

Company Registration Number: 08359584 (England & Wales)

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

D Palmer
E Counsell
B Kobel

Trustees

D Palmer, Chair of Trustees, Community Trustee
E Counsell, Vice Chair, Co-opted Trustee
V Luthra, Vice Chair, Partnership Trustee
D Sloan, Vice Chair, Partnership Trustee
S Eismann, Co-opted Trustee (Sabbatical from 1 September 2020)
S Tahir, Co-opted Trustee
R Gulati, Co-opted Trustee
S Venables, Co-opted Trustee
A Chavan, Parent Trustee (appointed 16 September 2019)
C Denton, Parent Trustee (appointed 16 September 2019)
N Minar, Parent Trustee (appointed 16 September 2019)
J Bach, Partnership Trustee
K Patel, Partnership Trustee
S Lawrence, Community Trustee
S Nasrabadi, Staff Trustee
L Paul, Teacher Trustee
J Frater, LA Trustee
B Kobel, Headteacher & Accounting Officer

Company registered number

08359584

Company name

Preston Manor Academy Trust

Principal and registered office

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

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Chief executive officer

B Kobel

Senior leadership team

B Kobel, Headteacher and Accounting Officer
S Welch, Associate Head (resigned 31 August 2020)
S Taylor, Associate Head (new role from 1 September 2020)
L Airey, Deputy Head (resigned 31 August 2020)
G Brougham, Deputy Head
E Clarke, Deputy Head (appointed 1 June 2020)
K Atkinson, Head of Lower School
Q Siddique, Deputy Head of Lower School
S Dareve, Assistant Head
H Jones, Assistant Head
J Surani, Assistant Head (appointed 1 January 2020)
D Tully, Assistant Head
S Wallman, Assistant Head (resigned from role 19 April 2020)
A Ward, Assistant Head
D McLoughlin, Assistant Head of Lower School
S Solanki, Assistant Head of Lower School
N Kampta, Finance & Business Manager and Chief Financial Officer

Independent auditors

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

Bankers

HSBC Bank PLC, Wembley, HA0 2DB

Solicitors

Druces LLP, Salisbury House, London Wall, London, EC2M 5PS

PRESTON MANOR ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year, 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 4 to 18 serving a catchment area in Brent. It has a pupil capacity of 1980 and had a roll of 1924 in the school census in January 2020.

Structure, Governance and Management

a. Constitution

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

Details of the Trustees who served during the year, and to the date these accounts are approved 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 £1, for the debts and liabilities contracted before they ceased to be a member.

c. Trustees' Indemnities

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

d. Method of Recruitment and Appointment or Election of Trustees

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

- o The Head Teacher
- o Up to six Parent Governors (minimum of two)
- o One LA Governor
- o One Teacher Governor
- o One Staff Governor
- o Partnership Governors (number not specified)
- o Community Governors (number not specified)
- o Co-opted Governors

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, Governance and Management (continued)

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

The training and induction provided for new governors will depend on their individual experience and expertise. Where necessary an induction will provide training on charity and educational, legal and financial matters. All new governors are given a tour of the academy and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as trustees and directors of the academy.

f. Organisational structure

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

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

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

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

The Head Teacher assumes the accounting officer role.

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

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

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	5
Full-time equivalent employee number	5

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	5
51%-99%	-
100%	-
Percentage of pay bill spent on facility time	£
Total cost of facility time	6,122
Total pay bill	10,333,645
Percentage of total pay bill spent on facility time	0.06 %

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, Governance and Management (continued)

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours **25.00** %

i. Related parties and other connected charities and organisations

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

Objectives and activities

a. Objects and Aims

The principal object and activity of the academy is the operation of Preston Manor School to provide a broad and balanced education for pupils of all abilities in the Brent area. The governors have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the academy.

In accordance with the articles of association, the academy has adopted a "Scheme of Government" approved by the Secretary of State for Education.

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

b. Objectives, strategies and activities

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

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

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

- o Every child is capable of extraordinary achievement.
- o For any child to realise their inner potential they need an environment and adult role models that support

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

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

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

- o Respect oneself.
- o Responsible Learners
 - o Recognise that making mistakes is a key part of successful learning and develop perseverance.
 - o Enjoy and cultivate a positive approach to, and accept responsibility for their learning.
 - o Be able to and enjoy applying knowledge & understanding to a wide range of situations.
 - o Work successfully in teams and as individuals.
 - o Supported to take responsibility to achieve beyond their potential.
 - o Reflect on both achievements and setbacks and learn from their experiences.
 - o Think and learn creatively.

The Academy's Aims are being reviewed and edited in the autumn term of 2020.

c. Public Benefit

In setting the objectives, the governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. As an academy we make the best use of our skills, expertise and experience with regards to the community. Some examples of this are:

- o Raising money for local, national and international charities such as:
 - o Anti-bullying Alliance
 - o Macmillan Cancer Support
 - o A Ghanian School

Strategic report

Achievements and performance

a. Key performance indicators

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

It has a pupil capacity of 1980 and had a roll of 1924 in the school Census in January 2020.

Upper School:-

In 2018 we were in the top 6% of all state-funded mainstream schools in terms of progress with an exceptional progress 8 score of 0.74. Without taking this exceptional score into account, our results demonstrate a sustained upward trend in progress 8 scores that are above national averages for the past five years.

Attainment 8 scores also show a five year upward trend with the past four years being above National averages. Our outcomes for students in the basics (4+ in English and Maths) similarly demonstrate a five-year upward trend and well above national averages (Grade 5+ are also above National Averages the past five years).

