

REGISTERED COMPANY NUMBER: 09481323 (England and Wales)

AMENDED

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017
FOR
PRESTOLEE MULTI ACADEMY TRUST**



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

PRESTOLEE MULTI ACADEMY TRUST

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FOR THE YEAR ENDED 31 AUGUST 2017**

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PRESTOLEE MULTI ACADEMY TRUST

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

MEMBERS

Mr B Barclay (appointed 10/7/2017)
Mr S Fox
Mrs D Bithell (appointed 10/7/2017)
Miss A Peek (appointed 10/7/2017)
Mrs S Farnworth (appointed 10/7/2017)
M Sulkey (resigned 10/7/2017)
L Turner (resigned 10/7/2017)
M Stroud (resigned 23/3/2017)
T Mortimer (resigned 10/7/2017)
B Coates (resigned 10/7/2017)
C Galasso (resigned 10/7/2017)

TRUSTEES

Mrs R J Dunne (resigned 26/1/2017)
Mr S Fox
Mr A Gallimore
Mr M J Govier (resigned 26/1/2017)
Mrs J Haslam (resigned 30/11/2016)
Mrs M Parker (resigned 17/11/2017)
Mr M H Tonge (resigned 26/1/2017)
Mrs L Gartside (appointed 26/1/2017)
Mrs L Turner (appointed 26/1/2017) (resigned 17/11/2017)

COMPANY SECRETARY

Mr M J Govier

REGISTERED OFFICE

Church Road
Stoneclough
Radcliffe
Manchester
Greater Manchester
M26 1HJ

REGISTERED COMPANY NUMBER

09481323 (England and Wales)

AUDITORS

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

PRESTOLEE MULTI ACADEMY TRUST

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

BANKERS

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

SOLICITORS

Browne Jacobson
3 Picadilly Place
Manchester
M1 3BN

PRESTOLEE MULTI ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2017. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Academies Accounts Direction issued by the Education Funding Agency.

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1st September 2016 to 31st August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

For the period of accounts, the trust comprises Prestolee Primary School, Bowness Primary School, Prestolee Teaching School and SCITT and provides leadership to improve educational outcomes primarily across the Northwest Region. Prestolee Primary School has a pupil capacity of 282 and had a roll of 274 at 31st August 2017. Bowness Primary School currently has a pupil capacity of 140 and had a roll of 126 at 31st August 2017.

Structure, Governance and Management

Constitution

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

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

Members' Liability

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

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

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

Up to 3 Academy Trustees may be elected or appointed in accordance with any policy determined by the Trustees from time to time.

The term of office for any Trustee shall be four years, save that this time limit shall not apply to any post which is held ex officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

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

PRESTOLEE MULTI ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017

Organisational Structure

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

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

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

The Chief Executive is the Accounting Officer and is also the Executive Principal of all schools in the trust. Day to day management is delegated to the Chief Executive, Associate Headteachers and their Deputies and the MAT Business Manager. These managers control the Trust and Academies at an executive level.

Arrangements for setting pay and remuneration of key management personnel

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

Related Parties and other Connected Charities and Organisations

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

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

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

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

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

Prestolee have engaged both national and regional stakeholders to establish an annual "School Led" conference. The speakers have included the National and Regional Schools Commissioner in addition to the Chief Executive of the NCTL.

PRESTOLEE MULTI ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017

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

OBJECTIVES AND ACTIVITIES

Objectives and aims

In April 2015, as an outstanding school, the organisation took the opportunity to form Prestolee Multi Academy Trust (MAT) that now comprises Bowness Primary School in addition to the Teaching School and SCITT. This has provided a platform that facilitates the scalability required to support the organisation as it realises its vision to operate a successful chain of schools that each incorporate a common set of values and ethos that will deliver first class education. The MAT is pursuing a strategy of steady sustainable growth.

Charitable Objects:

- a. to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum ("the mainstream Academies") or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies")
- b. to promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Aims

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

PRESTOLEE MULTI ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017

OBJECTIVES AND ACTIVITIES

Significant activities

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

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

As a significant provider of quality initial teacher training, the trust is able to provide a high calibre of teachers with future leadership potential. The trust, its alliance and partners are able to benefit from this rich supply of talent and is able to provide good opportunities for the teachers that it trains.

The trust has formally received SCITT accreditation in January 2015 and is therefore now the recommending body for the award of QTS. This has added future proofing and additional financial stability to our ITT provision. This has also improved ownership and accountability as this provision is now subject to inspection by Ofsted.

The Prestolee SCITT was constrained by the annual cycle of recruitment in 2016-17 and hence enrolled 17 trainee teachers. More recently in 2017-18 this has increased to 29 trainee teachers which, alongside external accreditation and OFSTED inspection has cemented the confidence in future sustainability. The SCITT has focussed on quality and standards and is highly rated by its students, partners and external evaluation.

