
Technology costs	17,375	17,375	30,733
Insurance costs	42,347	42,347	44,984
Heat and light costs	79,366	79,366	71,809
Printing, postage and stationery	22,028	22,028	18,730
Cleaning and caretaking costs	24,452	24,452	21,430
Professional fees	81,566	81,566	83,174
Other support costs	43,311	43,311	28,122
Audit costs	8,500	8,500	9,000
Fundraising costs	46,986	46,986	44,319
	<u>2,068,191</u>	<u>2,068,191</u>	<u>2,108,467</u>
<i>At 31 August 2017</i>	<u>2,108,032</u>	<u>2,108,032</u>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	340,505	372,067
Auditor's remuneration - audit	7,450	7,250
Auditor's remuneration - other	1,050	1,750
	<u>349,005</u>	<u>381,067</u>

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	3,723,239	3,703,775
Social security costs	325,471	329,711
Operating costs of defined benefit pension schemes	729,244	685,214
	<u>4,777,954</u>	<u>4,718,700</u>
Agency staff costs	15,210	44,470
Staff restructuring costs	-	7,478
Pension expense (note 7)	35,000	44,000
	<u><u>4,828,164</u></u>	<u><u>4,814,648</u></u>

Staff restructuring costs comprise:

Severance payments	-	7,478
	<u><u>-</u></u>	<u><u>7,478</u></u>

b. Staff numbers

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

	2018 No.	2017 No.
Teaching	93	79
Support/Administration	80	74
Management	8	7
	<u>181</u>	<u>160</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	5	3
In the band £80,001 - £90,000	1	1

All six of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for these staff amounted to £65,772 (2017: £44,415).

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

9. STAFF COSTS (continued)

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior leadership team as listed on page 1 and 2. The total employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £592,576 (2017: £528,459)

10. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018 £	2017 £
P J Samways	Remuneration		45,000-50,000
	Pension contributions paid		5,000-10,000
M Stanley	Remuneration		45,000-50,000
	Pension contributions paid		10,000-15,000
MJ Yates	Remuneration		35,000-40,000
	Pension contributions paid		5,000-10,000
K A Freed*	Remuneration		15,000-20,000
	Pension contributions paid		Nil
M L Warren	Remuneration		80,000-85,000
	Pension contributions paid		10,000-15,000
J Y J Harvey	Remuneration		0-5,000
	Pension contributions paid		0-5,000

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016: £NIL).

* K A Freed is a related party by virtue of being married to H L Freed, a trustee.

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £978 (2017: £1,232). The cost of this insurance is included in the total insurance cost.

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

12. OTHER FINANCE COSTS

	2018 £	2017 £
Interest on pension scheme liabilities	35,000	44,000

13. TANGIBLE FIXED ASSETS

	Leasehold property £	Furniture and fixtures £	Plant and equipment £	Total £
Cost				
At 1 September 2017	13,421,562	543,692	455,548	14,420,802
Additions	-	41,772	3,520	45,292
Disposals	-	-	(17,000)	(17,000)
At 31 August 2018	13,421,562	585,464	442,068	14,449,094
Depreciation				
At 1 September 2017	1,253,100	274,922	345,717	1,873,739
Charge for the year	228,821	54,413	57,271	340,505
On disposals	-	-	(13,032)	(13,032)
At 31 August 2018	1,481,921	329,335	389,956	2,201,212
Net book value				
At 31 August 2018	11,939,641	256,129	52,112	12,247,882
At 31 August 2017	12,168,462	268,770	109,831	12,547,063

14. STOCKS

	2018 £	2017 £
Catering stock	2,087	2,228

15. DEBTORS

	2018 £	2017 £
Trade debtors	3,598	4,460
Other debtors	19,507	17,124
Prepayments and accrued income	263,608	219,026
	286,713	240,610

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

16. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Other loans	23,727	23,727
Trade creditors	195	-
Taxation and social security	163,718	156,689
Other creditors	16,764	13,518
Accruals and deferred income	381,844	297,823
	<u>586,248</u>	<u>491,757</u>
	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	231,796	192,840
Resources deferred during the year	300,507	231,796
Amounts released from previous years	(231,796)	(192,840)
Deferred income at 31 August 2018	<u>300,507</u>	<u>231,796</u>

At the balance sheet date the Academy Trust was holding funds received in advance for trips being held in the school year 2018/2019.

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

	2018 £	2017 £
Other loans	<u>88,635</u>	<u>112,362</u>
Creditors include amounts not wholly repayable within 5 years as follows:		
	2018 £	2017 £
Repayable by instalments	<u>3,727</u>	<u>17,454</u>

The loan balances relate to SALIX loans to fund the Boiler project and Window Walling project. Repayments for Boiler loan of £10,000 commenced in March 2015 and will be made twice a year until 2022. Repayments for Window Walling loan of £1,864 commenced in September 2016 and will be made twice a year until 2023.

