
PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	D Palmer A Braganza P Fanning
Trustees	D Palmer, Chair of Trustees, Community Trustee J Bach, Vice Chair, Partnership Trustee E Counsell, Vice Chair, Co-opted Trustee K Patel, Partnership Trustee (maternity leave from 19 March 2024) S Lawrence, Community Trustee S Nasrabadi, Staff Trustee (resigned 31 August 2024) H Pratchett, Staff Trustee (resigned 31 August 2024) R Gulati, Co-opted Trustee A Meghji, Co-opted Trustee S Pramanik, Co-opted Trustee, Vice Chair S Tahir, Co-opted Trustee (sabbatical from 8 July 2024) S Venables, Co-opted Trustee A Chavan, Parent Trustee N Minar, Parent Trustee M Adan, Parent Trustee (appointed 18 March 2024) A Shah, Local Authority Trustee (appointed 18 March 2024) V Reddy Charabudla, Parent Trustee (appointed 18 March 2024) M Limbani, Parent Trustee (appointed 18 March 2024) R Denial, Executive Headteacher and Accounting Officer
Company Registration Number:	08359584
Company Name:	Preston Manor Academy Trust
Registered Office:	Preston Manor School Carlton Avenue East Wembley Middlesex HA9 8NA
Upper School	T Phillips, Head of Upper School G Brougham, Deputy Head (resigned 31 August 2024) C Donne, Deputy Head Z Dale, Assistant Head S Clarke (nee Dareve), Assistant Head (Deputy Head from 1 September 2024) J Surani, Assistant Head (resigned 31 August 2024) D Tully, Assistant Head (Deputy Head from 1 September 2024) A Ward, Assistant Head U Bashir-Ali, Assistant Head (appointed 1 September 2024) H Pratchett, Assistant Head (appointed 1 September 2024)
Lower School	K Atkinson, Head of Lower School Q Siddique, Deputy Head S Solanki, Assistant Head
Chief Financial Officer	N Kampta, Director of Finance & Operations

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Senior Management

Team: R Denial, Executive Headteacher and Accounting Officer

Independent Auditor:

BKL Audit LLP
35 Ballards Lane
London
N3 1XW

Bankers:

HSBC Bank PLC
Wembley
HA0 2DB

Solicitors:

Druces LLP
Salisbury House
London Wall
London
EC2M 5PS

PRESTON MANOR ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2023 to 31 August 2024. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 4 to 18 serving a catchment area in the London Borough of Brent. It has a pupil capacity of 1980 and had a roll of 1929 in the school census in January 2024.

Structure, Governance and Management

Constitution

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

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

Members' Liability

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

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

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

- The executive headteacher
- parent trustees (minimum of two), elected by parents
- co-opted trustees
- community trustee
- partnership trustees
- local authority trustees
- Any trustees appointed by the Secretary of State for Education

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Structure, Governance and Management (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

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

Organisational Structure

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

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

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

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

The Executive Headteacher assumes the accounting officer role.

Arrangements for setting Pay and Remuneration of Key Management Personnel

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Structure, Governance and Management (continued)

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	1

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£1,158.45
Provide the total pay bill	£12,645,802.98
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0.01%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	25%
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Structure, Governance and Management (continued)

Related Parties and other Connected Charities and Organisations

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

Engagement with Employees (including disabled persons)

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Academy carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the trustees.

The Academy has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Academy's equal opportunities policy, the Academy has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Academy's offices.

Objectives and Activities

Objects and Aims

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

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Objectives and Activities (continued)

Objectives, Strategies and Activities

Public Benefit

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

As an academy we make the best use of our skills, expertise and experience with regards to the community. Some examples of this are:

- Raising money for local, national and international charities.
- 6th form Contribution to the Community Scheme.
- Sports Leader programmes that provide sporting activities to local Primary Schools.
- Science College support of local Primary Schools

Strategic Report - Achievements and Performance

Preston Manor School opened as a converter academy in February 2013. In July 2022 Ofsted judged the school's overall effectiveness as Good. It has a pupil capacity of 1980 and had a roll of 1946 in the school Census in October 2023.

Key Performance Indicators

Upper and Lower School

Funded pupil numbers

KS1 & KS2 = 417, KS3 = 750, KS4 = 501, KS5 = 278

Upper School

2024 was an excellent year for outcomes across all key stages at Preston Manor School. The results in KS2, KS4 and KS5 brought the school back in line with 2019 pre-pandemic results.

The importance of these results at KS4 meant that the Upper School continued with its sustained trend of achieving above national averages. KS5 results also showed significant improvements in attainment and improvements in progress obtaining an ALPS '5' grade. Progress at KS2 also exceeded all national averages.

Progress in both English and Maths as one of our main headline figures were extremely positive. It is also important to note that our disadvantaged progress measure, although slightly below non disadvantaged students, was above national averages and our progress gap has significantly reduced.

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

This will be the first year that Progress measures for Year 13 are being published for four years. There was no progress or attainment gap for disadvantaged students at KS5 which is an excellent outcome.