Since taking on Bowness in December 2015, the Trust has worked to improve the quality of teaching and engagement, business administration, community work and quality of the curriculum. The Trust has appointed a new Headteacher to the school. The head has been Deputy of a very strong school and is an SLE with significant experience of working in a range of schools. Since December 2015, the Trust has been successful in securing funds to improve the Bowness site. This includes a new roof and new pedestrian and vehicle gates to achieve greater security, safeguarding and these investments improve the image and perception of the school. Bowness has been making measured progress toward the OFSTED good judgement as the internal evidence shows.

Public benefit

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

PRESTOLEE MULTI ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017

STRATEGIC REPORT

Achievement and performance

Charitable activities

Prestolee Primary School

Key stage 2

This is provisional data for 2016/2017. Any corrections made to this school will be reflected when the DFE re-publish the data in a few months. National and local authority benchmarks may also change.

Progress in reading, writing and maths

Reading	- -0.03
Writing	- -0.28
Maths	- +0.79

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

Reading, writing and maths combined

Prestolee school	- 74%
Local authority average	- 60%
National average	- 61%

Percentage of pupils achieving the higher standard

Prestolee school	- 3%
Local authority average	- 8%
National average	- 9%

Average scaled score in Reading

Prestolee school	- 104.8
Local authority average	- 103.1
National average	- 104.1

Average scaled score in Maths

Prestolee school	- 105.7
Local authority average	- 104.4
National average	- 104.2

Key stage 1

Percentage achieving at least the expected standard in reading

Prestolee school	- 73%
Local authority average	- 73%
National average	- 76%

Percentage achieving greater depth in reading

Prestolee school	- 20%
Local authority average	- 22%
National average	- 25%

Percentage achieving at least the expected standard in writing

Prestolee school	- 73%
Local authority average	- 66%
National average	- 68%

Percentage achieving greater depth in writing

Prestolee school	- 13%
Local authority average	- 14%
National average	- 16%

Percentage achieving at least the expected standard in maths

Prestolee school	- 73%
Local authority average	- 73%
National average	- 75%

Percentage achieving greater depth in maths

Prestolee school	- 13%
Local authority average	- 20%
National average	- 21%

PRESTOLEE MULTI ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017

STRATEGIC REPORT

Achievement and performance

Charitable activities

Percentage achieving the expected standard in phonics

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

Bowness Primary School

Key stage 2

This is provisional data for 2016/2017. Any corrections made to this school will be reflected when the DFE re-publish the data in a few months. National and local authority benchmarks may also change.

Progress in reading, writing and maths

Reading	- +0.96
Writing	- +2.83
Maths	- +0.51

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

Reading, writing and maths combined

Bowness school - 47%
Local authority average - 60%
National average- 61%

Percentage of pupils achieving the higher standard

Bowness school - 5%
Local authority average - 8%
National average- 9%

Average scaled score in Reading

Bowness school - 99.7
Local authority average - 103.1
National average- 104.1

Average scaled score in Maths

Bowness school - 100.8
Local authority average - 104.4
National average- 104.2

Key stage 1

Percentage achieving at least the expected standard in reading

Bowness school - 53%
Local authority average - 73%
National average- 76%

Percentage achieving greater depth in reading

Bowness school - 11%
Local authority average - 22%
National average- 25%

Percentage achieving at least the expected standard in writing

Bowness school - 58%
Local authority average - 66%
National average- 68%

Percentage achieving greater depth in writing

Bowness school - 0%
Local authority average - 14%
National average- 16%

PRESTOLEE MULTI ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017

STRATEGIC REPORT

Achievement and performance

Charitable activities

Percentage achieving at least the expected standard in maths

Bowness school - 68%

Local authority average - 73%

National average- 75%

Percentage achieving greater depth in maths

Bowness school - 0%

Local authority average - 20%

National average- 21%

Percentage achieving the expected standard in phonics

A very large majority of pupils (86%) met the expected standard in year 1.

SCITT / Teaching School

The SCITT has achieved a threshold level of operation that adds weight to its longer term viability. It has also been successful in securing its passion for the highest standards. This has been verified by multiple external validations including OFSTED.

- 100% of teacher trainees achieved either good or outstanding by the end of the course
- Almost 2/3 are graded outstanding
- 100% have secured employment as a teacher
- External validation has confirmed that the SCITT provides excellent equality of access for all.

The SCITT continues to contribute toward enriching the quality of teaching across schools in the trust.

The Teaching School continues its work in partnership with the Greater Manchester Learning Partnership to seek to bid for and discharge work throughout the region that meets targeted needs for educational improvement across the region.

The Teaching School continues to arrange conferences to help facilitate and develop the School Led System in the North West.