Finally, our Ebacc entry figures are also well above national averages on or above 74% for the past three years and outcomes are also above National Averages for the Ebacc qualification for the past five years.

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

KS4

	2016			2017			2018			2019			2020		
	Actual	Nat	Diff	Actual	Nat	Diff	Actual	Nat	Diff	Actual	Nat	Diff	Actual	Nat	Diff
Progress 8	0.1	0	0.1	0.2	0	0.2	0.7	0	0.7	0.4	0	0.4	0.6	0	0.6
Attainment 8	50.6	49.9	0.7	48	46.3	1.7	53.5	46.5	7	48.8	46.7	2.1	51.8	46.7	5.1
Grade 5/C or above in English and Maths	58%	62%	-4%	47%	43%	4%	58%	43%	15%	49%	43%	6%	53%	43%	10%
Grade 4/C or above in English and Maths	58%	63%	-5%	67%	64%	3%	78%	64%	14%	72%	65%	7%	77%	65%	12%
Entering Ebacc	62%	39%	23%	58%	38%	20%	83%	38%	45%	81%	40%	41%	74%	40%	34%
Ebacc/Ebacc APS	31%	24%	7%	38%	21%	17%	5.1	4.04	1.06	4.64	4.06	0.58	4.88	4.06	0.82
Cohort	245			238			240			245			246		

PLEASE NOTE: The DfE will not be publishing any national data for 2020, therefore 2020 results have been compared with 2019 nationals in this table.
Nat = all state-funded schools in England.

KS5

	2016	2017	2018	2019	2020
A Level					
A*-C	78%	77%	86%	65%	84%

**School Absence Data
(Whole School)**

	2019/20
Authorised	5.2%
Unauthorised	1.9%
Total	7.1%

Lower School:-

Outcomes for children in year 6 for the 2019/20 academic year are predicted results due to the national Covid-19 lockdown between March and July for most school children and the DfE cancelling school exams for the 2019/20 academic year.

Year 6 predicted outcomes would have been above 2018/19 National outcomes for Reading (9%), and combined Reading, Writing and Maths (7%) and broadly in line in Maths and Writing.

Predicted outcomes for year 2 children would have been above 2018/19 National outcomes for Reading (8%), Writing (8%), Maths (1%) and combined Reading, Writing and Maths (7%).

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Disadvantaged Children Performance Analysis:

In KS2, our disadvantaged children would have outperformed national disadvantaged children in the combined outcomes, Reading and Maths. Our disadvantaged children would have performed lower than disadvantaged children nationally in writing. Our school gap between Disadvantaged and Non Disadvantaged children is smaller than the national gap in combined results and Maths.

I have used 2018/19 national disadvantaged figures as at the time of completing this data. Data was taken from Perspective Lite Data Package and is unvalidated data at this time. This will be validated data when the DfE publishes validated data later in the academic year.

In Key Stage 1, our disadvantaged children would have outperformed national disadvantaged children in Reading, Writing and Maths. Our school gap between Disadvantaged and Non Disadvantaged children is smaller than the national gap in Reading and Writing.

Data was taken from Perspective Lite Data Package and is unvalidated data at this time. This will be validated data when the DfE publishes validated data later in the academic year.

Overall attendance for the 2019/2020 academic year from Sept - March was 95.9%. This is above National expectations for attendance.

a. Going concern

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

It is to be noted that the school closed to most students on 20 March 2020 in line with Government instruction and did not reopen fully until the Autumn term in September 2020. During this period of partial closure, the school ran a provision for lower and upper school students who were vulnerable and/or children of critical workers. In June 2020 the Lower School opened up to three year groups (Reception, Year 1 and Year 6) and the upper school opened up to two year groups (Year 10 and Year 12).

During the period from March to August 2020 many adjustments were made to the school site to reduce the risk of transmission of the COVID-19 virus. Full Risk Assessments were carried out and updated for applicable departments in the school (e.g. Science, Welfare, Catering, Premises, whole lower school, whole upper school, etc).

Individual Risk Assessments were completed for every member of staff. Actions were taken as a result of the measures outlined in the risk assessments to try to reduce the risks identified. All applicable Government guidance was adhered to and the school has adapted at all stages to ensure compliance with the latest advice.

For example, Perspex sheeting was installed in all shared office areas, the lower and upper school canteens and some science laboratories. Department staffrooms have been redesigned to accommodate social distancing. Signage has been displayed in all areas of the school (internal and external). A one-way system has been put in place. Wall-mounted sanitising dispensers have been installed in every classroom and communal area. Large levels of stock of tissues, paper towels, disinfectant and alcohol hand gel have been ordered, as well as disposable masks, gloves, aprons and face visors.

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Additional cleaners and security guards were appointed (through agencies) to fulfil the new cleaning and security requirements (to start in September 2020). The school day has been adapted to allow staggered start times, breaks, lunch and end times. The canteen has been redesigned to allow students to all face in one direction. The break time catering service has ceased. Subscriptions to online conferencing has been purchased to allow all staff briefings and smaller meetings to be carried out remotely. Staff and students are encouraged to wear masks in communal areas of the school site. Portable sinks have been purchased and permanent sinks have been installed, to allow hand washing before entering the school buildings.

During the period of partial closure, all staff who could work from home did so. A rota was used to ensure the provision was suitably staffed at all times.

All lettings bookings were cancelled from 21 March onwards, this meant a loss of income of approx. £70,000.