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TRUSTEES' REPORT (CONTINUED)
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Strategic Report - Achievements and Performance (continued)

KS4

	2019			2022			2023			2024		
	Actual	Nat	Diff	Actual	Nat	Diff	Actual	Nat	Diff	Actual	Nat	Diff
Progress 8	0.4	0	0.4	0.4	0	0.4	0.0	0	0	0.3	0	0.3
Attainment 8	48.8	46.7	2.1	52.9	48.8	4.1	44.0	46.3	-2.3	47.2	46.3	0.9
Grade 5/C or above in English and Maths	49%	43%	6%	61%	50%	11%	44%	45%	-1%	44%	45%	-2%
Grade 4/C or above in English and Maths	72%	65%	7%	77%	69%	8%	60%	65%	-5%	65%	65%	0%
Entering Ebacc	81%	40%	41%	80%	39%	41%	70%	39%	31%	62%	39%	23%
Ebacc/Ebacc APS	4.64	4.06	0.58	4.95	4.27	0.68	4.06	4.05	0.01	4.30	4.05	0.25
Cohort	245			240			248			246		

PLEASE NOTE: The DfE did not publish any national data for all of the key performance measures in 2020 and 2021 due to the COVID-19 pandemic, and national data for 2024 has not been released yet. Therefore, the 2023 and 2024 provisional results have been compared to 2023 nationals in this table.

National = all state-funded schools in England (2023).

KS5

A Level	2019	2022	2023	2024
A*-C	65%	66%	59%	64%

Lower School

SATs outcomes for children in year 6 for the 2023/24 academic year are:

School Reading at ARE 68%
School Reading at GD 28%
National Reading at ARE was 74%
National Reading at GD was 28%

School Writing at ARE 75%
School Writing at GD 17%
National Writing at ARE was 72%
National Writing at GD was 13%

School Maths at ARE 80%
School Maths at GD 28%
National Maths at ARE was 73%
National Maths at GD was 25%

School GPS at ARE 77%
School GPS at GD 47%
National GPS at ARE was 72%
National GPS at GD was 33%

Combined Outcomes for Reading, Writing and Maths at the end of Key Stage 2:
School combined 60%
School GD combined 8%

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TRUSTEES' REPORT (CONTINUED)
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Strategic Report - Achievements and Performance (continued)

National combined 61%
National combined at GD was 8%

The Schools Progress figures at KS2 SATs were as follows:

Reading +0.5
Writing +2.0
Maths +1.5
GPS +3.2

Disadvantaged Children Performance Analysis:

In KS2, our disadvantaged children performed well in line with their peers. In Reading FSM children achieved ARE at 68% (the same as non FSM children) , in Writing FSM children achieved ARE at 73% (2% below non FSM children), and in Maths FSM children achieved 77% (3% below non FSM children)

School Absence Data
(Whole School)

	21/22	22/23	23/24
Authorised	6.2%	5.1%	5.0%
Unauthorised	2.5%	2.8%	2.5%
Total	8.7%	7.9%	7.5%

A more detailed finance review of the in-year highlights is included later in this report.

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.

Strategic Report - Financial Review

Finance Review

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2024 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Reserves Policy

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

- permanent endowment funds
- expendable endowment funds
- restricted income funds
- any part of unrestricted funds not readily available for spending, specifically income funds which could only

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be realised by disposing of fixed assets held for charitable use

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

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

Total reserves at the end of the period amounted to £2,130,683. This balance includes unrestricted funds (free reserves) of £798,903, which are considered appropriate for the Academy Trust, and restricted funds of £1,331,780 and a pension deficit of £NIL.

The Governing Body have determined that the appropriate level of free reserves should be a sum equivalent to two month's payroll, approximately £2,150,000 plus an additional £250,000 due to the uncertainties of future Government spending. The reason for this reserve is to provide sufficient working capital and to provide a cushion to deal with unexpected emergencies.

The amount of designations made in relation to the restricted reserves totals to £25,000 relating to the following specific capital projects:

£25,000 approx. (contribution towards potential future CIF project)
£10,000 approx. decorating and repairs across the school site

However, if the school is unsuccessful with its 2025/26 CIF bids, instead of a £25,000 contribution, the school is likely to need to fund from its restricted reserves approx. £450,000 for phase 2 of the Fire Safety upgrades project.

Within the reserves policy users should note that, because of accounting for the Local Government Pension Scheme (LGPS), the Trust does not recognise a pension fund asset as at 31 August 2024 (2023: £NIL). In accordance with the FRS 102 pension report, there was a pension asset of £972,000 as at 31 August 2024

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

Investment Policy

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

As at 31 August 2024, no investments were held.

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TRUSTEES' REPORT (CONTINUED)
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Principal Risks and Uncertainties

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

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

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

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

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

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

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme, in which there was a surplus at 31 August 2024. Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2023, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Fundraising

The Trust does not engage in any formal fundraising

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TRUSTEES' REPORT (CONTINUED)
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Plans for Future Periods

In January 2023, Preston Manor School suffered a serious fire in the upper school reception area which caused extensive damage to the school entrance, main front corridor and numerous offices. Due to this fewer capital works took place during 2022/23 than previously due to staffing resources having to be diverted to other priorities. The fire reinstatement project has been fully funded by the school's insurance claim and there was no excess to pay. Work was completed in mid-October and re-occupation of the affected areas took place on 30 October just after the school's half term break.

