

Registration number: 08727883

Preston Primary Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2022

PRESTON PRIMARY ACADEMY TRUST
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PRESTON PRIMARY ACADEMY TRUST
REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|--|---|
| Members | A Miller L Payne (appointed 4 April 2022) A Weston Bath and Wells DBE Trust (Rev R Chapman) (appointed 15 January 2022) Bath and Wells DBE Trust (R Keen) (resigned 19 September 2021) M Kerrigan (resigned 27 January 2022) |
| Trustees (Directors) | B Green, Chief Executive Officer & Accounting Officer (accounting officer) M Kerrigan, Chair of Trustees D Kirby P Levey P Murley L Orton S Schaffer |
| Senior Management Team | B Green, Chief Executive Officer C Hodgson, Head teacher - Preston Primary School D Glentworth, Head teacher - Kingfisher L Talmage, Head teacher - Manor Court D Gordon, Head teacher - Countess Gytha (from 1 September 2021) L Thompson, Head teacher - North Cadbury A Draper, Chief Financial Officer L Hayward, Head teacher - Middlezoy/Othery T Doughty Davis, Head teacher - Huish Episcopi J St John, Head teacher - Hambridge |
| Principal and Registered Office | Preston C of E Primary School The Toose Abbey Manor Park Yeovil Somerset BA21 3SN |
| Company Registration Number | 08727883 |
| Auditors | Albert Goodman LLP Goodwood House Blackbrook Park Avenue Taunton TA1 2PX |
| Bankers | Lloyds Bank Plc 9 High Street Yeovil BA20 1RN |

PRESTON PRIMARY ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

The Directors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

Preston Primary Academy Trust ("PPAT") is a Multi Academy Trust currently comprising of nine primary schools.

- Preston C of E Primary School which caters for children from reception to year 6. On 1 November 2013 Preston C of E Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Trust from Somerset County Council.
- Kingfisher Primary School which opened on 1 September 2016 is a 2-11 provision and currently caters for Nursery children and children from reception to year 6. Kingfisher moved to its new site on 1 September 2018 and will continue to grow, one class each academic year, until it is initially full on a 1 form entry basis. From September 2022 the school will have 7 classes and a Nursery. Once demand in the Yeovil area requires it, a 2nd reception class will be opened and it will continue to build to a 2 form entry provision.
- Manor Court Primary School joined the Trust on 1 September 2018 and is a 2-11 provision.
- Countess Gytha Primary joined on 1 February 2019 and caters for children from reception to year 6.
- North Cadbury C of E Primary joined on 1 April 2019 and also caters for children from reception to year 6.
- Huish Episcopi Primary, Hambridge Primary, and Middlezoy Primary who cater for reception to year 6 pupils and Othery Primary School which is a 2-11 provision joined PPAT on 1 February 2021.

Having originally incorporated as Preston Primary School Academy Trust the Trust changed its name to Preston Primary Academy Trust on 9 October 2015 when it transitioned to a Multi Academy Trust.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The company registration number is 08727883.

The governors act as the Directors for the charitable activities of Preston Primary Academy Trust and are also the directors of the charitable company for the purposes of company law.

Details of the Directors who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

The Trust's principal activity is the operation of primary schools and to advance for the public benefit, education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

Members' liability

Each member (with the exception of Bath & Wells DBE Trust which is liable for £nil) of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

Trustees' indemnities

The academy trust through its Articles has indemnified its Directors to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Directors. The Academy has indemnity insurance for Directors via RPA. The limit of indemnity is £10,000,000.

Method of recruitment and appointment or election of Trustees

The academy trust shall have the following Directors as set out in its articles of association and funding agreement:

- up to 4 Directors appointed by members,
- the members may appoint 2 Staff Directors through such process as they determine, provided that the total number of Directors (including the Head Teacher) who are employees of the academy trust does not exceed one third of the total number of trustees,
- up to 5 Parent Trustees appointed under articles 53 to 58 of the Articles of Association,
- the Headteacher,
- Foundation Trustees as per article 51 of the Articles of Association.

Directors will have a term of office of 4 years, except for the Headteacher appointed to serve as a trustee in which case the term of office shall be specified at the time of their appointment. A trustee may be re-appointed or re elected.

Policies and procedures adopted for the induction and training of Trustees

The academy trust buys some services of Somerset County Council who provide model policies, regular training events and bespoke training for Directors and Local Governing Bodies on request. All new Directors and LGB members are given induction training as well as training relevant to the committees on which they will serve. Directors are given access to an online Governor portal on the PPAT sharepoint where they can access copies of policies, improvement plans, minutes and other documents they may need to undertake their role as Directors. An induction meeting also takes place with the CEO to outline vision, values and the ethos of the Trust.

PRESTON PRIMARY ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

Organisational structure

The academy trust's management structure ensures the effective and efficient running of the academy. This consists of three levels: the Members, Directors and Local Governing Bodies in the schools. The aim of the management structure is to distribute responsibility and encourage involvement in decision making at all levels.

The Directors are responsible for setting general policy, adopting a Trust development plan and budget, monitoring the Academy Trust through close liaison with and reporting from the Chief Executive Officer and through personal observations by visits to Trust schools, making major decisions about the strategic direction of the Academy Trust including capital expenditure and involvement in key staff appointments in consultation with the Chief Executive Officer.

The Directors are appointed in line with articles 50 to 58 within the Articles of Association. When appointing new Directors, the Trust Board recognises the need to have a wide range of skills amongst the Directors.

The senior leadership team is led by the Chief Executive Officer and she is supported by the School Heads, the Chair of Directors and the Chief Financial Officer. These senior leaders manage the Trust implementing the policies agreed by the Directors and reporting back to them on progress. The Chief Executive Officer, CFO and Directors are responsible for the authorisation of spending over £1000 which has not been allocated within the agreed budget or over £5000 as required by the Trust Finance Policy.

The Chief Executive Officer is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The board of Directors and the senior leadership team comprise the key management personnel of the academy trust in charge of directing and controlling, running and operating the academy trust on a day to day basis. All Directors give their time freely, except for those disclosed in note 10 of the accounts, who are remunerated for their role in the senior leadership team.

Details of Directors' expenses and related party transactions are disclosed in the notes to the accounts.

The pay for key management personnel is reviewed annually in accordance with our Performance Management Policy and Pay Policy. The academy trust follows National School Teachers Pay and Conditions Document.

The Chief Executive Officer's review is undertaken externally. The information from this is then considered by a Remuneration and Pay Committee of Directors.

Performance management for Headteachers at schools within the Trust is reviewed annually by the Chief Executive Officer, an external school improvement consultant and the Local Governing Body pay committee.

Connected organisations, including related party relationships

The 2 Church schools within PPAT have reported 3 related party transactions with the Diocese of Bath and Wells totalling £2,115. These being for land and house rental along with one training session. There are no related parties that either control or significantly influence the decisions and operations of Preston Primary Academy Trust. There are Parent Teacher Associations at each school whose purpose is to raise funds for use by the children attending the school.

Engagement with employees (including disabled persons)

The schools within PPAT are managed by Headteachers and their Senior Leadership Teams (SLT). Staff meetings are held regularly along with in service training days for all staff to ensure that employees are provided with all information on matters of concern to them.

Headteachers and SLT operate an open door policy for all staff and encourage involvement in the school and the achievement of the pupils.

Our recruitment policy states that all relevant equal opportunities legislation is adhered to and that applicants are not discriminated against on the grounds of race, nationality, gender, religion, age, disability, marital status or sexual orientation.

In line with the Disability Discrimination Act PPAT will make reasonable adjustments to the recruitment process if the applicant makes us aware they have a disability.

Conflicts of Interest

All Members, Directors, Local Governors and key Trust and School staff complete a register of business or pecuniary interests declaration.

This is also a standing agenda item at all Board, Committee and Local Governing Board meetings to update the register with any changes.

All Headteachers are aware of this and understand that any potential dealings with businesses detailed on the register of interest must be discussed with the CFO prior to any engagement

Objectives and activities

Objects and aims

The main objectives of the academy during the year ended 31 August 2022 were:

- to deliver high quality education and care to all pupils within the Trust;
- to maintain the high standard of achievement of all pupils;
- to include and meet the needs of all pupils;
- to provide value for money.
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and transparency;
- to ensure that Covid 19 constraints did not (as much as possible) hinder children's learning, progress and well being.