The school applied for £13,918 under the Exceptional Costs Support Grant (COVID-19). This was mostly to reimburse the school for the National Free School Meal Voucher scheme plus some costs for cleaning materials and PPE. However, the actual costs of COVID-related expenditure to the end of 2019/20 were just under £70,000 but were not applicable costs under the criteria of the grant conditions so could not be claimed.

Therefore, due to the reduction in income from lettings and the additional COVID-related expenditure the school's level of reserves has reduced from £3,032,414 in 2019 to £2,705,335 in 2020. Please note approx. £200,000 was also taken from Reserves during the year for the PE Changing Rooms Refurbishment project.

The school hopes to resume limited letting bookings during October/November 2020, but it is unlikely the income during the 2020/21 year will reach the levels of 2018/19.

The school is in a fortunate position that the level of reserves has been built up over a number of years to accommodate the necessary additional COVID-related expenditure expected over the coming year, but of course the levels are not limitless and continuing costs of additional cleaning materials, PPE and agency staff (due to self-isolation periods) is a concern. As well the unfunded Pay Awards for Teachers and Support Staff.

The necessity of any further refurbishment works will need to be very carefully considered until the school has a better understanding of its ongoing COVID-related costs. The school is considering the use of cover supervisors as an alternative to short-term agency staff.

b. Financial Review

During the period, ESFA/LA grants received totalled to £12,902,377 (2019: £12,395,195). Other income included within restricted funds totalled to £335,560 (2019: £495,544). Restricted fund expenditure totalled to £13,330,170 (2019: £12,739,412).

The main source of unrestricted income is lettings, totalling to £72,810 (2019: £131,918).

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the 12-month period ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of financial activities.

The Academy also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2015), such grants are shown in the Statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the academy. It should be noted that this does not present the academy with any current liquidity

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

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

The Finance & Business Manager regularly reviews the financial processes and controls and reports from the school's external auditor on such matters are considered regularly by the Resources & Audit Committee. The Governors through the Resources & Audit Committee and Headteacher receive financial progress reports throughout the year and compare against budgets submitted to the Education and Skills Funding Agency. The Resources & Audit Committee also review longer term financial models (up to 3 years) to plan and organise resources most effectively to fulfil the aims of the Academy.

a. Reserves policy

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

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

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

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

Total reserves at the end of the period amounted to £2,705,335 (2019: £3,032,414). This balance includes unrestricted funds (free reserves) of £469,516 (2019: £419,378), which is considered appropriate for the Academy Trust, and restricted funds of £2,235,819 (2019: £2,613,036).

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

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

- o £68,157 – Carry forward from 2019/20 from CIF Grant Income for Roofing Repairs Project
- o £95,200 – School's contribution towards Roofing Repairs Project
- o £15,315 – School's contribution towards Boiler Replacement Project
- o £120,000 (approx.) – Cost of agency cleaners, agency teachers (to cover staff who are self isolating) and agency security guards (due to additional entrances to the school being opened to accommodate staggered start and finish times for students)
- o £25,000 (approx.) – Cost of cleaning materials, sanitising gel, and basic PPE in excess of previous levels

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

(continued)

(pre-COVID-19).

Within the reserves policy users should note that, because of accounting for the Local Government Pension Scheme (LGPS), the Academy recognises a significant pension fund deficit totalling to £5,877,000 (2019: £4,583,000). This deficit is included within restricted funds. This does not lead to an immediate liability for this amount. Similarly, if there were a pension surplus included in the restricted fund this would not create an immediately realisable asset that can be released straight away and expended for the specific purposes of that fund.

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

b. Investment policy

It should be noted that the Academy has substantial power with regards to investments due to cash balances held. Investment policies are determined by the Governing Body. This ensures the level of funds the Academy holds can cover any immediate expenditure, without exposing the Academy to additional risk. Should any potential investment opportunity arise this would be escalated to the Board for consideration. The most typical investments that are held by academies are the Special Interest Deposit accounts which are immediately available to draw against. At 31 August 2020, no investments were held.

c. Principal risks and uncertainties

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

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

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

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

It should also be noted that procedures are in place to ensure compliance with the health and safety regulations, pertaining to both staff and pupils.

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme, in which there was a deficit at 31 August 2020. 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

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

(continued)

would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Fundraising

The academy does not engage in any specific fundraising activities.

Plans for future periods

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

Preston Manor was successful with the resubmission of its bid under the Condition Improvement Fund (CIF) 2020-21 for the Repair and Replacement of the Main Block Roofing. This work commenced in July 2020 and will continue into Spring 2021. The school was also successful in its CIF bid for replacement of the boilers in the Art Block and Main Block. This work commenced in Sept 2020.

The school is currently considering the most urgent improvement works needed (with careful consideration of the latest CDC reports) in preparation for its bid in the 2021-22 CIF round.

Previously planned refurbishment works have been put on hold due to the unknown additional costs likely to incurred in future periods due to the COVID-19 pandemic.

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

Funds held as Custodian Trustee on behalf of others

Auditor

Insofar as the Trustees are aware:

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

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 23 November 2020 and signed on its behalf by:



D Palmer
Chair of Trustees

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met five times during the year.