PRESTOLEE MULTI ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017

STRATEGIC REPORT

Financial review

Financial position

The majority of the MAT's grant funding allocation comes from General annual grants from the EFA. This and the LA funding breaks down as follows:

National Funding Formula			Prestolee	Bowness
			2016-17	
Pupil Led	1	Age Weighted Pupil Unit	£ 624,194.57	£ 393,449.66
	2	Deprivation	£ 9,000.18	£ 32,141.78
	3	Looked After Children	£ 895.76	£ 693.90
	4	Prior Attainment	£ 26,832.33	£ 26,157.35
	5	EAL	£ 582.89	£ 8,044.34
	6	Mobility	£ -	£ -
	7	Sparisity	£ -	£ -
Other	8	Lump Sum	£ 130,000.00	£ 130,000.00
	9	Split Sites	£ -	£ -
	10	Sixth Form	£ -	£ -
	11	London Fringe	£ -	£ -
	12	Exceptional Circumstance	£ -	£ -
Additional EFA/LA Funding			Prestolee	Bowness
			2016-17	
EFA	Minimum Funding Guarantee		£ 8,165.45	£ 45,656.02
EFA	Education Services Grant		£ 18,233.60	£ 10,241.00
EFA	ESG Protection		£ -	£ -
EFA	Pupil Premium		£ 52,080.00	£ 83,460.00
EFA	UIFSM		£ 35,636.00	£ 11,542.00
LA	Early Years Block		£ 106,042.00	£ -
LA	High Needs Block		£ 10,593.00	£ 4,650.48
			£1,022,255.78	£ 746,036.53

There are separate payments from the ESFA that include Pupil Premium, Devolved Formula Capital, Primary Sports Grant and Universal Infant Free School Meals Grant.

The Trust also continues to receive High Needs and Early Years Funding from the Local Authority. This income is proportioned to statemented children and contextual pupil numbers.

The Trust has not acquired any further academies during this period but has since acquired two academies on 1st September 2017 which has brought inherited assets as follows:

PRESTOLEE MULTI ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017

STRATEGIC REPORT

	Waterloo Primary School	Barton Moss Primary School
Land	£ 1,065,000	£ 780,000
Buildings	£ 2,995,000	£ 1,720,000
Furniture Fittings Equipment	£ 85,400	£ 81,750
IT Resources	£ 61,500	£ 20,300
	£ 4,206,900	£ 2,602,050

Since becoming four schools, the trust has formalised a 4% top-slice arrangement across the MAT to support central services.

The Teachers' Pension Scheme is contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Trust. The main impact of the current pension deficit within the Local Government Pension Scheme (LGPS) is that it has an ongoing effect on cash flow over a period of years that has an effect on the levels of employer pension contributions as set by the actuary. This does not represent an immediate liability or commitment. The trust will manage the increase in any contribution levels and take into account within future planning. At the balance sheet date:

- The LGPS pensions hold a current deficit balance £ 840,000
- The land assets with depreciation were £ 1,055,000
- The building assets with depreciation were £ 2,917,122

The LGPS deficit was established by the appointed actuary.

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

Investment policy and objectives

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

Reserves policy

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

The directors consider the reserves here to be appropriate in line with these aims. There is a plan to utilise the teaching school (PTS) reserves to form a revenue contribution towards the two-year capital build project - a Teacher Training Centre.

PRESTOLEE MULTI ACADEMY TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017

STRATEGIC REPORT

Principal risks and uncertainties

The main inherent risk in any school relates to performance. There is substantial and regular monitoring of performance measures and systems of quality assurance and benchmarking for each of the subsidiary organisations within the trust. This is regularly reviewed by the trust standards committee. Each subsidiary organisation is also subject to external scrutiny and audit from Ofsted and other regulatory bodies. The trust also seeks regular external scrutiny and peer review to provide the evidence to confirm and validate the required standards and performance. The trust is satisfied that they are in receipt of information that will facilitate timely actions sufficient to mitigate the risk of any deterioration of performance or failure to improve and safeguard any loss of accreditation or reputation. The effect of the new national funding formula is uncertain as is future government policy that may reduce school funding allocations in future years. There is risk in parent/carer expectations and understanding of how policy is developing with SEND funding and EHCP personal budgets. Funding for system leadership responsibilities does not allow the school to invest in the capacity needed to respond to the system demands or local needs in the required timeframes. The DfE are reducing school funding. They reduced the fixed element of funding by £20k in 2016-17 and have recently announced £620M cuts in the Educational Services Grant.