Objectives, strategies and activities

As detailed in our prospectus, the main aims of the Academy are:

- to create a safe and stimulating environment, providing a learning experience which meets the needs of all;
- to enable children to develop as independent, motivated learners with creative enquiring minds, building transferable skills for adult life;
- to help children to care for and respect themselves, the community, other cultures and the environment;
- to encourage children to be happy and healthy, both physically and emotionally, and to practise a healthy and safe lifestyle.

Public benefit

The academy trust provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

Strategic Report

Achievements and performance

Following a more settled period in schools this year, disruption to staffing (due to Covid) was managed well by all schools. Naturally, this did not come without a cost to those staff in school who covered positions in addition to their normal duties.

The academic successes across the Trust are well documented on the next page and are a testament to the fact that high quality provision for children remains central to any decisions made throughout the year. End of Key stage outcomes in July 2022 have put the Trust in the top quartile across Somerset and as a result we have been asked to support many other schools across the County.

Consideration of newsletters on each school website will reveal the wealth of opportunities and wider curriculum activities that our children have been experiencing throughout this year of Royal celebration and other significant events.

(See Attainment Results 2022)

In January 2022 Middlezoy Primary School was subject to a full inspection, having only been in Preston Primary Academy Trust for 11 months. The report was very favourable about the progress under PPAT, and the school received improved grades to "Good" in Behaviour and Attitudes, Personal Development and Leadership and Management. (All previously Requires Improvement). It retained however the grade of "Requires improvement" for the quality of Education because;

"Subject content that was missed in previous years is not addressed sufficiently". Ofsted 2022

This did feel a little harsh as there had been little time to catch up with all the gaps in children's learning following many years of poor teaching and a poor curriculum. Nevertheless, National Test outcomes were good in July 22, therefore we will continue to build upon the good work acknowledged in the report. The school will change from having an Interim Executive Board to a regular Local Governing Board shortly as it is now being led and managed effectively.

Our new Headteacher, Dave Gordon, Countess Gytha Primary School had an excellent first year in post and has built very good relationships with families and the wider community. He has also settled in very well to his second year of Headship.

We approached the end of the academic Year with a full complement of staffing for September 22, but unfortunately one of our Headteachers has been in hospital for very lengthy period over the Summer and into September. Fortunately, the Senior teacher in the school agreed to step up to the Interim Headteacher role, but it did mean that we were recruiting teaching staff during late August to "back fill" positions. You will know from National reports that recruitment across the Country is particularly difficult, but we managed to secure temporary staff who we can work with to maintain the high standards of teaching and learning that our pupils deserve. We have continued with our philosophy of growing our own future leaders, which has resulted in movement of aspiring leaders across the Trust. This is an attractive feature to new recruits joining the Trust, as their strengths are identified early, and their career path is planned.

PRESTON PRIMARY ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

During the year, our Trust has continued to support other local authority schools and Trusts both within and outside of Somerset. This naturally accords with our desire to support and improve educational provision for children outside of the Trust, but also brings in extra revenue for PPAT.

We are currently hosting approximately 200 children from Milford Junior School Yeovil at Kingfisher Primary since their school was condemned in August 22. This arrangement will continue until Christmas 2022.

Numbers of pupils across the trust remain steady, with the expected peaks and troughs in our smaller village schools. This naturally leads to conversations about how we are using our assets to good effect and leads to feasibility studies being carried out. (Middlezoy and Othery split sites is a good example of this.)

A sound Governance structure continues to develop and there is a great deal of strength across our Local Governing Boards, which we can use to support any Governance issue across the Trust.

We feel that we have had a very successful year across the Trust and now feel able to consider further growth opportunities as they arise.

**PRESTON PRIMARY ACADEMY TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)**

The following table represents Preston Primary Academy Trust's performance in the academic year 2021-2022. It includes outcomes in key areas of attainment for Year 1, Year 2 and Year 6 pupils against 2021/22 National outcomes. (GD - % achieving at greater depth) Our schools are performing above national averages.

Preston Primary Academy Trust - Attainment Summary 2021-2022

| | National 2021/2022 | Countess Gyrtha | Hambridge | Huish Episcopi | Kingfisher | Manor Court | Midderley & Othery | North Cadbury | Preston |
|--------------------------------------|-----------------------|--------------------|---------------|-------------------|---------------|----------------|-----------------------|------------------|---------------|
| Number of pupils on roll | | 146 | 128 | 197 | 182 | 364 | 69 | 84 | 419 |
| End of year attendance | | 94.20% | 92.76% | 95.63% | 95.70% | 92.71% | 92.90% | 93.90% | 95.3% |
| Reception GLD | 71%* | 91% | 87% | 90% | 87% | 74% | 70% | 81% | 85% |
| Year 1 Phonics | 75% | 74% | 83% | 89% | 80% | 87% | 100% | 92% | 95% |
| Year 2 Reading and Greater depth | 67% 25%* | 86% GD 13% | 94% GD 33% | 84% GD 23% | 97% GD 30% | 78% GD 38% | 80% GD 40% | 80% GD 40% | 92% GD 36% |
| Year 2 Writing and Greater depth | 58% 15%* | 88% GD 29% | 89% GD 22% | 81% GD 13% | 90% GD 30% | 78% GD 24% | 70% GD 30% | 80% GD 30% | 92% GD 31% |
| Year 2 Maths and Greater depth | 68% 22%* | 88% GD 25% | 89% GD 22% | 87% GD 26% | 93% GD 33% | 84% GD 32% | 80% GD 20% | 100% GD 40% | 93% GD 31% |
| Year 2 Combined and Greater depth | - | 88% GD 13% | 83% GD 17% | 78% GD 10% | 87% GD 30% | 78% GD 22% | 70% GD 20% | 80% GD 30% | 92% GD 25% |
| Year 6 Reading and Greater depth | 74% 27%* | 94% GD 59% | 96% GD 57% | 93% GD 23% | N/A | 84% GD 34% | 91% GD 45% | 75% GD 33% | 92% GD 34% |
| Year 6 Writing and Greater depth | 69% 20%* | 94% GD 29% | 87% GD 26% | 90% GD 7% | N/A | 82% GD 26% | 82% GD 27% | 83% GD 35% | 93% GD 41% |
| Year 6 Maths and Greater depth | 71% 27%* | 94% GD 47% | 96% GD 35% | 93% GD 30% | N/A | 81% GD 29% | 82% GD 27% | 83% GD 42% | 95% GD 46% |
| Year 6 Combined and Greater depth | 59% 11%* | 94% GD 12% | 87% GD 26% | 87% GD 7% | N/A | 76% GD 10% | 82% GD 16% | 75% GD 33% | 89% GD 25% |
| Year 6 SPAG and Greater depth | 77% 36%* | 94% GD 71% | 96% GD 52% | 97% GD 43% | N/A | 85% GD 45% | 73% GD 45% | 75% GD 56% | 95% GD 55% |

Where 2022 national data is not yet available, 2019 national data has been used (highlighted with *)

PRESTON PRIMARY ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

Covid-19

As detailed in our Strategic Report the Trust continued to deliver a high quality education to all children.

Individual allocations for Covid catch up funding (recovery premium) (£45k) have been appropriately allocated to each school for the benefit of the children the funds were intended for. It was decided by Headteachers and LGBs to use existing staff to deliver catch up programmes and booster sessions. Individual School Led Tutoring allocations (£39k) have been appropriately allocated to each school for the benefit of the children the funds were intended for.

Outcomes in July 2022 verify the effectiveness of this decision.

The Trusts finances were not materially affected by the virus control measures, this is as a result of our ongoing strategic planning.

Although the Covid virus continued to affect schools across the Trust, in terms of pupils and staff, we have been able to keep our schools operational to avoid disruption to children's learning and parents. Being part of a larger group meant we could support each setting when staffing was affected. Pupils returned to school eager to learn and where 'catch up' was required, this was put in place.

Going concern

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

PRESTON PRIMARY ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

Financial review

The majority of the academy trust's funding is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants. This funding is recognised as restricted due to its specific purposes. Any ESFA funding received for fixed assets is shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the academy trust's accounting policies.

The academy trust also receives grants from Somerset County Council for Individually Assigned Resources to support pupils who are eligible for SEN funding. These grants are treated as restricted income.