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

18. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	87,306	852,900	(748,447)	(105,578)	-	86,181
School fund	23,282	65,143	(46,986)	-	-	41,439
Other General funds	-	-	(141)	-	-	(141)
	<u>110,588</u>	<u>918,043</u>	<u>(795,574)</u>	<u>(105,578)</u>	<u>-</u>	<u>127,479</u>
Restricted funds						
	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
General Annual Grant (GAG)	-	5,151,624	(5,228,519)	76,895	-	-
Pupil premium	-	92,574	(92,574)	-	-	-
Other government income	-	30,135	(30,135)	-	-	-
Other income	-	14,262	(14,262)	-	-	-
Rates grant	-	19,200	(19,200)	-	-	-
Donations	-	36,147	(36,147)	-	-	-
Pension reserve	(1,255,000)	-	(132,000)	-	175,000	(1,212,000)
	<u>(1,255,000)</u>	<u>5,343,942</u>	<u>(5,552,837)</u>	<u>76,895</u>	<u>175,000</u>	<u>(1,212,000)</u>
Restricted fixed asset funds						
	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Restricted Fixed Asset Funds - all funds	12,547,063	-	(327,864)	28,683	-	12,247,882
ESFA Capital grant	-	23,609	(16,609)	-	-	7,000
	<u>12,547,063</u>	<u>23,609</u>	<u>(344,473)</u>	<u>28,683</u>	<u>-</u>	<u>12,254,882</u>
Total restricted funds	<u>11,292,063</u>	<u>5,367,551</u>	<u>(5,897,310)</u>	<u>105,578</u>	<u>175,000</u>	<u>11,042,882</u>
Total of funds	<u>11,402,651</u>	<u>6,285,594</u>	<u>(6,692,884)</u>	<u>-</u>	<u>175,000</u>	<u>11,170,361</u>

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

18. STATEMENT OF FUNDS (continued)

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Academy via the Education and Skills Funding Agency by the DfE. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the Academy.

The other material restricted general funds represent incoming resources for the following specific purposes:

- a) ESFA grant funding for part of the staff costs of the school's sports co-ordinator
- b) ESFA capital grant to maintain and improve school buildings
- c) Pupil premium grant allocated to schools with pupils that are known to be eligible for free school meals to raise attainment for pupils from low income families.

School fund income is derived largely from contributions from parents for school trips and also funds raised from charity events at the school.

The pension reserve represents the net deficit on the LGPS defined benefit pension scheme. The deficit arose because of the pension scheme deficit inherited on conversion and future GAG funding agreed by the ESFA is expected to be sufficient to take the fund back into surplus.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
General funds						
Unrestricted funds	14,379	820,836	(732,191)	(15,718)	-	87,306
School fund	26,158	41,443	(44,319)	-	-	23,282
	<u>40,537</u>	<u>862,279</u>	<u>(776,510)</u>	<u>(15,718)</u>	<u>-</u>	<u>110,588</u>

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

18. STATEMENT OF FUNDS (continued)

Restricted funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	-	5,280,632	(5,270,174)	(10,458)	-	-
Pupil premium	-	82,550	(82,550)	-	-	-
Other government income	-	7,300	(7,300)	-	-	-
Other income	-	54,886	(54,886)	-	-	-
Pension reserve	(2,167,000)	-	(125,000)	-	1,037,000	(1,255,000)
	<u>(2,167,000)</u>	<u>5,425,368</u>	<u>(5,539,910)</u>	<u>(10,458)</u>	<u>1,037,000</u>	<u>(1,255,000)</u>

Restricted fixed asset funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Restricted Fixed Asset Funds - all funds	12,847,600	-	(372,067)	71,530	-	12,547,063
ESFA Capital grant	-	23,978	-	(23,978)	-	-
CIF funding	-	21,376	-	(21,376)	-	-
	<u>12,847,600</u>	<u>45,354</u>	<u>(372,067)</u>	<u>26,176</u>	<u>-</u>	<u>12,547,063</u>
Total restricted funds	<u>10,680,600</u>	<u>5,470,722</u>	<u>(5,911,977)</u>	<u>15,718</u>	<u>1,037,000</u>	<u>11,292,063</u>
Total of funds	<u>10,721,137</u>	<u>6,333,001</u>	<u>(6,688,487)</u>	<u>-</u>	<u>1,037,000</u>	<u>11,402,651</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	12,247,882	12,247,882
Current assets	551,164	251,198	7,000	809,362
Creditors due within one year	(335,050)	(251,198)	-	(586,248)
Creditors due in more than one year	(88,635)	-	-	(88,635)
Provisions for liabilities and charges	-	(1,212,000)	-	(1,212,000)
	<u>127,479</u>	<u>(1,212,000)</u>	<u>12,254,882</u>	<u>11,170,361</u>