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

Trustee	Meetings attended	Out of a possible
D Palmer, Chair of Trustees Community Trustee	5	5
E Counsell, Vice Chairman, Co-opted Trustee	3	5
S Tahir, Co-opted Trustee	5	5
R Gulati, Co-opted Trustee	5	5
S Venables, Co-opted Trustee	5	5
S Nasrabadi, Staff Trustee	4	5
J Bach, Partnership Trustee	5	5
S Eismann, Co-opted Trustee	2	5
S Lawrence, Community Trustee	3	5
K Patel, Partnership Trustee	5	5
D Sloan, Vice Chair, Partnership Trustee	5	5
A Chavan, Parent Trustee	4	5
V Luthra, Partnership Trustee	4	5
B Kobel, Headteacher & Accounting Officer	5	5
L Paul, Teacher Trustee	4	5
N Minar, Parent Trustee	4	5
J Frater, LA Trustee	4	5

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

The Full Board of Trustees had scheduled to meet six times during the year, but had to cancel the March 2020 meeting due to the unforeseen circumstances of COVID-19. Although the Board only met five times during the year ending 31 August 2020, it still managed to maintain effective oversight of funds by the Chief Financial Officer reporting monthly to the Chair and six times during year to the Board. The Resources Committee met four times during the year which is in excess of the number of meetings held by the school's other committees. Additional meetings took place during the year in order to review tenders from contractors and enable the relevant checks and balances to take place before appointing.

Members of the Joint Governors and Staff Committee also report to Governors on the main issues discussed and the Chair of Resources summarises to the Board the three most important points from each Resources

PRESTON MANOR ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

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

Key findings noted, actions taken and their impact identified at the last review are noted below:

- Process Review
 - o To be assigned for each committee meeting
- Papers being made easily available and more secure
 - o To be made available on Shared Drive
- Keeping up to date with changes in education
 - o Rota of Governors to report to the Board on updates/items of interest
- Committee Feedback to Board
 - o Verbal summary of three main points from each committee meeting to be fed back at each Board meeting
- Reporting on GDPR
 - o Finance and Business Manager to feedback on any GDPR updates or issues at each Board meeting
- Increased profile of Governors in the school community
 - o Update Governor profiles on website and display a notice board with Governor photos in reception
 - o Encourage Governors' presence at school events
- Code of practice
 - o Update code of practice to include reference to Nolan principles and to set our levels of expectation
 - o To relate to the year planner and the school's vision
- Record of Governor Training
 - o Keeping records of attendance to training up to date
 - o Alerting Governors to courses
 - o Capturing the impact of training/courses
- Improved Minutes
 - o Clerk to include list of actions in a box at the front of all Minutes
 - o Minutes to be agreed by Chair within one week of meeting and distribute to committee within two weeks

The last review took place in 2019. Due to the constraints of social distancing, this year's review had to be postponed, but it is hoped it will be rescheduled for the Spring Term 2021.

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

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

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
V Luthra	4	4
E Counsell	3	4
S Eismann	2	4
S Venables	3	4
B Kobel	4	4

PRESTON MANOR ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The audit committee (combined with the Resources Committee) is also a sub-committee of the main board of trustees. Its purpose is to:

- o monitor the integrity of the financial statements;
- o review internal financial controls and review the Academy's internal control and risk management systems;
- o make recommendations to the Governing Body in relation to the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the auditor; and
- o review the auditor's independence and objectivity.

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

Review of Value for Money

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

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

- Identifying opportunities for targeted support based on regular assessment and data analysis
- Monitoring individual child and student needs and ensuring support meets those needs. There has been a particular focus on our pupil premium students to ensure that they are receiving relevant targeted intervention
- Monitoring staff performance and providing appropriate challenge, support and development
- Increasing leadership capacity in the Upper School (Secondary provision) and Lower School (primary provision)

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

- Targeting resources and staffing in key areas such as Literacy and Numeracy
- Making effective use of the top-up funding for year 7 catch up students
- Investing in ICT infrastructure to improve access to new technologies
- Sourcing additional Educational Psychologist consultancy
- Developing alternative pathways and support at Key Stages 4 and 5, including vocational options

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

- Making innovative use of targeted funding (e.g. PPG, Year 7 Catch-up funding, The Stepping Stones Project) targeting pastoral support for those students who need it most
- Ensuring access in school to therapeutic interventions for children and students (Brent Centre for Young People)
- Providing additional revision and catch-up programmes before, during and after school for students and parents
- Providing specific revision materials and resources for students
- Providing targeted mentoring, support and additional guidance, including for careers

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

PRESTON MANOR ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of Value for Money (continued)

by:

- Being a member of the Brent Teaching School alliance where we collaborate on initial teacher training and secure access to high quality leadership training through the NPQSL and NPQML
- Ensuring members of the Senior Leadership Team have training and support with coaching, self-evaluation and school improvement
- Active Engagement with the Ambition School Leadership programme to secure high-quality middle leadership and develop coaching skills in senior leaders
- Sharing innovative approaches through the PiXL and PiXL6 networks
- Contributing to the Brent Schools Partnership to access professional development and share cross-phase practice. This includes hosting subject leader network meetings and Aspiring Senior Leadership development courses
- Developing expertise through the SSAT network by sharing good practice and taking advantage of high quality CPDk
- Ensuring school improvement and leadership development through joining the Challenge Partners Network.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Preston Manor Academy Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 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 trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Resources & Audit 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; and
- identification and management of risks

PRESTON MANOR ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The Risk and Control Framework (continued)

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed Landau Baker Limited, the external auditor, to perform additional checks

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

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

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

The Board can confirm that the external auditor has delivered their schedule of work as planned, provided details of any material control issues arising as a result of their work. However, one of the scheduled external audits had to be cancelled due to the unforeseen circumstances of the COVID-19 pandemic. During the current and previous period, there were no material control issues noted and thus no remedial action was required to be taken.