During July to August 2024, various improvements were made around the upper and lower school sites including painting and repairs.

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

Preston Manor School was successful with its bids under the Condition Improvement Fund (CIF) 2024/25 (urgent electrical upgrades in the upper school and roofing repairs in the lower school).

The school is intending to submit CIF bids for the 2025/26 round to complete the Fire Safety upgrades at the upper school site including addressing urgent actions identified during a recent Fire Risk Assessment and to improve ventilation in the School's Platinum Block by fitting new windows and doors.

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

Funds Held as Custodian Trustee on Behalf of Others

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

Auditors

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



S Venables
Chair of Resources, Audit and Risk Committee

Date: 19/12/2024

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GOVERNANCE STATEMENT

Scope of Responsibility

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

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The board of trustees has formally met 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
R Denial	6	6
D Palmer	6	6
E Counsell	4	6
J Bach	5	6
S Lawrence	5	6
K Patel	5	6
S Nasrabadi	6	6
S Tahir	5	6
R Gulati	3	6
S Venables	6	6
A Chavan	5	6
S Pramanik	6	6
N Minar	0	6
A Meghji	6	6
H Pratchett	6	6
V Reddy	2	4
M Limbani	3	4
M Adan	3	4

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

The last Governance self-evaluation day and review (June 2024) focused on supporting the school in working towards school development priorities and how a Governor can play a role in achieving these targets through continued support and review. Governors remain aware of the two Ofsted targets specifically linked to our Lower School and work on these targets has been successful as discussed at the Lower School Governors sub-committee. Feedback on progress and priorities continues through sub-committees and further discussion at bi-termly Governing Board meetings. Governors are also kept up to date with education news and changes through specific agenda items in meetings, as well as termly Executive Headteacher reports so that leaders can be

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

challenged effectively. The next Governing Board self-evaluation day and review is planned for June 21st 2025.

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
S Venables	4	4
E Counsell	3	4
R Denial	4	4
M Limbani	0	1
A Meghji	4	4

Review of Value for Money

As accounting officer, the Executive 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, as well as estates safety and management, achieved in return for the taxpayer resources received.

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

- Identifying opportunities for targeted support based on regular assessment and data analysis
- Monitoring individual child and student needs and ensuring support meets those needs. There has been a particular focus on our pupil premium students to ensure that they are receiving relevant targeted intervention
- Monitoring staff performance and providing appropriate challenge, support and development

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Preston Manor Academy Trust for the period 1 September 2023 to 31 August 2024 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2023 to August 2024 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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GOVERNANCE STATEMENT (CONTINUED)

The Risk and Control Framework

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

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

The board of trustees has decided to buy-in an internal audit service from Academy Education Services Limited

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

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

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

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

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GOVERNANCE STATEMENT (CONTINUED)

Review of Effectiveness

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

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Resources, Audit and Risk Committee and a plan to ensure continuous improvement of the system is in place.

Conclusion

Based on the advice of the audit and risk committee and the accounting officer, the board of trustees is of the opinion that the academy trust has an adequate and effective framework for governance, risk management and control.

Approved by order of the members of the board of trustees and signed on their behalf by:



S Venables
Chair of Resources, Audit and Risk Committee

19/12/2024



R Denial
Accounting Officer

19/12/2024

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Preston Manor Academy Trust I have considered my responsibility to notify the Academy board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2023.

I confirm that I and the Academy board of trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academy Trust Handbook 2023.

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.

RA Denial

R Denial
Accounting Officer

Date: 19/12/2024

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2024

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 2023 to 2024;
- 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 and signed on its behalf by:



S Venables
Chair of Resources, Audit and Risk Committee

Date: 19/12/2024

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of Preston Manor Academy Trust (the 'academy') for the year ended 31 August 2024 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 2023 to 2024 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 2024 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 2023 to 2024 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

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

Emphasis of matter

We wish to draw your attention to note 2, which discloses that operating lease previously held by the trust has been extended and now meets the definition of a finance lease. As such IT equipment valued at £710,437 has been capitalised, with a corresponding creditor also being recognised. Due to the absence of records arising from the administration of Gaia Technologies reliable information around the cost of the asset cannot be provided. The Trust had previously been provided with a discount rate on this lease of 5%, and this rate has been used to calculate the cost of the asset based on expected future cashflows.

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report 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
(A company limited by guarantee)

**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 Statement of trustees' responsibilities, the trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

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

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

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

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

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

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

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

statements;

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Edward Passmore

Edward Passmore FCA (Senior statutory auditor)

for and on behalf of

BKL Audit LLP

Chartered Accountants
Statutory Auditor

35 Ballards Lane
London
N3 1XW

Date: 19/12/2024

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 5 October 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2023 to 2024, 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 2023 to 31 August 2024 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Preston Manor Academy Trust's funding agreement with the Secretary of State for Education dated 1 February 2013 and the Academy Trust Handbook, extant from 1 September 2023, 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 2023 to 2024. 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 2023 to 31 August 2024 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- review of management reporting documents;
- review of Trustees/Governors meeting minutes;
- consideration of whether any personal benefit has been derived from the Academy Trust's transactions by staff or related parties;
- consideration of the Academies Trust Handbook regularity requirements and related documents; and
- review of internal controls.