Future plans

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

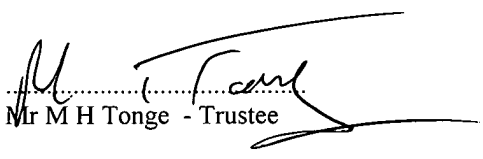
Key management remuneration

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

AUDITORS

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

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 14.11.2017 and signed on the board's behalf by:


Mr M H Tonge - Trustee

PRESTOLEE MULTI ACADEMY TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs R J Dunne	3	3
Mr S Fox	3	3
Mr A Gallimore	3	3
Mr M J Govier	3	3
Mr M H Tonge	3	3
Mrs L Gartside	2	2
Mrs L Turner	2	2

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

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

	Meetings attended	Out of a possible
M Tonge	2	2
A Gallimore	2	2
S Fox	1	2
M Govier	2	2
M Parker	0	2

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

	Meetings attended	Out of a possible
M Tonge	2	2
A Gallimore	2	2
S Fox	2	2
M Govier	1	2
M Parker	0	2
R Dunne	2	2

PRESTOLEE MULTI ACADEMY TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017

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

	Meetings attended	Out of a possible
M Tonge	2	2
A Gallimore	2	2
S Fox	2	2
M Govier	1	2
M Parker	0	2
R Dunne	2	2

Review of Value for Money

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

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

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

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of charitable company policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Prestolee Multi Academy Trust for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees have been under development.
- regular reviews by the finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes

PRESTOLEE MULTI ACADEMY TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017

The Risk and Control Framework

- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

Internal Audit

The board of trustees has considered the need for a specific internal audit function and has decided that this will be performed by an external accountant who has been engaged to provide external objective audit feedback. Jennifer Cain is providing this programme of internal checks.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy Trust's financial systems. In particular the checks carried out in the current period included Payroll, Budgeting, Banking, Sales invoicing, Purchase order invoicing, Payment runs, Fixed asset register, Charge cards, VAT, ParentPay Settlements on a termly basis, the auditor will report to the Board of Trustees, through the Finance Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal auditor provided reports relevant to the period in question across the year from termly checks involving all areas of the business. As a result, the finance team have operated more consistently, have developed an improved process for segregation of grant spending and introduced many improvements to practice at Bowness Primary School.


Review of Effectiveness

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

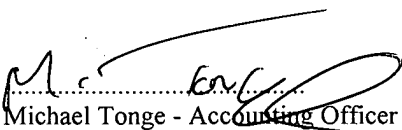
- the work of the internal and external auditors.
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on14/12/17..... and signed on its behalf by:



Mr S Fox - Trustee



Michael Tonge - Accounting Officer

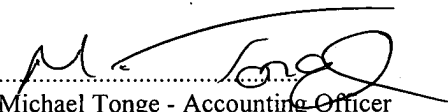
PRESTOLEE MULTI ACADEMY TRUST

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2017**

As accounting officer of Prestolee Multi Academy Trust I have considered my responsibility to notify the charitable company board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the charitable company and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of all funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2016.

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.


Michael Tonge - Accounting Officer

Date: 14/12/2017

PRESTOLEE MULTI ACADEMY TRUST

STATEMENT OF TRUSTEES RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2017

The trustees (who act as governors of Prestolee Multi Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

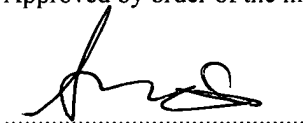
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements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

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

In so far as the trustees are aware:

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

Approved by order of the members of the board of trustees on 14/12/17 and signed on its behalf by:



Mr S Fox - Trustee

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

Opinion

We have audited the financial statements of Prestolee Multi Academy Trust (the 'charitable company') for the year ended 31 August 2017 on pages twenty to forty three. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2015 to 2016 issued by the Education Funding Agency (EFA).

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2016 to 2017.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

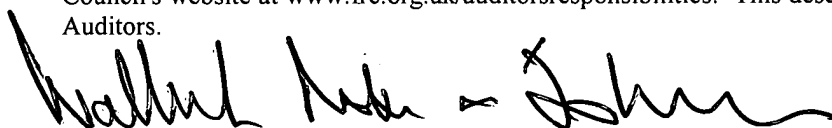
As explained more fully in the Statement of Trustees Responsibilities set out on page sixteen, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

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



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

Date: 14/12/17

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

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Prestolee Multi Academy Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Prestolee Multi Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

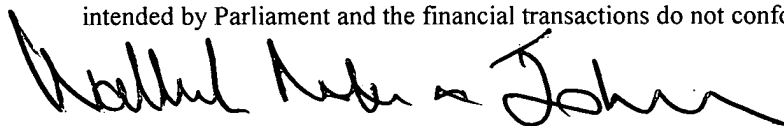
The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

Date: 14/12/17

PRESTOLEE MULTI ACADEMY TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2017**