During the year the academy trust had income of £9,632,140 (2021: £8,532,940 after adjusting for the Levels Academy Trust transferring into the Trust of £3,354,572) and incurred expenditure of £10,427,518 (2021: £8,483,129) which, together with an actuarial pension fund gain of £7,574,000 (2021: deficit £512,000), results in a net increase in funds of £6,778,622 (2021: net adjusted decrease £462,189). By fund these figures are broken down as:

- Unrestricted income, generated through activities such as educational trips and clubs, of £493,543 less attributable expenditure, including transfers, of £276,021 to leave a surplus of £217,522.
- Restricted income of £8,930,280 less expenditure, transfers and pension adjustments of £2,075,366 to leave a surplus of £6,854,914.
- Restricted fixed asset income of £208,317 less expenditure and transfers of £502,131 to leave a deficit of £293,814.

PRESTON PRIMARY ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

Reserves policy

The academy trust aims to carry forward a prudent level of resources from the General Annual Grant, the general non-GAG restricted fund and the general unrestricted fund to cover the medium and long-term needs for renewal and replacement, for major unforeseen contingencies and to contribute to major capital developments. The Directors have identified the requirement to hold an amount which is the equivalent to one month's operating costs, which currently amounts to circa £869k. The Trust used £30k of its reserves to upgrade IT provision and £135k to upgrade buildings and facilities across Manor Court, Hambridge, Middlezoy, Othery, Preston Primary, Kingfisher and North Cadbury from their individual school reserves.

The current level of reserves are in excess of the policy, however, there are a number of capital projects in progress/planned which the schools intend to contribute in excess of £543k from their own reserves. Some schools are supporting their 22/23 budgets from their own individual reserves. There are ringfenced sums totalling £352k. Further detail is provided below:

Capital Plans £213k

Production kitchen provision, replacement of outdoor play equipment, rolling IT replacement, outdoor shade provision for new build school, rolling roof replacement programme.

CIF Support £330k

Support for current successful CIF projects and CIF bids 23/24.

Ringfenced Funds £352k

Nursery reserves, External grant funding for specific projects, provision of School Improvement staff across the Trust and Somerset County Council Growth funding for a growing new build school.

Budget Support 22/23 £116k

To support schools in the continuing provision of high quality education.

Investment policy

The Directors review the financial position of the academy quarterly and future demands for cash flow and any possible investment opportunities are discussed and the decision made appropriately.

Directors are firmly committed to ensuring that all funds under their control are administered in such a way as to maximize return while minimising risk. Directors do not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the various funds entrusted to the board.

The approval of the full board of Directors is required before any investment is made.

PRESTON PRIMARY ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

Principal risks and uncertainties

Income and Pupil Numbers - The main risks and uncertainties faced by the academy relates to future income. The academy trust is funded mainly from the ESFA, which is based on pupil numbers. Future pupil numbers are difficult to predict with a great degree of accuracy and this therefore results in an element of uncertainty surrounding future financing. The academy believes the local parental preference is sufficient to attract the appropriate level of funding and future projections anticipate an increase in demand for places. Pupil numbers have increased steadily throughout 2021/22.

Reputational Risk - The continuing success of the academy trust depends on maintaining the highest educational standards in order to continue to attract applicants in sufficient numbers. Directors are clearly focused on monitoring and reviewing the achievement and success of pupils.

Internal Scrutiny – The Academy Trust appointed Devon Audit Partnership in 21/22 to carry out checks on the Governance, GDPR, Data Protection and the Academy Trust website (areas identified by our Directors). All staff receive training to ensure their skills and knowledge are up to date. The Internal Scrutiny report delivered substantial assurance in all areas covered.

Fraud/Mismanagement - The Academy Trust completed internal finance audits on financial systems and records along with processes and protocols as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

Cash Flow - The academy considers that it has sufficient cash reserves for normal day-to-day operations.

Fundraising

Funds held as Custodian Trustee on behalf of others

The academy and its Trustees do not act as the Custodian Trustees of any other Charity.

Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Albert Goodman LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

The trustees' report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees on ~~16.11.22~~ and signed on its behalf by:



M Kerrigan
Trustee

PRESTON PRIMARY ACADEMY TRUST GOVERNANCE STATEMENT

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 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 |
|------------|-------------------|-------------------|
| M Kerrigan | 5 | 5 |
| B Green | 5 | 5 |
| P Levey | 4 | 5 |
| L Orton | 4 | 5 |
| P Murley | 5 | 5 |
| D Kirby | 5 | 5 |
| S Schaffer | 4 | 5 |

Conflicts of interest

All Members, Directors, Local Governors and key Trust and School staff complete a register of business or pecuniary interests declaration.

This is also a standing agenda item at all Board, Committee and Local Governing Board meetings to update the register with any changes.

All Headteachers are aware of this and understand that any potential dealings with businesses detailed on the register of interest must be discussed with the CFO prior to any engagement.

PRESTON PRIMARY ACADEMY TRUST
GOVERNANCE STATEMENT (CONTINUED)

Governance reviews

The Trust has commissioned an external Governance Review to take place in Autumn 22. There have been no changes in the Board during this academic year.

The PPAT Board focussed on all the necessary key areas including academic performance, safeguarding, health and safety, covid recovery, several building projects and the continuing integration of the former TLAT schools into our Trust.

We have an experienced Board with a variety of skills across different areas and this has contributed to a successful year. The Board currently has one vacancy, which we are actively looking to recruit a new Director to complement the existing skills of the Board

The Board of Directors and Local Governing Bodies carry out annual skills audits based on the National Governance template and these were last carried out at the end of the 21/22 academic year. The results of these reviews are used to identify gaps in skills and experience, which in turn is used to inform recruitment and training needs. The most recent review showed no significant gaps in skills and highlighted a few areas where training may be beneficial. The Board of Directors also asked each Local Governing Body to prepare a review of their effectiveness, including areas such as training and governor visits. Neither of these exercises showed any areas for concern and these processes will be refined in future years.

Contextual, academic standards, attendance, safeguarding and exclusion data etc are reported by Headteachers through termly Headteacher reports and the CEO termly via a whole school data presentation and Trust data presentation. These are presented in clear, detailed formats that enable interrogation by Board members. The accuracy of this information continues to be validated over time. Where available, DfE information confirms the general data received by the PPAT Board. Published league tables, when available also confirm and reassure the Board of accurate outcomes.

The Board and Audit and Finance Committee met in person during 21/22.

The Board and Finance committee receive detailed reports covering the financial/auditing processes and outcomes along with data detailing the position of our estates and the requirements to maintain and improve their condition.

Regular Health and Safety updates are provided to the Director responsible for Health and Safety and reported to the full Board of Directors

The Board and Audit and Finance Committee receive monthly, detailed financial management accounts which ensure they are aware of the financial position of the Trust throughout the year. Further decisions are reviewed/approved via email which enables business decisions to be carried out in a timely fashion.

The annual external audit and internal scrutiny reassures the Board that the Trust finance and regulatory requirements are being consistently fulfilled.

Where available DfE information is used to validate the financial position of the school in comparison with other schools in both the local area and nationally.

PRESTON PRIMARY ACADEMY TRUST
GOVERNANCE STATEMENT (CONTINUED)

The Audit and Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to oversee the finances, personnel and premises of the Academy Trust. Attendance at meetings during the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|----------------|--------------------------|--------------------------|
| P Levey | 3 | 4 |
| B Green | 4 | 4 |
| L Orton | 4 | 4 |
| M Kerrigan | 3 | 4 |
| D Kirby | 4 | 4 |

Review of value for money

As accounting officer the member 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 Directors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Preston Primary and Kingfisher schools catering provision has been brought in house following an increase in costs and a decrease in quality. The schools have seen an uptake in the number of meals along with an increase in the quality of food provided. Both schools have achieved a break-even position.
- Staffing levels continue to be reviewed on an ongoing basis to ensure best use of existing staff and any vacancies are considered before advertising or appointing.
- Difficult to fill Site Manager vacancies at 5 of our smaller schools have been filled by appointing 2 staff across the 5 schools. This provides high quality staff within the smaller schools budgets.
- The Academy Trust continues to increase the number of products and services they purchase at Trust level to maximise economies of scale and achieve MAT level discounts for the schools within the Trust.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Preston Primary Academy Trust for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

PRESTON PRIMARY ACADEMY TRUST
GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- to appoint Devon Audit Partnership as internal auditor

The 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:

- A review of Governance
- A review of the Academy Trust Website
- A review of Data Protection and GDPR

These took place in July 2022.