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2023 to 31 August 2024 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

BKL Audit LLP

Reporting Accountant

BKL Audit LLP

Chartered Accountants
Statutory Auditor

35 Ballards Lane
London
N3 1XW

Date: 20/12/2024

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2024**

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Restricted fixed asset funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:						
Donations and capital grants	3	-	13,830	1,795,834	1,809,664	823,497
Other trading activities	5	208,955	418,134	-	627,089	673,563
Investments	6	42,183	12,000	-	54,183	21,767
Charitable activities	4	-	15,273,133	-	15,273,133	14,647,982
Total income		251,138	15,717,097	1,795,834	17,764,069	16,166,809
Expenditure on:						
Charitable activities	7	93,106	15,652,403	1,004,081	16,749,590	15,683,847
Total expenditure		93,106	15,652,403	1,004,081	16,749,590	15,683,847
Net income		158,032	64,694	791,753	1,014,479	482,962
Transfers between funds	17	-	(445,074)	445,074	-	-
Net movement in funds before other recognised gains/(losses)		158,032	(380,380)	1,236,827	1,014,479	482,962
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	25	-	(301,000)	-	(301,000)	1,033,000
Net movement in funds		158,032	(681,380)	1,236,827	713,479	1,515,962
Reconciliation of funds:						
Total funds brought forward		640,871	2,013,160	30,317,996	32,972,027	31,456,065
Net movement in funds		158,032	(681,380)	1,236,827	713,479	1,515,962
Total funds carried forward		798,903	1,331,780	31,554,823	33,685,506	32,972,027

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

The notes on pages 28 to 56 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	13	30,697,970	30,245,313
Current assets			
Debtors	14	2,053,584	525,449
Cash at bank and in hand		2,526,100	3,080,401
		4,579,684	3,605,850
Creditors: amounts falling due within one year	15	(999,651)	(799,001)
Net current assets		3,580,033	2,806,849
Total assets less current liabilities		34,278,003	33,052,162
Creditors: amounts falling due after more than one year	16	(592,497)	(80,135)
Net assets excluding pension asset		33,685,506	32,972,027
Defined benefit pension scheme liability	25	-	-
Total net assets		33,685,506	32,972,027
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	31,554,823	30,317,996
Restricted income funds	17	1,331,780	2,013,160
Pension reserve		-	-
Total restricted funds	17	32,886,603	32,331,156
Unrestricted income funds	17	798,903	640,871
Total funds		33,685,506	32,972,027

The financial statements on pages 25 to 56 were approved and authorised for issue by the trustees and are signed on their behalf, by:



S Venebles
Chair of Resources, Audit and Risk Committee

Date: 19/12/2024

The notes on pages 28 to 56 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 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(1,574,333)	496,174
Cash flows from investing activities	21	1,049,534	(37,444)
Cash flows from financing activities	20	(29,502)	(38,254)
Change in cash and cash equivalents in the year		(554,301)	420,476
Cash and cash equivalents at the beginning of the year		3,080,401	2,659,925
Cash and cash equivalents at the end of the year	22, 23	2,526,100	3,080,401

The notes on pages 28 to 56 form part of these financial statements

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

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 2023 to 2024 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.

• **Grants**

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

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

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

• **Donations**

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

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

1. Accounting policies (continued)

1.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

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

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

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

Depreciation is provided on the following basis:

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

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

PRESTON MANOR ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

1. Accounting policies (continued)

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.

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 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Academy. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

PRESTON MANOR ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

1. Accounting policies (continued)

1.11 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.

1.12 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.

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FOR THE YEAR ENDED 31 AUGUST 2024**

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 Trust had a Managed Service which included IT equipment with Gaia Technologies which went into administration in 2019. Operating leases were subsequently taken out and during the current financial year the leases were extended and now meet the characteristics of a finance lease. As such an asset and corresponding liability have been recognised. Due to the absence of records arising from the administration of Gaia Technologies reliable information around the cost of the asset cannot be provided. The Trust had previously been provided with a discount rate on this lease of 5%, and this rate has been used to calculate the cost of the asset based on the expected future cashflows.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2024. 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

	Restricted funds 2024 £	Restricted fixed asset funds 2024 £	Total funds 2024 £
Donations	13,830	-	13,830
Capital Grants	-	1,795,834	1,795,834
	<u>13,830</u>	<u>1,795,834</u>	<u>1,809,664</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

3. Income from donations and capital grants (continued)

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

4. Funding for the Academy's charitable activities

	Restricted funds 2024 £	Total funds 2024 £
DfE/ESFA grants		
General Annual Grant	12,860,469	12,860,469
Other DfE/ESFA grants		
16-19 Core Education Funding	21,005	21,005
Pupil Premium	495,778	495,778
UIFSM	58,406	58,406
PE Teacher Grants	382,784	382,784
Others	522,468	522,468
	<u>14,340,910</u>	<u>14,340,910</u>
Other Government grants		
Local authority grants	848,642	848,642
Mayor of London UIFSM	83,581	83,581
	<u>932,223</u>	<u>932,223</u>
	<u>15,273,133</u>	<u>15,273,133</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