				31/8/17	31/8/16
		Unrestricted funds	Restricted fund	Total funds	Total funds
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and capital grants	2	279	10,109	-	27,454
Transfer from Local Authority on conversion		-	-	-	1,551,581
Charitable activities					
Funding for the academy's educational operations	3	79,795	1,790,507	-	1,842,121
Other trading activities	4	330,140	100,044	-	444,163
Investment income	5	<u>1</u>	<u>565</u>	<u>-</u>	<u>951</u>
Total		410,215	1,901,225	-	3,866,270
EXPENDITURE ON					
Raising funds	7	-	25,771	-	2,622
Charitable activities					
Academy's educational operations		268,440	620,564	117,813	888,521
Other		<u>148,889</u>	<u>1,343,953</u>	<u>-</u>	<u>1,224,477</u>
Total	6	417,329	1,990,288	117,813	2,115,620
NET INCOME/(EXPENDITURE)					
		(7,114)	(89,063)	(213,990)	1,750,650
Transfers between funds	16	<u>7,114</u>	<u>(199,145)</u>	<u>192,031</u>	<u>-</u>
Other recognised gains/(losses)					
Actuarial gains/losses on defined benefit schemes		<u>-</u>	<u>164,000</u>	<u>-</u>	<u>(389,000)</u>
Net movement in funds		-	(124,208)	74,218	1,361,650
RECONCILIATION OF FUNDS					
Total funds brought forward		-	(84,587)	4,120,327	2,674,090
TOTAL FUNDS CARRIED FORWARD					
		<u>-</u>	<u>(208,795)</u>	<u>4,194,545</u>	<u>4,035,740</u>

PRESTOLEE MULTI ACADEMY TRUST

**BALANCE SHEET
AT 31 AUGUST 2017**

					31/8/17	31/8/16
		Unrestricted funds	Restricted fund	Restricted Fixed Asset Fund	Total funds	Total funds
	Notes	£	£	£	£	£
FIXED ASSETS						
Tangible assets	13	-	-	4,194,545	4,194,545	4,120,327
CURRENT ASSETS						
Debtors	14	-	149,875	-	149,875	119,107
Cash at bank		-	897,989	-	897,989	1,006,313
		-	1,047,864	-	1,047,864	1,125,420
CREDITORS						
Amounts falling due within one year	15	-	(416,659)	-	(416,659)	(271,007)
NET CURRENT ASSETS		-	631,205	-	631,205	854,413
TOTAL ASSETS LESS CURRENT LIABILITIES		-	631,205	4,194,545	4,825,750	4,974,740
PENSION LIABILITY	17	-	(840,000)	-	(840,000)	(939,000)
NET ASSETS		-	(208,795)	4,194,545	3,985,750	4,035,740
FUNDS	16					
Unrestricted funds:						
Restricted funds:						
Restricted General Funds					(208,795)	(84,587)
Restricted Fixed Asset Funds					4,194,545	4,120,327
					3,985,750	4,035,740
TOTAL FUNDS					3,985,750	4,035,740

PRESTOLEE MULTI ACADEMY TRUST

**BALANCE SHEET - CONTINUED
AT 31 AUGUST 2017**

The financial statements were approved by the Board of Trustees on14/12/2017..... and were signed on its behalf by:


Mr M H Tonge -Trustee

PRESTOLEE MULTI ACADEMY TRUST

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Notes	31/8/17 £	31/8/16 £
Cash flows from operating activities:			
Cash generated from operations	1	206,561	433,109
Interest paid		<u>(192)</u>	<u>(320)</u>
Net cash provided by (used in) operating activities		<u>206,369</u>	<u>432,789</u>
 Cash flows from investing activities:			
Purchase of tangible fixed assets		(325,259)	(64,485)
Sale of tangible fixed assets		10,000	-
Interest received		<u>566</u>	<u>951</u>
Net cash provided by (used in) investing activities		<u>(314,693)</u>	<u>(63,534)</u>
 Change in cash and cash equivalents in the reporting period		<u>(108,324)</u>	<u>369,255</u>
Cash and cash equivalents at the beginning of the reporting period		<u>1,006,313</u>	<u>637,058</u>
 Cash and cash equivalents at the end of the reporting period		<u><u>897,989</u></u>	<u><u>1,006,313</u></u>

PRESTOLEE MULTI ACADEMY TRUST

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017**

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

	31/8/17 £	31/8/16 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(213,990)	1,750,650
Adjustments for:		
Depreciation	126,164	98,602
Capital grants from DfE/EFA	114,877	-
Transfer from Local Authority on conversion	-	(1,480,610)
Interest received	(566)	(951)
Interest paid	192	320
Increase in debtors	(30,768)	(44,426)
Increase in creditors	46,652	498,524
Difference between pension charge and cash contributions	<u>164,000</u>	<u>(389,000)</u>
Net cash provided by (used in) operating activities	<u>206,561</u>	<u>433,109</u>

PRESTOLEE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2016 to 2017 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

Going concern

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

Critical accounting judgements and key sources of estimation uncertainty

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

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

Valuation of the Local Government Pension Scheme Defined Benefit Liability

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

Impairment of fixed assets

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

Impairment of trade debtors

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

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

PRESTOLEE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES - continued

Income

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

Grants Receivable

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

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

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

Donations

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

Sponsorship income

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

Donated services and gifts in kind

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

Donated goods

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

Other income

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

PRESTOLEE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES - continued

Resources expended

Expenditure is recognized once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

Expenditure on raising funds

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

Charitable activities

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

Governance costs

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

PRESTOLEE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

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

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

Depreciation

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

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

Taxation

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

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

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

Fund accounting

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

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

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

PRESTOLEE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method, as stated in note 17. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Conversion to an academy

The conversion from a state maintained school to an academy trust, involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Prestolee Multi Academy Trust. The amounts have been recognised in voluntary income as a gift in the Statement of Financial Activities and analysed under unrestricted, restricted general and restricted fixed asset funds. Further details of the transaction are set out in note 20.