As per the Academies Financial Handbook 2020, internal scrutiny from 1 Sept 2020 will no longer be undertaken by Preston Manor School's external auditors.

Review of Effectiveness

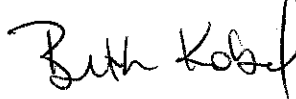
As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by order of the members of the Board of Trustees on 23 November 2020 and signed on their behalf by:


D Palmer
Chair of Trustees


B Kobel
Accounting Officer


PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Preston Manor Academy Trust I have considered my responsibility to notify the academy trust board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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 2019.

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.



Beth Kobel
Accounting Officer
Date: 23 November 2020

PRESTON MANOR ACADEMY TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who 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 Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 2019 and the Academies Accounts Direction 2019 to 2020;
- 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 23 November 2020 and signed on its behalf by:



D Palmer
Chair of Trustees

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

Opinion

We have audited the financial statements of Preston Manor Academy Trust (the 'academy') for the year ended 31 August 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 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 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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.

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

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 Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. 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 has 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.

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

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 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.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

 for Landau Baker Limited

Michael Durst (Senior Statutory Auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

23 November 2020

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 12 March 2012 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Preston Manor Academy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Preston Manor Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Preston Manor Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Preston Manor Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Preston Manor Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Preston Manor Academy Trust's funding agreement with the Secretary of State for Education dated 1 February 2013 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Landau Baker Limited

Reporting Accountant

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: 23 November 2020

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	234	8,085	144,531	152,850	140,536
Charitable activities		-	12,916,795	-	12,916,795	12,424,003
Other trading activities		72,810	313,057	-	385,867	589,831
Investments	6	8,231	-	-	8,231	9,552
Total income		81,275	13,237,937	144,531	13,463,743	13,163,922
Expenditure on:						
Charitable activities	8	31,137	13,330,170	617,860	13,979,167	13,383,034
Total expenditure		31,137	13,330,170	617,860	13,979,167	13,383,034
Net income/ (expenditure)		50,138	(92,233)	(473,329)	(515,424)	(219,112)
Transfers between funds	19	-	(632,984)	632,984	-	-
Net movement in funds before other recognised gains/(losses)		50,138	(725,217)	159,655	(515,424)	(219,112)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	-	(946,000)	-	(946,000)	(1,506,000)
Net movement in funds		50,138	(1,671,217)	159,655	(1,461,424)	(1,725,112)
Reconciliation of funds:						
Total funds brought forward		419,378	(1,969,964)	28,443,606	26,893,020	28,618,132
Net movement in funds		50,138	(1,671,217)	159,655	(1,461,424)	(1,725,112)
Total funds carried forward		469,516	(3,641,181)	28,603,261	25,431,596	26,893,020

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

The notes on pages 30 to 53 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	28,603,261	28,443,606
		<u>28,603,261</u>	<u>28,443,606</u>
Current assets			
Debtors	15	378,329	363,304
Cash at bank and in hand		3,178,385	3,405,449
		<u>3,556,714</u>	<u>3,768,753</u>
Creditors: amounts falling due within one year	16	(787,909)	(650,739)
Net current assets		<u>2,768,805</u>	<u>3,118,014</u>
Total assets less current liabilities		<u>31,372,066</u>	<u>31,561,620</u>
Creditors: amounts falling due after more than one year	17	(63,470)	(85,600)
Net assets excluding pension liability		<u>31,308,596</u>	<u>31,476,020</u>
Defined benefit pension scheme liability	26	(5,877,000)	(4,583,000)
Total net assets		<u><u>25,431,596</u></u>	<u><u>26,893,020</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	19	28,603,261	28,443,606
Restricted income funds	19	2,235,819	2,613,036
		<u>30,839,080</u>	<u>31,056,642</u>
Restricted funds excluding pension asset	19	30,839,080	31,056,642
Pension reserve	19	(5,877,000)	(4,583,000)
Total restricted funds	19	<u>24,962,080</u>	<u>26,473,642</u>
Unrestricted income funds	19	<u>469,516</u>	<u>419,378</u>
Total funds		<u><u>25,431,596</u></u>	<u><u>26,893,020</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 26 to 53 were approved by the Trustees, and authorised for issue on 23 November 2020 and are signed on their behalf, by:



D Palmer
Chair of Trustees

The notes on pages 30 to 53 form part of these financial statements.

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	21	441,794	578,673
Cash flows from investing activities	23	(646,728)	(180,165)
Cash flows from financing activities	22	(22,130)	(13,752)
Change in cash and cash equivalents in the year		(227,064)	384,756
Cash and cash equivalents at the beginning of the year		3,405,449	3,020,693
Cash and cash equivalents at the end of the year	24, 25	<u>3,178,385</u>	<u>3,405,449</u>

The notes on pages 30 to 53 form part of these financial statements

PRESTON MANOR ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.3 Income

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

- **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the academy has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the academy, can be reliably measured.