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

	Restricted funds 2023 £	Total funds 2023 £
DfE/ESFA grants		
General Annual Grants	12,403,500	12,403,500
Other DfE/ESFA grants		
16-19 Core Education Funding	29,498	29,498
Pupil Premium	474,363	474,363
UIFSM	57,925	57,925
PE Teacher Grants	66,919	66,919
Others	766,417	766,417
	13,798,622	13,798,622
Other Government grants		
Local authority grants	849,360	849,360
	849,360	849,360
	14,647,982	14,647,982
	14,647,982	14,647,982

5. Income from other trading activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Lettings Income	208,955	-	208,955
Catering Income	-	200,413	200,413
Other Income	-	168,634	168,634
Trip Income	-	49,087	49,087
	208,955	418,134	627,089
	208,955	418,134	627,089

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

5. Income from other trading activities (continued)

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

6. Investment income

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Pension Income	-	12,000	12,000
Investment Income	42,183	-	42,183
	<u>42,183</u>	<u>12,000</u>	<u>54,183</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

7. Expenditure

	Staff Costs 2024 £	Premises 2024 £	Other 2024 £	Total 2024 £
Educational Activities:				
Direct costs	8,660,710	919,835	715,838	10,296,383
Allocated support costs	4,620,648	571,792	1,260,767	6,453,207
	<u>13,281,358</u>	<u>1,491,627</u>	<u>1,976,605</u>	<u>16,749,590</u>
	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £
Educational Activities:				
Direct costs	8,427,298	876,500	688,620	9,992,418
Allocated support costs	3,812,789	520,174	1,358,466	5,691,429
	<u>12,240,087</u>	<u>1,396,674</u>	<u>2,047,086</u>	<u>15,683,847</u>

8. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £
Educational Activities	<u>10,296,383</u>	<u>6,453,207</u>	<u>16,749,590</u>
	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Educational Activities	<u>9,992,418</u>	<u>5,691,429</u>	<u>15,683,847</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational Activities 2024 £	Total funds 2024 £
Staff Costs	8,125,000	8,125,000
Depreciation	1,004,081	1,004,081
Educational Supplies	203,058	203,058
Technology Costs	157,719	157,719
Teaching Supply Costs	535,710	535,710
Staff Development and Training	20,552	20,552
Examination Fees	183,157	183,157
Other Direct Costs	67,106	67,106
	<hr/> <hr/>	<hr/> <hr/>
	10,296,383	10,296,383
	<hr/> <hr/>	<hr/> <hr/>
	Educational Activities 2023 £	Total funds 2023 £
Staff costs	7,990,470	7,990,470
Depreciation	961,155	961,155
Educational Supplies	167,295	167,295
Technology Costs	172,033	172,033
Teaching Supply Costs	436,828	436,828
Staff Development and Training	35,731	35,731
Examination Fees	172,701	172,701
Other Direct Costs	56,205	56,205
	<hr/> <hr/>	<hr/> <hr/>
	9,992,418	9,992,418
	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Activities 2024 £	Total funds 2024 £
Staff Costs	3,999,221	3,999,221
Technology Costs	271,251	271,251
Recruitment and Support	42,552	42,552
Support Staff Supply Costs	910,427	910,427
Maintenance of Premises and Equipment	241,406	241,406
Other Premises Costs	3,285	3,285
Energy	271,520	271,520
Rent & Rates	20,390	20,390
Insurance	51,095	51,095
Cleaning	41,210	41,210
Security and Transport	17,303	17,303
Non Cash Pension Costs	(289,000)	(289,000)
Catering Costs (excl catering staff)	261,852	261,852
Other Support Costs	311,768	311,768
Legal and professional	272,942	272,942
Governance Costs	25,985	25,985
	<u>6,453,207</u>	<u>6,453,207</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	Educational Activities 2023 £	Total funds 2023 £
Pension finance costs	46,000	46,000
Staff costs	3,196,187	3,196,187
Technology Costs	299,103	299,103
Recruitment and Support	52,570	52,570
Support Staff Supply Costs	797,602	797,602
Maintenance of Premises and Equipment	193,870	193,870
Other Premises Costs	30,585	30,585
Energy	223,405	223,405
Rent & Rates	67,936	67,936
Insurance	44,603	44,603
Cleaning	51,992	51,992
Security and Transport	17,025	17,025
Non Cash Pension Costs	(181,000)	(181,000)
Catering Costs (excl catering staff)	228,043	228,043
Other Support Costs	285,498	285,498
Legal and professional	325,020	325,020
Governance Costs	12,990	12,990
	<u>5,691,429</u>	<u>5,691,429</u>

9. Net income

Net income for the year includes:

	2024 £	2023 £
Operating lease rentals	206,517	151,864
Depreciation of tangible fixed assets	1,004,081	961,155
Fees paid to auditors for:		
- audit	18,500	6,480
- other services	2,400	2,160
	<u>1,231,508</u>	<u>1,021,665</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff

a. Staff costs and employee benefits

Staff costs during the year were as follows:

	2024	2023
	£	£
Wages and salaries	8,974,352	8,307,924
Social security costs	965,143	897,796
Pension costs	2,184,726	1,980,937
	12,124,221	11,186,657
Agency staff costs	910,427	797,602
Support staff agency costs	535,710	436,828
Non cash pension costs	(289,000)	(181,000)
	13,281,358	12,240,087

Staff restructuring costs comprise:

	2024	2023
	£	£
Severance payments	25,132	-
	25,132	-

b. Severance payments

The Academy paid 2 severance payments in the year, disclosed in the following bands:

	2024
	No.
£0 - £25,000	2

c. Special staff severance payments

Included in staff restructuring costs are special severance payments totalling £21,832 (2023: nil). Individually, the payments were: £6,232 and £15,600.