Liabilities

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

Provisions

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

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

PRESTOLEE MULTI ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017**

2. DONATIONS AND CAPITAL GRANTS

	31/8/17	31/8/16
	£	£
Donations	366	4,825
Capital grants	<u>10,022</u>	<u>22,629</u>
	<u>10,388</u>	<u>27,454</u>

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

	31/8/17	31/8/16
	£	£
Other grants	<u>10,022</u>	<u>22,629</u>

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31/8/17 Total funds £	31/8/16 Total funds £
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	1,586,727	1,586,727	1,399,657
Other DfE/ESFA Grants	<u>-</u>	<u>202,054</u>	<u>202,054</u>	<u>315,042</u>
	-	1,788,781	1,788,781	1,714,699
Other government grant				
Local authority grants	79,795	15,125	94,920	90,651
Other funds				
Other incoming resources	<u>-</u>	<u>(13,399)</u>	<u>(13,399)</u>	<u>36,772</u>
	<u>79,795</u>	<u>1,790,507</u>	<u>1,870,302</u>	<u>1,842,122</u>

4. OTHER TRADING ACTIVITIES

	31/8/17	31/8/16
	£	£
Hire of facilities	3,540	3,585
Other income	<u>426,644</u>	<u>440,578</u>
	<u>430,184</u>	<u>444,163</u>

5. INVESTMENT INCOME

	31/8/17	31/8/16
	£	£
Deposit account interest	<u>566</u>	<u>951</u>

PRESTOLEE MULTI ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017**

6. EXPENDITURE

				31/8/17	31/8/16
	Staff costs £	Non-pay expenditure Premises £	Other costs £	Total £	Total £
Raising funds					
Costs of fundraising	-	25,771	-	25,771	2,622
Charitable activities					
Academies educational operations					
Direct costs	-	59,117	275,895	335,012	265,604
Allocated support costs	<u>221,886</u>	<u>215,307</u>	<u>234,612</u>	<u>671,805</u>	<u>622,917</u>
	221,886	300,195	510,507	1,032,588	891,143
Other	<u>1,492,842</u>	<u>-</u>	<u>-</u>	<u>1,492,842</u>	<u>1,224,477</u>
	<u>1,714,728</u>	<u>300,195</u>	<u>510,507</u>	<u>2,525,430</u>	<u>2,115,620</u>

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

	31/8/17 £	31/8/16 £
Auditors' remuneration	8,000	8,000
Auditors' remuneration for non-audit work	3,825	375
Depreciation - owned assets	<u>126,165</u>	<u>98,602</u>

7. RAISING FUNDS

Costs of fundraising

	31/8/17 £	31/8/16 £
Support costs	<u>25,771</u>	<u>2,622</u>

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31/8/17 Total funds £	31/8/16 Total funds £
Direct costs	106,284	228,728	335,012	265,604
Support costs	<u>162,156</u>	<u>509,649</u>	<u>671,805</u>	<u>622,917</u>
	<u>268,440</u>	<u>738,377</u>	<u>1,006,817</u>	<u>888,521</u>

PRESTOLEE MULTI ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017**

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

	31/8/17 Total £	31/8/16 Total £
Analysis of support costs		
Support staff costs	221,886	208,778
Printing, postage & stationery	38,964	28,148
Premises costs	198,656	173,589
Other support costs	183,823	199,612
Governance costs	<u>28,476</u>	<u>12,790</u>
Total support costs	<u>671,805</u>	<u>622,917</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2017 nor for the year ended 31 August 2016.

10. STAFF COSTS

	31/8/17 £	31/8/16 £
Wages and salaries	1,309,777	1,135,938
Social security costs	117,817	82,585
Operating costs of defined benefit pension schemes	<u>268,571</u>	<u>185,328</u>
	1,696,165	1,403,851
Supply teacher costs	<u>18,563</u>	<u>29,404</u>
	<u>1,714,728</u>	<u>1,433,255</u>

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

	31/8/17	31/8/16
Teaching	20	15
Administration & Support	50	40
Management	<u>9</u>	<u>6</u>
	<u>79</u>	<u>61</u>