- **Donations**

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

PRESTON MANOR ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, 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:

Freehold property	- 2% Straight-line basis
Building Improvement	- 6% Straight-line basis
Furniture and fixtures	- 20% Straight-line basis
Computer equipment	- 33% Straight-line basis

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

1.6 Debtors

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

PRESTON MANOR ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.7 Cash at bank and in hand

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

1.8 Liabilities

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

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. 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 cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

PRESTON MANOR ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.10 Pensions

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

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

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

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

1.11 Fund accounting

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

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

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

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

PRESTON MANOR ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	234	8,085	-	8,319	9,749
Capital Grants	-	-	144,531	144,531	130,787
	<u>234</u>	<u>8,085</u>	<u>144,531</u>	<u>152,850</u>	<u>140,536</u>
<i>Total 2019</i>	<u>776</u>	<u>8,973</u>	<u>130,787</u>	<u>140,536</u>	

PRESTON MANOR ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Funding for the academy's educational activities

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants			
General Annual Grant	11,067,218	11,067,218	10,969,430
Other DfE/ESFA Grants	1,243,351	1,243,351	814,860
	<u>12,310,569</u>	<u>12,310,569</u>	<u>11,784,290</u>
Other Government Grants			
Local Authority Grants	591,808	591,808	610,905
	<u>591,808</u>	<u>591,808</u>	<u>610,905</u>
Other Funding			
Other Income	500	500	28,808
	<u>500</u>	<u>500</u>	<u>28,808</u>
Exceptional Grant Funding			
Coronavirus exceptional support	13,918	13,918	-
	<u>12,916,795</u>	<u>12,916,795</u>	<u>12,424,003</u>
<i>Total 2019</i>	<u><u>12,424,003</u></u>	<u><u>12,424,003</u></u>	

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional grant funding".

The funding received for coronavirus exceptional support covers £14k of FSM vouchers and cleaning costs. These costs are included in notes 7 and 9 below as appropriate.

PRESTON MANOR ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Income from other trading activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Lettings Income	72,810	-	72,810	131,918
Catering Income	-	196,352	196,352	295,311
Other Income	-	99,215	99,215	133,092
Trip Income	-	17,490	17,490	29,510
	<u>72,810</u>	<u>313,057</u>	<u>385,867</u>	<u>589,831</u>
<i>Total 2019</i>	<u>132,068</u>	<u>457,763</u>	<u>589,831</u>	

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment Income	<u>8,231</u>	<u>8,231</u>	<u>9,552</u>

PRESTON MANOR ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Educational Activities:					
Direct costs	7,787,353	608,693	434,501	8,830,547	8,261,489
Allocated support costs	3,377,474	481,530	1,289,616	5,148,620	5,121,545
	<u>11,164,827</u>	<u>1,090,223</u>	<u>1,724,117</u>	<u>13,979,167</u>	<u>13,383,034</u>
<i>Total 2019</i>	<u>10,316,310</u>	<u>1,103,036</u>	<u>1,963,688</u>	<u>13,383,034</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Educational Activities	<u>31,137</u>	<u>13,948,030</u>	<u>13,979,167</u>	<u>13,383,034</u>
<i>Total 2019</i>	<u>59,531</u>	<u>13,323,503</u>	<u>13,383,034</u>	

PRESTON MANOR ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Educational Activities	8,830,547	5,148,620	13,979,167	13,383,034
<i>Total 2019</i>	<i>8,261,489</i>	<i>5,121,545</i>	<i>13,383,034</i>	

Analysis of direct costs

	Educational Activities 2020 £	Total funds 2020 £	Total funds 2019 £
Staff Costs	7,446,457	7,446,457	6,778,196
Depreciation	617,860	617,860	583,516
Educational Supplies	154,668	154,668	232,405
Technology Costs	19,159	19,159	19,325
Teaching Supply Costs	340,896	340,896	333,075
Staff Development and Training	37,882	37,882	76,168
Examination Fees	116,981	116,981	153,736
Other Direct Costs	96,644	96,644	85,068
	8,830,547	8,830,547	8,261,489

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Activities 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Pension Finance Cost	89,000	89,000	83,000
Staff Costs	3,179,298	3,179,298	3,039,579
Technology Costs	568,441	568,441	560,672
Recruitment and Support	74,396	74,396	53,046
Support Staff Supply Costs	198,176	198,176	165,460
Maintenance of Premises and Equipment	106,734	106,734	152,165
Other Premises Costs	17,691	17,691	19,723
Energy	200,517	200,517	193,661
Rent & Rates	80,621	80,621	63,942
Insurance	48,407	48,407	60,211
Cleaning	27,560	27,560	46,577
Security and Transport	18,082	18,082	20,256
Catering	150,626	150,626	226,344
Other Support Costs	135,602	135,602	148,203
Governance Costs	253,469	253,469	288,706
	<u>5,148,620</u>	<u>5,148,620</u>	<u>5,121,545</u>

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	<i>2019 £</i>
Depreciation of tangible fixed assets	617,860	583,517
Fees paid to auditors for:		
- audit	4,000	4,000
- other services	4,200	4,165
	<u>4,200</u>	<u>4,165</u>

PRESTON MANOR ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	7,733,087	7,563,441
Social security costs	801,248	774,324
Pension costs	2,091,420	1,476,781
	<u>10,625,755</u>	<u>9,814,546</u>
Agency staff costs	340,896	333,075
Staff restructuring costs	-	3,229
Support staff supply costs	198,176	165,460
	<u><u>11,164,827</u></u>	<u><u>10,316,310</u></u>

Staff restructuring costs comprise:

	2020 £	2019 £
Severance payments	-	3,229
	<u>-</u>	<u>3,229</u>

b. Staff numbers

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

	2020 No.	2019 No.
Support and Admin	102	113
Management	15	15
Teachers	108	107
	<u><u>225</u></u>	<u><u>235</u></u>

PRESTON MANOR ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

11. Staff (continued)

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,000 - £70,000	11	10
In the band £70,000 - £80,000	1	1
In the band £80,000 - £90,000	3	3
In the band £90,001 - £100,000	1	-
In the band £120,001 - £130,000	1	1

d. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £1,559,204 (2019 £1,321,211).