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

d. Staff numbers

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

	2024	2023
	No.	No.
Support and Admin	98	96
Management	12	12
Teachers	106	107
	<u>216</u>	<u>215</u>

e. Higher paid staff

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

	2024	2023
	No.	No.
In the band £60,001 - £70,000	29	24
In the band £70,001 - £80,000	10	6
In the band £80,001 - £90,000	2	2
In the band £90,001 - £100,000	1	3
In the band £100,001 - £110,000	2	-
In the band £120,001 - £130,000	-	1
In the band £140,001 - £150,000	1	-
In the band £110,001 - £120,000	1	-
	<u>1</u>	<u>-</u>

f. 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 key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £1,748,040 (2023 - £1,426,526).

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11. 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:

		2024	2023
		£	£
S Nasrabadi, Staff Trustee	Remuneration	40,000 -	40,000 -
		45,000	45,000
	Pension contributions paid	0 - 5,000	10,000 - 15,000
R Denial, Headteacher	Remuneration	140,000 -	125,000 -
		145,000	130,000
	Pension contributions paid	15,000 -	30,000 -
		20,000	35,000
H Pratchett, Teacher Trustee	Remuneration	65,000 -	60,000 -
		70,000	65,000
	Pension contributions paid	5,000 -	10,000 -
		10,000	15,000

During the year ended 31 August 2024, no trustee expenses have been incurred (2023 - £NIL).

12. 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 2024 was £226 (2023 - £224). The cost of this insurance is included in the total insurance cost.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

13. Tangible fixed assets

	Freehold property £	Assets under construction £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 September 2023	35,656,970	-	538,991	302,287	68,849	36,567,097
Additions	207,517	301,489	184,616	763,116	-	1,456,738
At 31 August 2024	<u>35,864,487</u>	<u>301,489</u>	<u>723,607</u>	<u>1,065,403</u>	<u>68,849</u>	<u>38,023,835</u>
Depreciation						
At 1 September 2023	5,772,047	-	324,490	176,551	48,696	6,321,784
Charge for the year	835,822	-	84,014	78,621	5,624	1,004,081
At 31 August 2024	<u>6,607,869</u>	<u>-</u>	<u>408,504</u>	<u>255,172</u>	<u>54,320</u>	<u>7,325,865</u>
Net book value						
At 31 August 2024	<u><u>29,256,618</u></u>	<u><u>301,489</u></u>	<u><u>315,103</u></u>	<u><u>810,231</u></u>	<u><u>14,529</u></u>	<u><u>30,697,970</u></u>
At 31 August 2023	<u><u>29,884,923</u></u>	<u><u>-</u></u>	<u><u>214,501</u></u>	<u><u>125,736</u></u>	<u><u>20,153</u></u>	<u><u>30,245,313</u></u>

Included under computer equipment are assets held under finance leases at a net book value of £710,437.

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Debtors

	2024 £	2023 £
Due after more than one year		
Prepayments and accrued income	308,369	-
	308,369	-
Due within one year		
Trade debtors	976	1,096
Other debtors	67,214	56,725
Prepayments and accrued income	1,677,025	467,628
	2,053,584	525,449

15. Creditors: Amounts falling due within one year

	2024 £	2023 £
Other loans	23,002	29,499
Trade creditors	109,182	72,948
Other taxation and social security	242,144	225,147
Obligations under finance lease and hire purchase contracts	175,071	-
Other creditors	258,266	217,007
Accruals and deferred income	191,986	254,400
	999,651	799,001
	2024 £	2023 £
Deferred income at 1 September 2023	79,673	37,662
Resources deferred during the year	34,071	79,673
Amounts released from previous periods	(79,673)	(37,662)
	34,071	79,673

At the balance sheet date the academy trust was holding funds received in advance for ESFA Universal Free School Meals grant income of £34,071 (2023: £35,473) and London Borough of Brent of £Nil (2023: £41,791), unspent bursary grant income totalling £Nil (2023: £59) and other income of £Nil (2023: £2,350).

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Creditors: Amounts falling due after more than one year

	2024	2023
	£	£
Other loans	57,130	80,135
Net obligations under finance lease and hire purchase contracts	535,367	-
	592,497	80,135
	592,497	80,135

Included within creditors less than and greater than one year is a total loan amount of £80,132 (2023: £109,634) from the Education & Skills Funding Agency (ESFA). Within this balance, there are two CIF loans. The first CIF loan was taken out in FY2021 repayable in 2026. The total balance outstanding at year end is £8,852 (2023: £13,974) with a interest rate accruing of 1.91%. In addition, there was another CIF loan drawn down in FY22 repayable in 2027. The total balance outstanding at the year end for this loan is £5,608 (2023: £7,477) with an interest rate accruing of 1.99%. Within this balance there are also four Salix loans. The first Salix loan is repayable in 2025 with a balance outstanding at year end of £8,396 (2023: £13,994) with an interest rate accruing of 0%. The second Salix loan is repayable in 2029 with a balance outstanding at year end of £14,022 (2023: £16,571) with a 0% interest rate accruing on the balance. The third Salix loan is repayable in 2029 with a balance outstanding at year end of £36,840 (2023: £43,538) with a 0% interest rate accruing on the balance. The fourth salix loan was drawn down in FY22. The total balance outstanding at year end is £6,414 (2023: £7,581) within a 0% interest rate accruing on the balance. This loan is repayable in 8 years' time, in 2030.