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

	31/8/17	31/8/16
£80,001 - £90,000	<u>1</u>	<u>1</u>

PRESTOLEE MULTI ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017**

11. TRUSTEES' AND OFFICERS' INSURANCE

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

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted fund	Restricted Fixed Asset Fund	Total funds
	£	£	£	£
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	-	27,454	-	27,454
Transfer from Local Authority on conversion	2,326	(148,355)	1,697,610	1,551,581
Charitable activities				
Funding for the academy's educational operations	82,887	1,759,234	-	1,842,121
Other trading activities	298,531	145,632	-	444,163
Investment income	<u>106</u>	<u>845</u>	<u>-</u>	<u>951</u>
Total	383,850	1,784,810	1,697,610	3,866,270
EXPENDITURE ON				
Raising funds	-	2,622	-	2,622
Charitable activities				
Academy's educational operations	247,311	542,608	98,602	888,521
Other	<u>135,412</u>	<u>1,089,065</u>	<u>-</u>	<u>1,224,477</u>
Total	382,723	1,634,295	98,602	2,115,620
NET INCOME/(EXPENDITURE)	1,127	150,515	1,599,008	1,750,650
Transfers between funds	<u>(148,319)</u>	<u>83,834</u>	<u>64,485</u>	<u>-</u>
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	<u>-</u>	<u>(389,000)</u>	<u>-</u>	<u>(389,000)</u>
Net movement in funds	(147,192)	(154,651)	1,663,493	1,361,650
RECONCILIATION OF FUNDS				
Total funds brought forward	<u>147,192</u>	<u>70,064</u>	<u>2,456,834</u>	<u>2,674,090</u>
TOTAL FUNDS CARRIED FORWARD	<u>-</u>	<u>(84,587)</u>	<u>4,120,327</u>	<u>4,035,740</u>

PRESTOLEE MULTI ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017**

13. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 September 2016	3,955,000	206,395	87,060	4,248,455
Additions	260,215	51,924	13,120	325,259
Disposals	-	(10,000)	-	(10,000)
Grants	<u>(114,876)</u>	<u>-</u>	<u>-</u>	<u>(114,876)</u>
At 31 August 2017	<u>4,100,339</u>	<u>248,319</u>	<u>100,180</u>	<u>4,448,838</u>
DEPRECIATION				
At 1 September 2016	69,100	28,034	30,994	128,128
Charge for year	<u>59,117</u>	<u>35,660</u>	<u>31,388</u>	<u>126,165</u>
At 31 August 2017	<u>128,217</u>	<u>63,694</u>	<u>62,382</u>	<u>254,293</u>
NET BOOK VALUE				
At 31 August 2017	<u>3,972,122</u>	<u>184,625</u>	<u>37,798</u>	<u>4,194,545</u>
At 31 August 2016	<u>3,885,900</u>	<u>178,361</u>	<u>56,066</u>	<u>4,120,327</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/8/17 £	31/8/16 £
Trade debtors	44,647	30,716
VAT	40,335	39,140
Prepayments and accrued income	<u>64,893</u>	<u>49,251</u>
	<u>149,875</u>	<u>119,107</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/8/17 £	31/8/16 £
Trade creditors	85,420	69,378
Other creditors	276,692	122,789
Accruals and deferred income	<u>54,547</u>	<u>78,840</u>
	<u>416,659</u>	<u>271,007</u>

PRESTOLEE MULTI ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017**

16. MOVEMENT IN FUNDS

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

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

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

PRESTOLEE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2017

17. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2017.

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

Teachers' pension scheme

Introduction

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

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

PRESTOLEE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2017

17. PENSION COMMITMENTS - continued

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are;

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

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

The employer's pension costs paid to TPS in the period amounted to £123,571 (2016: £78,327).

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

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

PRESTOLEE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2017

17. PENSION COMMITMENTS - continued

Local government pension scheme

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

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

Prestolee Primary School

The estimated value of employer contributions for the forthcoming year is £74,000.

Total contributions made

	2017 £000	2016 £000
Employer's contributions	74	66
Employees' contributions	18	16
	<u>92</u>	<u>82</u>

Principal actuarial assumptions

	2017 %	2016 %
Rate of increase in salaries	3.20	3.40
Rate of increase for pensions in payment/inflation	2.40	2.10
Discount rate for scheme liabilities	2.50	2.10
Inflation assumption (CPI)	<u>2.40</u>	<u>2.30</u>

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

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

	2017 Years	2016 Years
Retiring today		
- Males	21.5	21.4
- Females	24.1	24.0
Retiring in 20 years		
- Males	23.7	24.0
- Females	<u>26.2</u>	<u>26.6</u>

PRESTOLEE MULTI ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017**

17. PENSION COMMITMENTS
- continued

Local government pension scheme

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

	2017	2016
	Fair value	Fair value
	£000	£000
Equities	405	342
Bonds	89	81
Property	33	29
Cash	28	23
	<u>555</u>	<u>475</u>
Total market value of assets		
	<u>(17)</u>	<u>58</u>