On an annual basis, the auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

There were no material control or other issues reported by the Responsible Officer to date.

The Academy Trust Finance Manager performed internal audits on both Finance and HR processes at all schools within the Trust. These took place on a termly basis to ensure compliance with all requirements of the Academy Trust Handbook.

Review of effectiveness

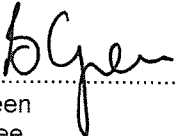
As Accounting Officer, B Green, Chief Executive Officer & Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

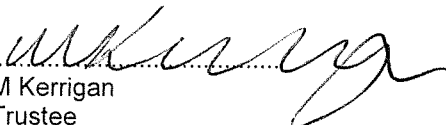
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

PRESTON PRIMARY ACADEMY TRUST
GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Board of Trustees on 16.11.22 and signed on its behalf by:


.....
B Green
Trustee

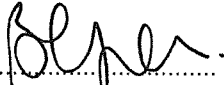

.....
M Kerrigan
Trustee

PRESTON PRIMARY ACADEMY TRUST
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Preston Primary Academy Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2021.

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.



.....
B Green, Chief Executive Officer & Accounting Officer
Accounting officer

Date: 14.11.22

PRESTON PRIMARY ACADEMY TRUST
STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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


- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 16.11.22 and signed on its behalf by:


.....
M Kerrigan
Trustee

PRESTON PRIMARY ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PRESTON PRIMARY ACADEMY TRUST

Opinion

We have audited the financial statements of Preston Primary Academy Trust (the 'Academy') for the year ended 31 August 2022, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs at 31 August 2022 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 2019 and Academies Accounts Direction 2021 to 2022.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

PRESTON PRIMARY ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF PRESTON PRIMARY ACADEMY TRUST (CONTINUED)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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 20], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor Responsibilities for the audit of the financial statements

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

PRESTON PRIMARY ACADEMY TRUST
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PRESTON PRIMARY ACADEMY TRUST (CONTINUED)

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Academy through discussions with trustees and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Academy, including the Companies Act 2006, Academies Accounts Direction 2021 to 2022, Charities SORP 2019, taxation legislation, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Academy's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

PRESTON PRIMARY ACADEMY TRUST
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PRESTON PRIMARY ACADEMY TRUST (CONTINUED)

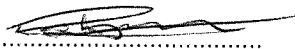
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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



.....
Robert Oram BFP FCA (Senior Statutory Auditor)
For and on behalf of Albert Goodman LLP, Statutory Auditor

Goodwood House
Blackbrook Park Avenue
Taunton
TA1 2PX

Date: 24/11/2022

PRESTON PRIMARY ACADEMY TRUST
INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY

In accordance with the terms of our engagement letter and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Preston Primary Academy Trust during the year to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Preston Primary Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Preston Primary 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 Preston Primary Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Board of Trustees' funding agreement with the Secretary of State for Education dated and the Academy Trust Handbook extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

PRESTON PRIMARY ACADEMY TRUST

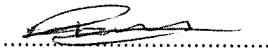
INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY (CONTINUED)

The work undertaken to draw to our conclusion includes:

- Reviewing compliance against the requirements of the Academy Trust Handbook (September 2021);
- A review of the governance policies and procedures with specific consideration of financial planning, monitoring and control;
- Gaining assurance that the lines of delegation and the limits set both internally by the academy and by ESFA have been adhered to;
- A review of all meeting minutes of the board trustees;
- An examination of financial transactions to identify any unusual items which may be improper; and
- A review of the declaration of interests completed by the trustees.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Robert Oram BFP FCA

For and on behalf of Albert Goodman LLP, Chartered Accountants

Goodwood House
Blackbrook Park Avenue
Taunton
TA1 2PX

Date: 24/31/2022

PRESTON PRIMARY ACADEMY TRUST
 STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022
 (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

| | Note | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | 2021/22 Total £ |
|---|------|----------------------------|-------------------------------------|---|-----------------------|
| Income and endowments from: | | | | | |
| Voluntary income | | | | | |
| Donations and capital grants | | | | | |
| | 2 | 9,631 | 34,987 | 208,317 | 252,935 |
| <i>Charitable activities:</i> | | | | | |
| Funding for the Academy trust's educational operations | | | | | |
| | 3 | - | 8,895,293 | - | 8,895,293 |
| Other trading activities | | | | | |
| | 4 | 483,632 | - | - | 483,632 |
| Investments | | | | | |
| | 5 | 280 | - | - | 280 |
| Total | | 493,543 | 8,930,280 | 208,317 | 9,632,140 |
| Expenditure on: | | | | | |
| <i>Charitable activities:</i> | | | | | |
| Academy trust educational operations | | | | | |
| | 7 | 349,776 | 9,482,487 | 595,255 | 10,427,518 |
| Net income/(expenditure) | | | | | |
| | | 143,767 | (552,207) | (386,938) | (795,378) |
| Transfers between funds | | | | | |
| | | 73,755 | (166,879) | 93,124 | - |
| Other recognised gains and losses | | | | | |
| Actuarial losses on defined benefit pension schemes | | | | | |
| | 25 | - | 7,574,000 | - | 7,574,000 |
| Net movement in funds/(deficit) | | | | | |
| | | 217,522 | 6,854,914 | (293,814) | 6,778,622 |
| Reconciliation of funds | | | | | |
| Total funds/(deficit) brought forward at 1 September 2021 | | | | | |
| | | 629,638 | (7,149,121) | 19,512,254 | 12,992,771 |
| Total funds/(deficit) carried forward at 31 August 2022 | | | | | |
| | | 847,160 | (294,207) | 19,218,440 | 19,771,393 |

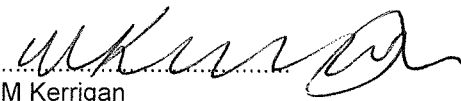
PRESTON PRIMARY ACADEMY TRUST
 STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021
 (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

| | Note | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | 2020/21 Total £ |
|---|------|----------------------------|-------------------------------------|---|-----------------------|
| Income and endowments from: | | | | | |
| Voluntary income | | | | | |
| Donations and capital grants | | | | | |
| | 2 | 15,700 | 8,357 | 641,674 | 665,731 |
| Transfer from local authority on conversion | | | | | |
| | | 216,923 | (2,027,463) | 5,165,112 | 3,354,572 |
| <i>Charitable activities:</i> | | | | | |
| Funding for the Academy trust's educational operations | | | | | |
| | 3 | - | 7,601,808 | - | 7,601,808 |
| Other trading activities | | | | | |
| | 4 | 265,239 | - | - | 265,239 |
| Investments | | | | | |
| | 5 | 162 | - | - | 162 |
| Total | | 498,024 | 5,582,702 | 5,806,786 | 11,887,512 |
| Expenditure on: | | | | | |
| <i>Charitable activities:</i> | | | | | |
| Academy trust educational operations | | | | | |
| | 7 | 257,341 | 7,717,143 | 508,645 | 8,483,129 |
| Net income/(expenditure) | | | | | |
| | | 240,683 | (2,134,441) | 5,298,141 | 3,404,383 |
| Transfers between funds | | | | | |
| | | (96,149) | 37,963 | 58,186 | - |
| Other recognised gains and losses | | | | | |
| Actuarial losses on defined benefit pension schemes | | | | | |
| | 25 | - | (512,000) | - | (512,000) |
| Net movement in funds/(deficit) | | | | | |
| | | 144,534 | (2,608,478) | 5,356,327 | 2,892,383 |
| Reconciliation of funds | | | | | |
| Total funds/(deficit) brought forward at 1 September 2020 | | | | | |
| | | 485,104 | (4,540,643) | 14,155,927 | 10,100,388 |
| Total funds/(deficit) carried forward at 31 August 2021 | | | | | |
| | | 629,638 | (7,149,121) | 19,512,254 | 12,992,771 |