In the current year the Trust has committed to a finance lease relating to IT equipment. The net present value of minimum future lease payments for the next 5 years is £710,438, using a discount rate of 5% which is an accounting estimate. The lease payments over the next year are £175,071, £174,082 in the next 1-2 years and £361,285 in the next 2-5 years.

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds

	Balance at 1 September 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2024 £
Unrestricted funds						
General Funds - all funds	640,871	251,138	(93,106)	-	-	798,903
Restricted general funds						
GAG	2,013,160	12,860,469	(13,096,775)	(445,074)	-	1,331,780
16-19 Core Education Funding	-	21,005	(21,005)	-	-	-
Pupil Premium	-	495,778	(495,778)	-	-	-
PE Teachers Grants	-	382,784	(382,784)	-	-	-
Other ESFA Funding	-	522,468	(522,468)	-	-	-
UIFSM	-	141,987	(141,987)	-	-	-
SEN Funding (LA)	-	540,604	(540,604)	-	-	-
Other LA Funding	-	308,038	(308,038)	-	-	-
General Funds	-	431,964	(431,964)	-	-	-
Pension reserve	-	12,000	289,000	-	(301,000)	-
	2,013,160	15,717,097	(15,652,403)	(445,074)	(301,000)	1,331,780

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17. Statement of funds (continued)

	Balance at 1 September 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2024 £
Restricted fixed asset funds						
Restricted Fixed Asset Fund	30,245,313	-	(1,004,081)	1,456,738	-	30,697,970
Devolved formula capital	-	36,321	-	-	-	36,321
Condition improvement fund	72,683	1,759,513	-	(221,094)	-	1,611,102
Finance lease liability	-	-	-	(710,438)	-	(710,438)
DfE loans	-	-	-	(80,132)	-	(80,132)
	<u>30,317,996</u>	<u>1,795,834</u>	<u>(1,004,081)</u>	<u>445,074</u>	<u>-</u>	<u>31,554,823</u>
Total Restricted funds	<u>32,331,156</u>	<u>17,512,931</u>	<u>(16,656,484)</u>	<u>-</u>	<u>(301,000)</u>	<u>32,886,603</u>
Total funds	<u><u>32,972,027</u></u>	<u><u>17,764,069</u></u>	<u><u>(16,749,590)</u></u>	<u><u>-</u></u>	<u><u>(301,000)</u></u>	<u><u>33,685,506</u></u>

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

Restricted fixed assets funds have been increased by capital grants provided by DfE and reduced by depreciation charges. Transfers to restricted fixed asset funds represent revenue contributions to CIF projects and the purchase of tangible fixed assets.

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 2024.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

17. Statement of funds (continued)

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

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
General Funds - all funds	535,811	172,913	(67,853)	-	-	640,871
Restricted general funds						
GAG	1,727,608	12,403,500	(12,007,821)	(110,127)	-	2,013,160
16-19 Core Education Funding	-	29,498	(29,498)	-	-	-
Pupil Premium	-	474,363	(474,363)	-	-	-
PE Teachers Grants	-	66,919	(66,919)	-	-	-
Other ESFA Funding	-	766,417	(766,417)	-	-	-
UIFSM	-	57,925	(57,925)	-	-	-
SEN Funding (LA)	-	514,952	(514,952)	-	-	-
Other LA Funding	-	334,408	(334,408)	-	-	-
General Funds	-	537,536	(537,536)	-	-	-
Pension reserve	(1,168,000)	-	135,000	-	1,033,000	-
	559,608	15,185,518	(14,654,839)	(110,127)	1,033,000	2,013,160
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	30,360,646	808,378	(961,155)	110,127	-	30,317,996

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17. Statement of funds (continued)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Total Restricted funds	30,920,254	15,993,896	(15,615,994)	-	1,033,000	32,331,156
Total funds	31,456,065	16,166,809	(15,683,847)	-	1,033,000	32,972,027

18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Restricted fixed asset funds 2024 £	Total funds 2024 £
Tangible fixed assets	-	-	30,697,970	30,697,970
Debtors due after more than one year	-	308,369	-	308,369
Current assets	798,903	1,824,989	1,647,423	4,271,315
Creditors due within one year	-	(801,578)	(198,073)	(999,651)
Creditors due in more than one year	-	-	(592,497)	(592,497)
Total	798,903	1,331,780	31,554,823	33,685,506

Analysis of net assets between funds - prior period

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

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19. Reconciliation of net income to net cash flow from operating activities