12. 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 staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020 £	2019 £
B Kobel (Headteacher)	Remuneration	125,000 -	120,000 -
		130,000	125,000
	Pension contributions paid	30,000 -	20,000 -
		35,000	25,000
S Nasrabadi, Staff Trustee	Remuneration	35,000 -	35,000 -
		40,000	40,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000
L Paul, Teacher Trustee	Remuneration	45,000 -	40,000 -
		50,000	45,000
	Pension contributions paid	10,000 -	5,000 -
		15,000	10,000

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

PRESTON MANOR ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2020 was £260 (2019 - £310). The cost of this insurance is included in the total insurance cost.

14. Tangible fixed assets

	Freehold property £	Assets under construction £	Furniture and fixtures £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2019	31,368,594	-	394,612	304,296	52,729	32,120,231
Additions	601,881	40,255	74,250	61,129	-	777,515
At 31 August 2020	31,970,475	40,255	468,862	365,425	52,729	32,897,746
Depreciation						
At 1 September 2019	3,063,567	-	266,403	293,926	52,729	3,676,625
Charge for the year	565,259	-	43,434	9,167	-	617,860
At 31 August 2020	3,628,826	-	309,837	303,093	52,729	4,294,485
Net book value						
At 31 August 2020	28,341,649	40,255	159,025	62,332	-	28,603,261
At 31 August 2019	28,305,027	-	128,209	10,370	-	28,443,606

15. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	7,244	5,095
Other debtors	91,520	38,070
Prepayments and accrued income	279,565	320,139
	378,329	363,304

PRESTON MANOR ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other loans	22,129	22,129
Trade creditors	29,343	63,512
Other taxation and social security	202,361	202,704
Other creditors	208,985	171,463
Accruals and deferred income	325,091	190,931
	<u>787,909</u>	<u>650,739</u>
	2020 £	2019 £
Deferred income at 1 September 2019	65,566	67,485
Resources deferred during the year	60,343	65,566
Amounts released from previous periods	(65,566)	(67,485)
	<u>60,343</u>	<u>65,566</u>

At the balance sheet date the academy trust was holding funds received in advance for ESFA Universal Free School Meals grant income, ESFA Rates grant income and ESFA 16-19 bursary grant income of £57,943 (2019: £62,902) in addition to lettings income of £2,400 (2019: £2,664).

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

	2020 £	2019 £
Other loans	<u>63,470</u>	<u>85,600</u>

Included within creditors less than and greater than one year is a total loan amount of £85,599 (2019: £107,729) from the Education & Skills Funding Agency (ESFA). An amount of £54,813 (2019: £79,500) is for a CIF loan which is repayable over 4 years and an amount of £30,786 (2019: £41,981) is for a Salix loan which is repayable over 7 years.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

18. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>3,178,385</u>	<u>3,405,449</u>

Financial assets measured at fair value through income and expenditure comprise bank and cash balances.

19. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds - all funds	<u>419,378</u>	<u>81,275</u>	<u>(31,137)</u>	<u>-</u>	<u>-</u>	<u>469,516</u>
Restricted general funds						
GAG	2,613,036	11,067,218	(10,811,451)	(632,984)	-	2,235,819
Pupil premium	-	530,386	(530,386)	-	-	-
Other ESFA Funding	-	693,355	(693,355)	-	-	-
PE & Sports Funding	-	19,610	(19,610)	-	-	-
SEN Funding (LA)	-	386,262	(386,262)	-	-	-
Early Years Funding (LA)	-	193,986	(193,986)	-	-	-
Other LA Funding	-	11,560	(11,560)	-	-	-
General Funds	-	335,560	(335,560)	-	-	-
Pension reserve	(4,583,000)	-	(348,000)	-	(946,000)	(5,877,000)
	<u>(1,969,964)</u>	<u>13,237,937</u>	<u>(13,330,170)</u>	<u>(632,984)</u>	<u>(946,000)</u>	<u>(3,641,181)</u>

PRESTON MANOR ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Restricted fixed asset funds						
Restricted Fixed Asset Funds - All Funds	28,443,606	-	(473,329)	632,984	-	28,603,261
Devolved Formula Capital	-	36,119	(36,119)	-	-	-
CIF Capital Income	-	108,412	(108,412)	-	-	-
	<u>28,443,606</u>	<u>144,531</u>	<u>(617,860)</u>	<u>632,984</u>	<u>-</u>	<u>28,603,261</u>
Total Restricted funds	<u>26,473,642</u>	<u>13,382,468</u>	<u>(13,948,030)</u>	<u>-</u>	<u>(946,000)</u>	<u>24,962,080</u>
Total funds	<u>26,893,020</u>	<u>13,463,743</u>	<u>(13,979,167)</u>	<u>-</u>	<u>(946,000)</u>	<u>25,431,596</u>

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

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

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

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

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

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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19. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds - all funds	336,513	142,396	(59,531)	-	-	419,378
Restricted general funds						
GAG	2,507,449	11,006,308	(10,719,981)	(180,740)	-	2,613,036
Pupil premium	-	573,566	(573,566)	-	-	-
Other ESFA Funding	-	184,826	(184,826)	-	-	-
PE & Sports Funding	-	19,590	(19,590)	-	-	-
SEN Funding (LA)	-	387,630	(387,630)	-	-	-
Early Years Funding (LA)	-	198,875	(198,875)	-	-	-
Other LA Funding	-	24,400	(24,400)	-	-	-
General Funds	-	495,544	(495,544)	-	-	-
Pension reserve	(2,942,000)	-	(135,000)	-	(1,506,000)	(4,583,000)
	(434,551)	12,890,739	(12,739,412)	(180,740)	(1,506,000)	(1,969,964)
Restricted fixed asset funds						
Restricted Fixed Asset Funds - All Funds	28,716,170	-	(584,091)	180,740	-	28,312,819
Devolved Formula Capital	-	130,787	-	-	-	130,787
	28,716,170	130,787	(584,091)	180,740	-	28,443,606
Total Restricted funds	28,281,619	13,021,526	(13,323,503)	-	(1,506,000)	26,473,642