PRESTON PRIMARY ACADEMY TRUST
(REGISTRATION NUMBER: 08727883)
BALANCE SHEET AS AT 31 AUGUST 2022

| | Note | 2022 £ | 2021 £ |
|---|------|--------------------|--------------------|
| Fixed assets | | | |
| Tangible assets | 12 | 19,097,289 | 19,348,391 |
| Current assets | | | |
| Debtors | 13 | 162,011 | 163,145 |
| Cash at bank and in hand | | <u>2,850,343</u> | <u>2,210,269</u> |
| | | 3,012,354 | 2,373,414 |
| Creditors: Amounts falling due within one year | 14 | <u>(604,033)</u> | <u>(485,237)</u> |
| Net current assets | | <u>2,408,321</u> | <u>1,888,177</u> |
| Total assets less current liabilities | | 21,505,610 | 21,236,568 |
| Creditors: Amounts falling due after more than one year | 15 | <u>(36,217)</u> | <u>(39,797)</u> |
| Net assets excluding pension liability | | 21,469,393 | 21,196,771 |
| Pension scheme liability | 25 | <u>(1,698,000)</u> | <u>(8,204,000)</u> |
| Net assets including pension liability | | <u>19,771,393</u> | <u>12,992,771</u> |
| Funds of the Academy: | | | |
| Restricted funds | | | |
| Restricted general fund | | (294,207) | (7,149,121) |
| Restricted fixed asset fund | | <u>19,218,440</u> | <u>19,512,254</u> |
| | | 18,924,233 | 12,363,133 |
| Unrestricted funds | | | |
| Unrestricted general fund | | <u>847,160</u> | <u>629,638</u> |
| Total funds | | <u>19,771,393</u> | <u>12,992,771</u> |

The financial statements on pages 27 to 57 were approved by the Trustees, and authorised for issue on ~~11.11.22~~ and signed on their behalf by:


.....
M Kerrigan
Trustee

PRESTON PRIMARY ACADEMY TRUST
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2022

| | Note | 2022 £ | 2021 £ |
|---|------|------------------|------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 19 | 795,637 | 897,867 |
| Cash flows from investing activities | 21 | (151,984) | 280,488 |
| Cash flows from financing activities | 20 | <u>(3,579)</u> | <u>45,342</u> |
| Change in cash and cash equivalents in the year | | 640,074 | 1,223,697 |
| Cash and cash equivalents at 1 September | | <u>2,210,269</u> | <u>986,572</u> |
| Cash and cash equivalents at 31 August | 22 | <u>2,850,343</u> | <u>2,210,269</u> |

1 Accounting policies

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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.

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.

Grants

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

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

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

PRESTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

1 Accounting policies (continued)

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.

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items, they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. 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.

Expenditure

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

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.

PRESTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

1 Accounting policies (continued)

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.

Tangible fixed assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, per the table below. Where an asset comprises of two or more components which have substantially different useful lives, each component is depreciated separately over its useful economic life.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

| Asset class | Depreciation method and rate |
|--------------------------|-------------------------------------|
| Long leasehold land | 125 years |
| Long leasehold buildings | 50 years |
| Property improvements | 15-50 years |
| Fixtures and fittings | 5 years |
| ICT equipment | 4 years |

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.

PRESTON PRIMARY ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022
(CONTINUED)

1 Accounting policies (continued)

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.

Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

PRESTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

1 Accounting policies (continued)

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy 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 net income/(expenditure) 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.

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 Department for Education Group.

Critical accounting estimates and areas of judgement

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

PRESTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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.

2 Donations and capital grants

| | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | 2022/21 Total £ | 2021/20 Total £ |
|------------------------|----------------------------|-------------------------------------|--|-----------------------|-----------------------|
| Other voluntary income | | | | | |
| Capital grants | | | | | |
| DfE/ESFA | - | - | 208,317 | 208,317 | 641,674 |
| Other donations | 9,631 | 34,987 | - | 44,618 | 24,057 |
| | <u>9,631</u> | <u>34,987</u> | <u>208,317</u> | <u>252,935</u> | <u>665,731</u> |

3 Funding for the Academy Trust's educational operations

| | Restricted funds £ | 2021/22 Total £ | 2020/21 Total £ |
|--------------------------------|--------------------------|-----------------------|-----------------------|
| DfE/ESFA revenue grants | | | |
| General Annual Grant (GAG) | 7,101,916 | 7,101,916 | 5,638,513 |
| Other DfE/ESFA grants | 219,995 | 219,995 | 528,080 |
| UIFSM | 273,805 | 273,805 | 274,493 |
| Rates | 32,731 | 32,731 | 32,733 |
| Pupil Premium | 452,752 | 452,752 | 355,896 |
| PE Grant | 130,184 | 130,184 | 117,577 |
| | <u>8,211,383</u> | <u>8,211,383</u> | <u>6,947,292</u> |

PRESTON PRIMARY ACADEMY TRUST
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022
 (CONTINUED)

3 Funding for the Academy Trust's educational operations (continued)

| | Restricted funds £ | 2021/22 Total £ | 2020/21 Total £ |
|---|--------------------------|-------------------------|-------------------------|
| Other government grants | | | |
| Other Government grants | 12,501 | 12,501 | - |
| Early Years Funding | 426,820 | 426,820 | 371,820 |
| Individually assigned resources | 155,966 | 155,966 | 144,897 |
| Covid catch up premium | - | - | 115,960 |
| | <u>595,287</u> | <u>595,287</u> | <u>632,677</u> |
| Non-government grants and other income | | | |
| Non Government grants | <u>88,623</u> | <u>88,623</u> | <u>21,839</u> |
| Total grants | <u><u>8,895,293</u></u> | <u><u>8,895,293</u></u> | <u><u>7,601,808</u></u> |

4 Other trading activities

| | Unrestricted Funds £ | 2022/21 Total £ | 2021/20 Total £ |
|----------------------------------|----------------------------|-----------------------|-----------------------|
| Facilities and services income | 445,705 | 445,705 | 256,815 |
| Educational trips and activities | 19,622 | 19,622 | 4,017 |
| Other income | 18,305 | 18,305 | 4,407 |
| | <u>483,632</u> | <u>483,632</u> | <u>265,239</u> |

5 Investment income

| | Unrestricted Funds £ | 2022/21 Total £ | 2021/20 Total £ |
|---------------------|----------------------------|-----------------------|-----------------------|
| Short term deposits | <u>280</u> | <u>280</u> | <u>162</u> |

PRESTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

6 Expenditure

| | Non Pay Expenditure | | | 2022/21 Total £ | 2021/20 Total £ |
|---|---------------------|------------------|---------------------|-----------------------|-----------------------|
| | Staff costs £ | Premises £ | Other costs £ | | |
| Academy's educational operations | | | | | |
| Direct costs | 6,262,041 | - | 525,337 | 6,787,378 | 5,389,745 |
| Allocated support costs | <u>1,900,446</u> | <u>1,196,097</u> | <u>543,597</u> | <u>3,640,140</u> | <u>3,093,384</u> |
| | <u>8,162,487</u> | <u>1,196,097</u> | <u>1,068,934</u> | <u>10,427,518</u> | <u>8,483,129</u> |

Net income/(expenditure) for the year includes:

| | 2022/21 £ | 2021/20 £ |
|---------------------------------|--------------|--------------|
| Operating lease rentals | 35,367 | 12,706 |
| Depreciation | 611,683 | 517,802 |
| Fees payable to auditor - audit | 9,500 | 9,300 |
| - other audit services | <u>3,750</u> | <u>2,100</u> |

PRESTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

7 Charitable activities

| | | 2021/22 £ | 2020/21 £ |
|--|-----------------------------------|--------------------------|--------------------------|
| Direct costs - educational operations | | 6,787,378 | 5,389,745 |
| Support costs - educational operations | | <u>3,640,140</u> | <u>3,093,384</u> |
| | | <u>10,427,518</u> | <u>8,483,129</u> |
| | Educational operations | 2021/22 Total | 2020/21 Total |
| | £ | £ | £ |
| Analysis of direct costs | | | |
| Teaching and educational support staff costs | 6,262,041 | 6,262,041 | 5,068,435 |
| Educational supplies | 297,717 | 297,717 | 200,735 |
| Staff development | 18,923 | 18,923 | 18,226 |
| Educational consultancy | 40,856 | 40,856 | 51,119 |
| Other direct costs | 167 | 167 | 250 |
| Technology costs | 1,478 | 1,478 | 1,140 |
| Trip costs | <u>166,196</u> | <u>166,196</u> | <u>49,840</u> |
| Total direct costs | <u>6,787,378</u> | <u>6,787,378</u> | <u>5,389,745</u> |
| | Educational operations | 2021/22 Total | 2020/21 Total |
| | £ | £ | £ |
| Analysis of support costs | | | |
| Support staff costs | 1,900,446 | 1,900,446 | 1,503,838 |
| Depreciation | 611,683 | 611,683 | 517,802 |
| Recruitment and support | 28,004 | 28,004 | 36,442 |
| Rent, rates and utilities | 151,933 | 151,933 | 125,722 |
| Insurance | 76,307 | 76,307 | 53,459 |
| Catering | 283,462 | 283,462 | 344,291 |
| Maintenance of premises and equipment | 395,731 | 395,731 | 384,889 |
| Cleaning | 36,750 | 36,750 | 38,554 |
| Professional fees | 53,244 | 53,244 | 79,009 |
| Other support costs | 99,101 | 99,101 | 4,687 |
| Governance costs | <u>3,479</u> | <u>3,479</u> | <u>4,691</u> |
| Total support costs | <u>3,640,140</u> | <u>3,640,140</u> | <u>3,093,384</u> |