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	<i>2017</i>	<i>2017</i>	<i>2017</i>	<i>2017</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Tangible fixed assets	-	-	12,547,063	12,547,063
Current assets	376,298	338,409	-	714,707
Creditors due within one year	(265,710)	(226,047)	-	(491,757)
Creditors due in more than one year	-	(112,362)	-	(112,362)
Provisions for liabilities and charges	-	(1,255,000)	-	(1,255,000)
	<u>110,588</u>	<u>(1,255,000)</u>	<u>12,547,063</u>	<u>11,402,651</u>

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

	<i>2018</i>	<i>2017</i>
	<i>£</i>	<i>£</i>
Net expenditure for the year (as per Statement of Financial Activities)	(407,290)	(355,486)
Adjustment for:		
Depreciation charges	340,505	372,067
Dividends, interest and rents from investments	(436)	(507)
Loss on the sale of fixed assets	3,968	-
Decrease/(increase) in stocks	141	(774)
Increase in debtors	(46,103)	(10,336)
Increase in creditors	94,491	26,530
Capital grants from DfE and other capital income	(23,609)	(23,980)
Defined benefit pension scheme cost less contributions payable	97,000	81,000
Defined benefit pension scheme finance cost	35,000	44,000
Net cash provided by operating activities	<u>93,667</u>	<u>132,514</u>

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	<i>2018</i>	<i>2017</i>
	<i>£</i>	<i>£</i>
Cash in hand	520,562	471,869
Total	<u>520,562</u>	<u>471,869</u>

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

22. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hertfordshire County Council. Both are Multi-employer defined benefit pension schemes.

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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.
- 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%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £473,627 (2017 - £443,133).

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

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

22. PENSION COMMITMENTS (continued)

(www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £195,000 (2017 - £201,000), of which employer's contributions totalled £157,000 (2017 - £162,000) and employees' contributions totalled £38,000 (2017 - £39,000). The agreed contribution rates for future years are 25.3% for employers and 5.5% to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.50 %	2.50 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.5	22.5
Females	24.9	24.9
Retiring in 20 years		
Males	24.1	24.1
Females	26.7	26.7

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

22. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	<i>Fair value at 31 August 2017 £</i>
Equities	1,229,600	1,427,400
Corporate bonds	812,000	549,000
Property	185,600	153,720
Cash and other liquid assets	92,800	65,880
	<u>2,320,000</u>	<u>2,196,000</u>

The actual return on scheme assets was £127,000 (2017 - £254,000).

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

	2018 £	<i>2017 £</i>
Current service cost	(254,000)	(243,000)
Interest cost	(35,000)	(44,000)
	<u>(289,000)</u>	<u>(287,000)</u>
Total	<u>(289,000)</u>	<u>(287,000)</u>
Actual return on scheme assets	<u>(127,000)</u>	<u>(254,000)</u>

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

	2018 £	<i>2017 £</i>
Opening defined benefit obligation	3,451,000	4,023,000
Current service cost	254,000	243,000
Interest cost	89,000	82,000
Employee contributions	38,000	39,000
Changes in financial assumptions and actuarial (gains)/losses	(205,000)	(821,000)
Benefits paid	(95,000)	(115,000)
	<u>3,532,000</u>	<u>3,451,000</u>
Closing defined benefit obligation	<u>3,532,000</u>	<u>3,451,000</u>

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

22. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	2,196,000	1,856,000
Interest income	54,000	38,000
Actuarial gains/(losses)	(30,000)	216,000
Employer contributions	157,000	162,000
Employee contributions	38,000	39,000
Benefits paid	(95,000)	(115,000)
	<u>2,320,000</u>	<u>2,196,000</u>
Closing fair value of scheme assets	<u>2,320,000</u>	<u>2,196,000</u>

23. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	12,725	12,726
Between 1 and 5 years	3,299	14,136
	<u>16,024</u>	<u>26,862</u>
Total	<u>16,024</u>	<u>26,862</u>

24. MEMBERS' LIABILITY

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

PRESDALES SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

There were no related party or connected party transactions during the year that require disclosure within these accounts.

26. CONTROLLING PARTY

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

27. AGENCY ARRANGEMENTS

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the trust received £10,816 (2017: £12,008) and disbursed £13,430 (2017: £8,848) from the fund. An amount of £5,948 (2017: £8,562) is included in other creditors relating to undistributed funds that is repayable to ESFA.

The Academy Trust collects and distributes income and expenditure as an agent for the school charity. In the accounting period ending 31 August 2018 the trust received £8,845 (2017: £9,360) and disbursed £2,985 (2017: £8,964) from the fund. An amount of £10,816 (2017: £4,956) is included in other creditors relating to undistributed funds relating to the school charity.