Amounts recognised in the statement of financial activities

	2017	2016
	£000	£000
Current service cost (net of employee contributions)	(106)	(65)
Net interest cost	(12)	(12)
	<u>(118)</u>	<u>(77)</u>
Total operating charge		

Analysis of pension finance income/ (costs)

	2017	2016
	£000	£000
Expected return on pension scheme assets	11	14
Interest on pension liabilities	(23)	(26)
	<u>(12)</u>	<u>(12)</u>
Pension finance income/(costs)		

Changes in the present value of defined benefit obligations

	2017	2016
	£000	£000
Obligations at 1 September	1,029	637
Current service cost	106	65
Interest cost	23	26
Employee contributions	18	16
Actuarial (gain)/loss	(66)	285
	<u>1,110</u>	<u>1,029</u>
At 31 August		

PRESTOLEE MULTI ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017**

17. PENSION COMMITMENTS
- continued

Local government pension scheme

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

	2017	2016
	£000	£000
Assets at 1 September	475	321
Interest income	11	14
Actuarial gain/(loss)	(17)	58
Employer contributions	74	66
Employee contributions	18	16
Benefits paid	(6)	-
	<u>555</u>	<u>475</u>
At 31 August	<u>555</u>	<u>475</u>

Bowness Primary School

The estimated value of employer contributions for the forthcoming year is £26,000.

Total contributions made

	2017	2016
	£000	£000
Employer's contributions	26	20
Employees' contributions	6	5
	<u>32</u>	<u>25</u>

Principal actuarial assumptions

	2017	2016
	%	%
Rate of increase in salaries	3.20	3.40
Rate of increase for pensions in payment/inflation	2.40	2.10
Discount rate for scheme liabilities	2.50	2.10
Inflation assumption (CPI)	<u>2.40</u>	<u>2.30</u>

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

PRESTOLEE MULTI ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017**

17. PENSION COMMITMENTS
- continued

Local government pension scheme

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

	2017 Years	2016 Years
Retiring today		
- Males	21.5	21.4
- Females	24.1	24.0
Retiring in 20 years		
- Males	23.7	24.0
- Females	<u>26.1</u>	<u>26.6</u>

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

	2017 Fair value £000	2016 Fair value £000
Equities	245	193
Bonds	54	46
Property	20	16
Cash	<u>16</u>	<u>13</u>
Total market value of assets	<u>335</u>	<u>268</u>
Actual return on scheme assets was - (loss)/gain	<u>29</u>	<u>29</u>

Amounts recognised in the statement of financial activities

	2017 £000	2016 £000
Current service cost (net of employee contributions)	(39)	(20)
Net interest cost	<u>(8)</u>	<u>(6)</u>
Total operating charge	<u>(47)</u>	<u>(26)</u>

Analysis of pension finance income/ (costs)

	2017	2016
Expected return on pension scheme assets	6	6
Interest on pension liabilities	<u>(14)</u>	<u>(12)</u>
Pension finance income/(costs)	<u>(8)</u>	<u>(6)</u>

PRESTOLEE MULTI ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017**

**17. PENSION COMMITMENTS
- continued**

Local government pension scheme

Changes in the present value of defined benefit obligations

	2017	2016
	£000	£000
Obligations at 1 September	653	425
Current service cost	39	20
Interest cost	14	12
Employee contributions	6	5
Actuarial (gain)/loss	(92)	191
	<u>620</u>	<u>653</u>
At 31 August	<u>620</u>	<u>653</u>

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

	2017	2016
	£000	£000
Assets at 1 September	268	208
Interest income	6	6
Actuarial gain/(loss)	29	29
Employer contributions	26	20
Employee contributions	6	5
	<u>335</u>	<u>268</u>
At 31 August	<u>335</u>	<u>268</u>

PRESTOLEE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2017

18. RELATED PARTY DISCLOSURES

One or more trustees have been paid remuneration or have received other benefits from an employment with the academy trust. 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. If this is not the case payments must be disclosed separately.

The value of trustees' remuneration and other benefits during the period were as follows:

M Tonge (Chief Exec and Exec Principal and trustee until 26/01/2017)

Remuneration £85,000 - £90,000

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

M Govier (Chief Financial Officer and Staff trustee until 26/01/2017)

Remuneration £40,000 - £45,000

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

R Dunne (Staff trustee until 26/01/2017)

Remuneration £50,000 - £55,000

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

Maggie Parker, director (resigned 17/11/2017), provided consultancy services to the trust during the year for a total cost of £NIL (2016: £1,125). The transaction was conducted at arm's length and in accordance with the academy's financial regulations and procurement procedures. There were no amounts owing at the year end.

Greater Manchester Learning Partnership, a related party, was owed £137,003 by the Academy Trust at the year end (2016: NIL).

19. CENTRAL CHARGES

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

The cost charged in the year was £40,000 (2016: £40,000)