PRESTON PRIMARY ACADEMY TRUST
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022
 (CONTINUED)

8 Staff

Staff costs

| | 2021/22 £ | 2020/21 £ |
|--|-------------------------|-------------------------|
| Staff costs during the year were: | | |
| Wages and salaries | 5,423,987 | 4,496,677 |
| Social security costs | 366,346 | 310,436 |
| Operating costs of defined benefit pension schemes | <u>2,307,887</u> | <u>1,743,732</u> |
| | 8,098,220 | 6,550,845 |
| Supply staff costs | <u>64,267</u> | <u>21,428</u> |
| | <u><u>8,162,487</u></u> | <u><u>6,572,273</u></u> |

Staff numbers

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

| | 2022 No | 2021 No |
|------------------------------|-------------------|-------------------|
| Charitable Activities | | |
| Teachers | 86 | 89 |
| Administration and support | 199 | 200 |
| Management | <u>13</u> | <u>7</u> |
| | <u><u>298</u></u> | <u><u>296</u></u> |

PRESTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

8 Staff (continued)

Higher paid staff

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

| | 2022/21 No | 2021/20 No |
|--------------------|---------------|---------------|
| £60,001 - £70,000 | 3 | 1 |
| £70,001 - £80,000 | 2 | 2 |
| £90,001 - £100,000 | 1 | 1 |

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £878,917 (2021: £743,546).

9 Central services

The academy trust has provided the following central services to its academies during the year:

- Chief Executive Officer
- Chief Financial Officer
- Other administrative salary costs
- Travel costs on the above

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

Percentage of the GAG funding

The actual amounts charged during the year were as follows:

| | 2022/21 £ | 2021/20 £ |
|-------------------------------------|----------------|----------------|
| Preston C of E Primary School | 109,349 | 111,945 |
| Kingfisher Primary School | 41,382 | 41,184 |
| Manor Court Primary School | 93,285 | 92,940 |
| Countess Gytha Primary School | 36,197 | 38,076 |
| North Cadbury C of E Primary School | 27,066 | 26,796 |
| Huish Episcopi Primary School | 47,823 | 25,774 |
| Hambridge Primary School | 35,001 | 20,720 |
| Middlezoy/Othery Primary School | 32,916 | 19,173 |
| | <u>423,019</u> | <u>376,608</u> |

PRESTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

10 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from 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, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

B Green (Chief Executive Officer):

Remuneration: £95,000 - £100,000 (2021 - £90,000 - £95,000)

Employer's pension contributions: £20,000 - £25,000 (2021 - £20,000 - £25,000)

Other related party transactions involving the trustees are set out in note 26.

11 Trustees' and officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

PRESTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

12 Tangible fixed assets

| | Freehold land and buildings £ | Leasehold land and buildings £ | Furniture and equipment £ | Computer equipment £ | Property improvements £ | Total £ |
|-----------------------|--|---|------------------------------------|----------------------------|-------------------------------|------------|
| Cost | | | | | | |
| At 1 September 2021 | 3,874,151 | 16,016,266 | 409,734 | 443,507 | 68,566 | 20,812,224 |
| Additions | 99,000 | 67,465 | 96,080 | 25,471 | 72,565 | 360,581 |
| At 31 August 2022 | 3,973,151 | 16,083,731 | 505,814 | 468,978 | 141,131 | 21,172,805 |
| Depreciation | | | | | | |
| At 1 September 2021 | 39,086 | 1,034,973 | 153,352 | 229,344 | 7,078 | 1,463,833 |
| Charge for the year | 48,117 | 378,903 | 89,681 | 93,713 | 1,269 | 611,683 |
| At 31 August 2022 | 87,203 | 1,413,876 | 243,033 | 323,057 | 8,347 | 2,075,516 |
| Net book value | | | | | | |
| At 31 August 2022 | 3,885,948 | 14,669,855 | 262,781 | 145,921 | 132,784 | 19,097,289 |
| At 31 August 2021 | 3,835,065 | 14,981,293 | 256,382 | 214,163 | 61,488 | 19,348,391 |

PRESTON PRIMARY ACADEMY TRUST
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022
 (CONTINUED)

13 Debtors

| | 2022 | 2021 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| VAT recoverable | 37,144 | 37,760 |
| Prepayments and accrued income | <u>124,867</u> | <u>125,385</u> |
| | <u>162,011</u> | <u>163,145</u> |

14 Creditors: amounts falling due within one year

| | 2022 | 2021 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 11,740 | 59,765 |
| Other taxation and social security | 92,157 | 95,042 |
| Loans | 5,547 | 5,546 |
| Other creditors | 133,927 | 131,481 |
| Accruals and deferred income | <u>360,662</u> | <u>193,403</u> |
| | <u>604,033</u> | <u>485,237</u> |

| | 2022 | 2021 |
|--|------------------|------------------|
| | £ | £ |
| Deferred income | | |
| Deferred income at 1 September 2021 | 135,835 | 111,733 |
| Resources deferred in the period | 137,167 | 135,835 |
| Amounts released from previous periods | <u>(135,835)</u> | <u>(111,733)</u> |
| Deferred income at 31 August 2022 | <u>137,167</u> | <u>135,835</u> |

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals taking place in 2022/23.

15 Creditors: amounts falling due in greater than one year

| | 2022 | 2021 |
|-------|---------------|---------------|
| | £ | £ |
| Loans | <u>36,217</u> | <u>39,797</u> |

PRESTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

16 Funds

| | Balance at 1 September 2021 £ | Incoming resources £ | Resources expended £ | Gains, losses and transfers £ | Balance at 31 August 2022 £ |
|--|---|----------------------------|----------------------------|---|---|
| Restricted general funds | | | | | |
| Other Local Authority Grant | 78,303 | 430,040 | (443,280) | (1,938) | 63,125 |
| General Annual Grant (GAG) | 733,327 | 7,101,914 | (6,568,325) | (149,234) | 1,117,682 |
| Other DfE/ESFA grants | 200,012 | 270,632 | (318,502) | 4,293 | 156,435 |
| Individually Assigned Resources | - | 155,966 | (155,966) | - | - |
| Pupil Premium | 12,160 | 452,752 | (458,361) | - | 6,551 |
| PE Grant | 31,077 | 130,184 | (161,261) | - | - |
| Restricted donations | - | 114,987 | (34,987) | (20,000) | 60,000 |
| UIFSM | - | 273,805 | (273,805) | - | - |
| Pension reserve | <u>(8,204,000)</u> | <u>-</u> | <u>(1,068,000)</u> | <u>7,574,000</u> | <u>(1,698,000)</u> |
| | <u>(7,149,121)</u> | <u>8,930,280</u> | <u>(9,482,487)</u> | <u>7,407,121</u> | <u>(294,207)</u> |
| Restricted fixed asset funds | | | | | |
| Inherited fixed assets | 17,938,524 | - | (481,110) | 3,579 | 17,460,993 |
| DfE/ESFA capital grants | 1,262,708 | - | (20,792) | 4,936 | 1,246,852 |
| Capital expenditure from GAG | 31,969 | - | (22,668) | 75,515 | 84,816 |
| Capital expenditure from other restricted funds | <u>279,053</u> | <u>208,317</u> | <u>(70,685)</u> | <u>9,094</u> | <u>425,779</u> |
| | <u>19,512,254</u> | <u>208,317</u> | <u>(595,255)</u> | <u>93,124</u> | <u>19,218,440</u> |
| Total restricted funds | <u>12,363,133</u> | <u>9,138,597</u> | <u>(10,077,742)</u> | <u>7,500,245</u> | <u>18,924,233</u> |
| Unrestricted funds | | | | | |
| General | 449,698 | 493,543 | (333,360) | (45,512) | 564,369 |
| Capital expenditure | <u>179,940</u> | <u>-</u> | <u>(16,416)</u> | <u>119,267</u> | <u>282,791</u> |
| Total unrestricted funds | <u>629,638</u> | <u>493,543</u> | <u>(349,776)</u> | <u>73,755</u> | <u>847,160</u> |
| Total funds | <u>12,992,771</u> | <u>9,632,140</u> | <u>(10,427,518)</u> | <u>7,574,000</u> | <u>19,771,393</u> |