	2024	2023
	£	£
Net income for the period (as per Statement of financial activities)	1,014,479	482,962
Adjustments for:		
Depreciation	1,004,081	961,155
Capital grants from DfE and other capital income	(1,795,834)	(808,378)
Defined benefit pension scheme cost less contributions payable	(289,000)	(181,000)
Defined benefit pension scheme finance cost	(12,000)	46,000
(Increase)/decrease in debtors	(1,528,225)	687,253
Increase/(decrease) in creditors	32,166	(691,818)
Net cash (used in)/provided by operating activities	(1,574,333)	496,174

20. Cash flows from financing activities

	2024	2023
	£	£
Repayments of borrowing	(29,502)	(38,254)
Net cash used in financing activities	(29,502)	(38,254)

21. Cash flows from investing activities

	2024	2023
	£	£
Purchase of tangible fixed assets	(746,300)	(845,822)
Capital grants from DfE Group	1,795,834	808,378
Net cash provided by/(used in) investing activities	1,049,534	(37,444)

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22. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand and at bank	2,526,100	3,080,401
Total cash and cash equivalents	2,526,100	3,080,401

23. Analysis of changes in net debt

	At 1 September 2023 £	Cash flows £	At 31 August 2024 £
Cash at bank and in hand	3,080,401	(554,301)	2,526,100
Debt due within 1 year	(29,499)	6,497	(23,002)
Debt due after 1 year	(80,135)	23,005	(57,130)
Finance leases	-	(710,438)	(710,438)
	2,970,767	(1,235,237)	1,735,530

24. Capital commitments

	2024 £	2023 £
Contracted for but not provided in these financial statements		
LED lighting project	-	101,094
Roofing project	54,557	-
Electrical upgrades	82,860	-
	137,417	101,094

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25. Pension commitments

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

The latest valuation of the TPS related to the period ended 31 March 2020 and the latest triennial valuation for LGPS related to the period ended 31 March 2022. The Trust has received an actuarial report relating to the valuation of the LGPS as at 31 August 2024.

Contributions amounting to £258,356 were payable to the schemes at 31 August 2024 (2023 - £216,897) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies 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 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- employer contribution rates set at 28.68% 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 £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million

The result of this valuation will be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

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25. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £1,321,091 (2023 - £1,256,354).

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 trust is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the Academy trust has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy trust 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 2024 was £920,000 (2023 - £856,000), of which employer's contributions totalled £773,000 (2023 - £725,000) and employees' contributions totalled £147,000 (2023 - £131,000). The agreed contribution rates for future years are 31 per cent for employers and 5.5 -12.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

Principal actuarial assumptions

London Borough of Brent Pension Fund

	2024	2023
	%	%
Rate of increase in salaries	2.95	3.25
Rate of increase for pensions in payment/inflation	2.65	2.95
Discount rate for scheme liabilities	5.00	5.20

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

	2024	2023
	Years	Years
Retiring today		
Males	21.7	21.8
Females	24.4	24.5
Retiring in 20 years		
Males	22.7	22.8
Females	25.7	25.8

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25. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2024	At 31 August 2023
	£	£
Equities	6,158,000	6,175,000
Gilts	1,639,000	860,000
Property	675,000	547,000
Cash and other liquid assets	289,000	235,000
Total market value of assets	8,761,000	7,817,000

The actual return on scheme assets was £603,000 (2023 - £323,000).

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

	2024	2023
	£	£
Current service cost	(484,000)	(544,000)
Interest income	427,000	312,000
Interest cost	(415,000)	(358,000)
Total amount recognised in the Statement of financial activities	(472,000)	(590,000)

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

	2024	2023
	£	£
At 1 September	7,817,000	8,132,000
Current service cost	484,000	544,000
Interest cost	415,000	358,000
Employee contributions	147,000	131,000
Actuarial losses/(gains)	25,000	(1,252,000)
Benefits paid	(127,000)	(96,000)
At 31 August	8,761,000	7,817,000

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25. Pension commitments (continued)

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

	2024 £	2023 £
At 1 September	7,817,000	6,964,000
Interest income	427,000	312,000
Actuarial losses	(276,000)	(219,000)
Employer contributions	773,000	725,000
Employee contributions	147,000	131,000
Benefits paid	(127,000)	(96,000)
At 31 August	8,761,000	7,817,000

26. Contingent asset

As at 31 August 2024, the actuarial valuation of the Local Government Pension Scheme was calculated as a surplus of £972,000 (2023: £93,000 surplus). As this valuation does not give rise to a virtually certain economic benefit for the trust, either in the form of a reduction in future contributions or a cash settlement, any surplus arising on the valuation is recognised solely as a contingent asset.

27. Operating lease commitments

At 31 August 2024 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024 £	2023 £
Not later than 1 year	3,828	216,540
Later than 1 year and not later than 5 years	13,398	291,315
	17,226	507,855

The Trust extended the terms of the operating lease last year and this therefore changed into a finance lease during the current financial year. Therefore, these assets were capitalised in this year within tangible fixed assets and a corresponding liability has been recorded within the Balance Sheet.

28. Members' liability

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

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29. 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 Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

30. 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 2024 the trust received £21,005 (2023: £23,548) and disbursed £19,937 (2023: £27,252) from the fund. An amount of £Nil (2023: £59) is included in deferred income relating to undistributed funds that is repayable to the ESFA.