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19. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Total funds	28,618,132	13,163,922	(13,383,034)	-	(1,506,000)	26,893,020

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	28,603,261	28,603,261
Current assets	469,516	3,087,198	-	3,556,714
Creditors due within one year	-	(787,909)	-	(787,909)
Creditors due in more than one year	-	(63,470)	-	(63,470)
Provisions for liabilities and charges	-	(5,877,000)	-	(5,877,000)
Total	469,516	(3,641,181)	28,603,261	25,431,596

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	28,443,606	28,443,606
Current assets	419,378	3,349,375	-	3,768,753
Creditors due within one year	-	(650,739)	-	(650,739)
Creditors due in more than one year	-	(85,600)	-	(85,600)
Provisions for liabilities and charges	-	(4,583,000)	-	(4,583,000)
Total	419,378	(1,969,964)	28,443,606	26,893,020

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21. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of financial activities)	(515,424)	(219,112)
Adjustments for:		
Depreciation	617,860	583,516
Capital grants from DfE and other capital income	(130,787)	(130,787)
Defined benefit pension scheme cost less contributions payable	259,000	52,000
Defined benefit pension scheme finance cost	89,000	83,000
(Increase)/decrease in debtors	(15,025)	151,772
Increase in creditors	137,170	58,284
Net cash provided by operating activities	441,794	578,673

22. Cash flows from financing activities

	2020 £	2019 £
Repayments of borrowing	(22,130)	(13,752)
Net cash used in financing activities	(22,130)	(13,752)

23. Cash flows from investing activities

	2020 £	2019 £
Purchase of tangible fixed assets	(777,515)	(310,952)
Capital grants from DfE/ESFA	130,787	130,787
Net cash used in investing activities	(646,728)	(180,165)

24. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	3,178,385	3,405,449
Total cash and cash equivalents	3,178,385	3,405,449

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**NOTES TO THE FINANCIAL STATEMENTS
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25. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	3,405,449	(227,064)	3,178,385
Debt due within 1 year	(22,129)	-	(22,129)
Debt due after 1 year	(85,600)	22,130	(63,470)
	<u>3,297,720</u>	<u>(204,934)</u>	<u>3,092,786</u>

26. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 August 2020.

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

Teachers' Pension Scheme

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

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

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26. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £1,179,224 (2019 - £768,033).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £783,000 (2019 - £753,000), of which employer's contributions totalled £663,000 (2019 - £633,000) and employees' contributions totalled £ 120,000 (2019 - £120,000). The agreed contribution rates for future years are 35.0% per cent for employers and 5.5% - 12.5% per cent for employees.

As described in note 1.10 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

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

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26. Pension commitments (continued)

Principal actuarial assumptions

London Borough of Brent Pension Fund

	2020	2019
	%	%
Rate of increase in salaries	3.00	2.60
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.70	1.90

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	22.1	21.4
Females	24.3	23.6
<i>Retiring in 20 years</i>		
Males	23.0	22.3
Females	25.5	24.9

Share of scheme assets

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

	2020 £	2019 £
Equities	3,755,700	3,155,100
Debt instruments	625,950	566,300
Property	192,600	161,800
Cash	240,750	161,800
Total market value of assets	4,815,000	4,045,000

The actual return on scheme assets was £(41,000) (2019 - £109,000).

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**NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

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

	2020 £	2019 £
Current service cost	871,000	651,000
Past service cost	51,000	34,000
Interest income	(84,000)	(97,000)
Interest cost	173,000	180,000
Total amount recognised in the Statement of financial activities	1,011,000	768,000

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

	2020 £	2019 £
At 1 September	8,628,000	6,059,000
Current service cost	871,000	651,000
Interest cost	173,000	180,000
Employee contributions	120,000	120,000
Actuarial losses	905,000	1,615,000
Benefits paid	(56,000)	(31,000)
Past service costs	51,000	34,000
At 31 August	10,692,000	8,628,000

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

	2020 £	2019 £
At 1 September	4,045,000	3,117,000
Interest income	84,000	97,000
Actuarial (losses)/gains	(41,000)	109,000
Employer contributions	663,000	633,000
Employee contributions	120,000	120,000
Benefits paid	(56,000)	(31,000)
At 31 August	4,815,000	4,045,000

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27. 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.

28. Related party transactions

Owing to the nature of the academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

The Trust received services from Rapid Ford Limited, a related company, as Mrs N Kampta, the Finance and Business Manager and Chief Financial Officer, is the wife of the company owner. The invoices throughout the year amounted to £NIL (2019: £1,290), with £NIL (2019: £NIL) being outstanding as at the year end.

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

29. Agency arrangements

The academy trust distributes 16 -19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2020 the trust received £45,981 (2019: £42,010) and disbursed £43,581 (2019: £34,778) from the fund. An amount of £2,400 (2019: £7,232) is included in other creditors relating to undistributed funds that is repayable to the ESFA.