PRESTON PRIMARY ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022
(CONTINUED)

16 Funds (continued)

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

| | Balance at 1 September 2020 £ | Incoming resources £ | Resources expended £ | Gains, losses and transfers £ | Balance at 31 August 2021 £ |
|--|---|----------------------------|----------------------------|---|---|
| Restricted general funds | | | | | |
| Other Local Authority Grant | 105,244 | 393,661 | (420,602) | - | 78,303 |
| General Annual Grant (GAG) | 142,491 | 5,677,594 | (5,105,601) | 18,843 | 733,327 |
| Other DfE/ESFA grants | 95,443 | 594,267 | (538,766) | 49,068 | 200,012 |
| Individually Assigned Resources | - | 144,897 | (144,897) | - | - |
| Other restricted funds | - | 8,357 | (8,357) | - | - |
| Pupil Premium | 11,151 | 355,896 | (352,997) | (1,890) | 12,160 |
| PE Grant | 17,028 | 117,577 | (75,470) | (28,058) | 31,077 |
| Restricted donations | - | 115,960 | (115,960) | - | - |
| UIFSM | - | 274,493 | (274,493) | - | - |
| Pension reserve | (4,912,000) | (2,100,000) | (680,000) | (512,000) | (8,204,000) |
| | <u>(4,540,643)</u> | <u>5,582,702</u> | <u>(7,717,143)</u> | <u>(474,037)</u> | <u>(7,149,121)</u> |
| Restricted fixed asset funds | | | | | |
| Inherited fixed assets | 13,208,024 | 5,165,112 | (426,811) | (7,801) | 17,938,524 |
| DfE/ESFA capital grants | 679,670 | 583,028 | (16,163) | 16,173 | 1,262,708 |
| Capital expenditure from GAG | 19,724 | - | (5,619) | 17,864 | 31,969 |
| Capital expenditure from other restricted funds | 248,509 | 58,646 | (60,052) | 31,950 | 279,053 |
| | <u>14,155,927</u> | <u>5,806,786</u> | <u>(508,645)</u> | <u>58,186</u> | <u>19,512,254</u> |
| Total restricted funds | <u>9,615,284</u> | <u>11,389,488</u> | <u>(8,225,788)</u> | <u>(415,851)</u> | <u>12,363,133</u> |
| Unrestricted funds | | | | | |
| General | 296,006 | 498,024 | (248,183) | (96,149) | 449,698 |
| Capital expenditure | 189,098 | - | (9,158) | - | 179,940 |
| Total unrestricted funds | <u>485,104</u> | <u>498,024</u> | <u>(257,341)</u> | <u>(96,149)</u> | <u>629,638</u> |
| Total funds | <u>10,100,388</u> | <u>11,887,512</u> | <u>(8,483,129)</u> | <u>(512,000)</u> | <u>12,992,771</u> |

PRESTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

16 Funds (continued)

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

General Annual Grant (GAG) – Funding from the Education and Skills Funding Agency to support the education and running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2022.

Other DfE/ESFA grants – Grants from the Education and Skills Funding Agency to support PE and sport costs, pupils from low income families, Teacher Pension and Pay grant and universal infant free school meals.

Early years funding – Funding from Somerset County Council for children that have a specific requirement for additional support and for children attending nursery.

Individually assigned resources – A grant from the local authority to support costs associated with supporting pupils with special educational needs.

Other local authority grants – Funding from Somerset County

Pension Reserve – This fund represents the pension deficit for the Local Government Pension Scheme and its associated costs for the period.

Inherited Fixed Assets – Represents the building and equipment donated to the school from the County Council on conversion to an academy.

DfE/ESFA capital grants – This is funding from the DfE/ESFA to support capital projects undertaken by the academy.

Capital expenditure from GAG – This represents the amount of the General Annual Grant allocated towards capital expenditure during the period and its associated depreciation.

Capital expenditure from other restricted funds – This represents restricted funds allocated towards capital and the associated depreciation.

PRESTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

16 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2022 were allocated as follows:

| | 2022 | 2021 |
|---|--------------------------|--------------------------|
| | £ | £ |
| Preston C of E Primary School | 610,491 | 720,322 |
| Kingfisher Primary School | 214,261 | 177,497 |
| Manor Court Primary School | 295,327 | 118,199 |
| Countess Gytha Primary School | 179,232 | 198,656 |
| North Cadbury C of E Primary School | 15,935 | (56,552) |
| Huish Episcopi Primary School | 178,090 | 246,173 |
| Hambridge Primary School | 68,469 | 45,023 |
| Middlezoy/Othery Primary School | 119,236 | 55,259 |
| Central services | <u>287,121</u> | <u>-</u> |
| Total before fixed assets and pension reserve | 1,968,162 | 1,504,577 |
| Restricted fixed asset funds | 19,218,440 | 19,512,254 |
| Unrestricted fixed asset fund | 282,791 | 179,940 |
| Pension reserve | <u>(1,698,000)</u> | <u>(8,204,000)</u> |
| Total | <u><u>19,771,393</u></u> | <u><u>12,992,771</u></u> |

PRESTON PRIMARY ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

16 Funds (continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs (excluding depreciation) £ | Total 2022 £ |
|-------------------------------------|---|--------------------------------------|------------------------------|---|--------------------|
| Preston Primary Academy Trust | 198,600 | 248,481 | 27,377 | 358,351 | 832,809 |
| Preston C of E Primary School | 785,862 | 83,064 | 62,809 | 214,364 | 1,146,099 |
| Kingfisher Primary School | 709,978 | 185,580 | 46,937 | 128,897 | 1,071,392 |
| Manor Court Primary School | 1,336,713 | 201,995 | 40,372 | 238,742 | 1,817,822 |
| Countess Gytha Primary School | 555,120 | 118,329 | 34,487 | 103,416 | 811,352 |
| North Cadbury C of E Primary School | 336,778 | 70,583 | 16,623 | 28,805 | 452,789 |
| Huish Episcopi Primary School | 555,095 | 127,164 | 29,378 | 92,896 | 804,533 |
| Hambridge Primary School | 402,983 | 90,773 | 18,380 | 109,370 | 621,506 |
| Middlezoy/Othery Primary School | 392,664 | 95,580 | 21,355 | 84,135 | 593,734 |
| Academy Trust | <u>5,273,793</u> | <u>1,221,549</u> | <u>297,718</u> | <u>1,358,976</u> | <u>8,152,036</u> |

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

PRESTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022 (CONTINUED)

16 Funds (continued)

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs (excluding depreciation) £ | Total 2021 £ |
|-------------------------------------|---|--------------------------------|---------------------------|---|-----------------|
| Preston C of E Primary School | 1,261,302 | 202,159 | 82,068 | 381,472 | 1,927,001 |
| Kingfisher Primary School | 555,510 | 131,373 | 25,966 | 127,423 | 840,272 |
| Manor Court Primary School | 1,242,326 | 199,279 | 25,065 | 269,571 | 1,736,241 |
| Countess Gytha Primary School | 453,853 | 106,227 | 19,007 | 119,629 | 698,716 |
| North Cadbury C of E Primary School | 379,321 | 69,248 | 16,623 | 67,600 | 532,792 |
| Huish Episcopi Primary School | 312,707 | 61,868 | 16,165 | 78,003 | 468,743 |
| Hambridge Primary School | 222,596 | 51,000 | 18,380 | 65,046 | 357,022 |
| Middlezoy/Othery Primary School | 205,568 | 52,340 | 6,787 | 92,563 | 357,258 |
| Central services | 116,094 | 260,514 | - | - | 376,608 |
| Academy Trust | 4,749,277 | 1,134,008 | 210,061 | 1,201,307 | 7,294,653 |

PRESTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

17 Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

| | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Total Funds £ |
|--------------------------|----------------------------|-------------------------------------|--|---------------------|
| Tangible fixed assets | 282,791 | - | 18,814,498 | 19,097,289 |
| Current assets | 564,369 | 2,002,279 | 445,706 | 3,012,354 |
| Current liabilities | - | (598,486) | (5,547) | (604,033) |
| Creditors over 1 year | - | - | (36,217) | (36,217) |
| Pension scheme liability | - | (1,698,000) | - | (1,698,000) |
| Total net assets | <u>847,160</u> | <u>(294,207)</u> | <u>19,218,440</u> | <u>19,771,393</u> |

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

| | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Asset Funds £ | Total Funds £ |
|--------------------------|----------------------------|-------------------------------------|--|---------------------|
| Tangible fixed assets | 179,940 | - | 19,168,451 | 19,348,391 |
| Current assets | 449,698 | 1,579,913 | 343,803 | 2,373,414 |
| Current liabilities | - | (485,237) | - | (485,237) |
| Creditors over 1 year | - | (39,797) | - | (39,797) |
| Pension scheme liability | - | (8,204,000) | - | (8,204,000) |
| Total net assets | <u>629,638</u> | <u>(7,149,121)</u> | <u>19,512,254</u> | <u>12,992,771</u> |

18 Long-term commitments, including operating leases

Operating leases

At 31 August 2022 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

| | 2022 £ | 2021 £ |
|--|---------------|---------------|
| Amounts due within one year | 10,506 | 15,360 |
| Amounts due between one and five years | <u>6,065</u> | <u>13,937</u> |
| | <u>16,571</u> | <u>29,297</u> |

PRESTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

19 Reconciliation of net (expenditure)/income to net cash inflow/(outflow) from operating activities

| | 2022 | 2021 |
|---|----------------|----------------|
| | £ | £ |
| Net (expenditure)/income | (795,378) | 3,404,383 |
| Depreciation | 611,683 | 517,802 |
| Capital grants from DfE and other capital income | (208,317) | (641,674) |
| Interest receivable | (280) | (162) |
| Defined benefit pension scheme obligation inherited | - | 2,100,000 |
| Defined benefit pension scheme finance cost | 1,068,000 | 680,000 |
| Decrease/(increase) in debtors | 1,134 | (17,579) |
| Increase in creditors | 118,795 | 57,637 |
| Fixed assets transferred on conversion | - | (5,202,540) |
| Net cash provided by Operating Activities | <u>795,637</u> | <u>897,867</u> |

20 Cash flows from financing activities

| | 2022 | 2021 |
|---|----------------|---------------|
| | £ | £ |
| Repayments of borrowing | (3,579) | - |
| Cash inflows from new borrowing | - | 45,342 |
| Net cash (used in)/provided by financing activities | <u>(3,579)</u> | <u>45,342</u> |

21 Cash flows from investing activities

| | 2022 | 2021 |
|---|------------------|----------------|
| | £ | £ |
| Dividends, interest and rents from investments | 280 | 162 |
| Purchase of tangible fixed assets | (360,581) | (361,348) |
| Capital funding received from sponsors and others | 208,317 | 641,674 |
| Net cash (used in)/provided by investing activities | <u>(151,984)</u> | <u>280,488</u> |

PRESTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

22 Analysis of cash and cash equivalents

| | 2022 £ | 2021 £ |
|---------------------------------|-------------------------|-------------------------|
| Cash in hand and at bank | <u>2,850,343</u> | <u>2,210,269</u> |
| Total cash and cash equivalents | <u><u>2,850,343</u></u> | <u><u>2,210,269</u></u> |

23 Analysis of changes in net debt

| | At 1 September 2021 £ | Cash flows £ | At 31 August 2022 £ |
|-------|--------------------------------|-----------------------|------------------------------|
| Cash | <u>2,210,269</u> | <u>640,074</u> | <u>2,850,343</u> |
| Total | <u><u>2,210,269</u></u> | <u><u>640,074</u></u> | <u><u>2,850,343</u></u> |

24 Member liability

Each member (with the exception of Bath & Wells DBE Trust which is liable for £nil) of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

25 Pension and similar obligations

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, which is managed by Somerset County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS to the period ended 31 March 2019.

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

Teachers' Pension Scheme

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

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

PRESTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

25 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £672,778 (2021: £568,685). 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 an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £733,000 (2021 - £617,000), of which employer's contributions totalled £587,000 (2021 - £493,000) and employees' contributions totalled £146,000 (2021 - £124,000). The agreed contribution rates for future years are 23.7 per cent for employers and 5.5 per cent for employees.

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

PRESTON PRIMARY ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022
(CONTINUED)

25 Pension and similar obligations (continued)

Principal actuarial assumptions

| | 2022 | 2021 |
|--|-------------|-------------|
| | % | % |
| Rate of increase in salaries | 4.50 | 4.40 |
| Rate of increase for pensions in payment/inflation | 3.00 | 2.90 |
| Discount rate for scheme liabilities | <u>4.30</u> | <u>1.70</u> |

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

| | 2022 | 2021 |
|------------------------------|--------------|--------------|
| Retiring today | | |
| Males retiring today | 21.40 | 23.10 |
| Females retiring today | 23.20 | 24.60 |
| Retiring in 20 years | | |
| Males retiring in 20 years | 22.60 | 24.40 |
| Females retiring in 20 years | <u>24.60</u> | <u>26.10</u> |

Sensitivity analysis

| | 2022 | 2021 |
|--|------------------|-------------------|
| | £ | £ |
| Discount rate +0.1% | 7,705,000 | 13,622,000 |
| Discount rate -0.1% | 8,106,000 | 14,348,000 |
| Mortality assumption – 1 year increase | 8,136,000 | 14,539,000 |
| Mortality assumption – 1 year decrease | <u>7,677,000</u> | <u>13,442,000</u> |

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

| | 2022 | 2021 |
|------------------------------|------------------|------------------|
| | £ | £ |
| Equities | 4,561,000 | 4,202,000 |
| Gilts | 248,000 | 327,000 |
| Other bonds | 556,000 | 602,000 |
| Property | 564,000 | 414,000 |
| Cash and other liquid assets | <u>276,000</u> | <u>231,000</u> |
| Total market value of assets | <u>6,205,000</u> | <u>5,776,000</u> |

The actual return on scheme assets was (£225,000) (2021 - £873,000).

PRESTON PRIMARY ACADEMY TRUST
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022
 (CONTINUED)

25 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

| | 2022 £ | 2021 £ |
|-------------------------------------|--------------------|--------------------|
| Current service cost | (1,521,000) | (1,079,000) |
| Interest cost | (130,000) | (92,000) |
| Admin expenses | <u>(4,000)</u> | <u>(2,000)</u> |
| Total amount recognized in the SOFA | <u>(1,655,000)</u> | <u>(1,173,000)</u> |

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

| | 2022 £ | 2021 £ |
|--|------------------|-------------------|
| At start of period | 13,980,000 | 7,984,000 |
| Transferred in on existing academies joining the trust | - | 3,139,000 |
| Current service cost | 1,521,000 | 1,079,000 |
| Interest cost | 231,000 | 157,000 |
| Employee contributions | 146,000 | 124,000 |
| Actuarial (gain)/loss | (7,900,000) | 1,589,000 |
| Benefits paid | <u>(75,000)</u> | <u>(92,000)</u> |
| At 31 August | <u>7,903,000</u> | <u>13,980,000</u> |

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

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| At start of period | 5,776,000 | 3,072,000 |
| Transferred in on existing academies joining the trust | - | 1,308,000 |
| Interest income | 101,000 | 65,000 |
| Actuarial gain/(loss) | (330,000) | 806,000 |
| Employer contributions | 587,000 | 493,000 |
| Employee contributions | 146,000 | 124,000 |
| Benefits paid | <u>(75,000)</u> | <u>(92,000)</u> |
| At 31 August | <u>6,205,000</u> | <u>5,776,000</u> |

PRESTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

(CONTINUED)

26 Related party transactions

Owing to the nature of the academy trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest.

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 10.

Expenditure related party transactions

During the year the academy made the following related party transactions:

Diocese of Bath & Wells

During the year, the academy trust purchased services for rent and training, totalling £2,115 (2021: £303).

In entering into the transaction, the academy trust has complied with the requirements of the Academies Financial Handbook 2021.

At the balance sheet date the amount due to Diocese of Bath & Wells was £Nil (2021 - £Nil).

All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.