

PRIORSLEE MULTI-ACADEMY TRUST

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

PRIORSLEE MULTI-ACADEMY TRUST
(A company limited by guarantee)

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PRIORSLEE MULTI-ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	K Hall T Tearle
Trustees	J Dickinson JA Bates, Chair ¹ V Fletcher, Trustee TCV Plim, Trustee (resigned 31 August 2019) ¹ Reverend D Loughran, Trustee ¹ WD Moore, Trustee (resigned 31 August 2019) ¹ SJ Lane, Trustee ¹ S Tilley, Trustee (appointed 1 September 2019) K Hall, Trustee (appointed 12 November 2019)

¹ Member of the Finance Committee

Company registered number	7481145
Company name	Priorslee Multi-Academy Trust
Principal and registered office	Priorslee Avenue Priorslee Telford Shropshire TF2 9RS
Company secretary	N Curtin
Executive leadership team	WD Moore, Executive Principal / CEO (resigned 31 August 2019) TCV Plim, Acting Headteacher (resigned 31 August 2019) S Tilley, Executive Principal (appointed 1 September 2019)
Independent auditors	Whittingham Riddell LLP Chartered Accountants Statutory Auditors Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG
Bankers	Lloyds Bank The Border 113 Telford TF3 4AE Virgin Money 67 Queen Street Wolverhampton WV1 3BY

PRIORSLEE MULTI-ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year from 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

Structure, governance and management

a. Constitution

Priorslee Multi-Academy Trust ("The Trust") is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Trust.

The Trustees of the Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as the Trust.

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

b. Members' liability

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

c. Trustees' indemnities

The Trust's insurers indemnify against any claims in respect of civil liability which arises out of the conduct of the Insured in their capacity as a Director of the Trust.

d. Method of recruitment and appointment or election of Trustees

The management of the Trust is the responsibility of the Members and Trustees who are elected and co opted under the terms of the Trust deed. There are 3 Members including the Chair of Trustees. There are 5 Trustees including the Executive Principal. The Trustees may appoint up to 5 Trustees to each Advisory Board. There are two elected parents on each Advisory Board.

e. Policies adopted for the induction and training of Trustees

The Principal and Chair are responsible for all training. There is a comprehensive induction programme for all new Trustees, with access to bespoke training delivered by internal and external providers. Where necessary, training will be offered on charity, educational, legal and financial matters. All Trustees are provided with copies of the constitution and policy documents. In addition, they are routinely involved in meetings to scrutinise accounts, reports, budgets and plans to enable them to carry out their roles and responsibilities effectively.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

f. Organisational structure

All Trustees are involved in decision making with the exception of the Finance Committee and Salaries and Gratings Committee. Both groups meet at least termly and hold delegated powers assigned to them by the full Trust Board. The Trustees are responsible for setting general policy, plans, budgets and targets, as well as monitoring the performance of the academies against aims and objectives. The day to day running of the Trust is delegated to the Executive Leadership team who report back as appropriate. The Executive Leadership team comprises of the Executive Principal, Assistant Executive Principal, Director of Studies and Business Manager. The Executive Principal has also been appointed as the CEO.

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

The Salaries and Gratings committee includes both the Chair of Trustees and Chair of Finance. The national pay and conditions document is adopted and the Trust matched to an appropriate group size. All salary increments are reviewed alongside performance management which is rigorously applied. Challenging targets are set for staff to ensure high quality delivery. An external SIP is appointed to review the performance management of the Executive Principal.

h. Related parties and other connected charities and organisations

During the period, the Trust was not connected to any organisations. The Financial Statements are audited externally by Whittingham Riddell.

Objectives and activities

a. Objects and aims

The principle object of the Trust is to advance for the public benefit, education in the United Kingdom, in particular but without prejudice, to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a broad and balanced curriculum within each establishment within the Trust. A variety of policies are clearly listed on each Academy web site and are available for all stakeholders to access. The aims and objectives for each setting are contained within the prospectus attached to each Academy within the Trust.

The main aim across the Trust is always to progressively advance teaching and learning standards, particularly in the core subjects of English, mathematics and science, enriched by delivery of high quality foundation subjects.

Autonomy and freedoms brought by Academy status has enabled the development of a Learning Hub to improve the provision for children with emotional and behavioural needs; including the acquisition of resources and the recruitment of appropriately trained staff.

Academy freedoms have enabled the development of the playground and outdoor learning resources at Buildwas Academy, including play and exercise equipment.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

b. Objectives, strategies and activities

Trustees meetings ensure that a discrete agenda is formally presented. These cover a range of curriculum, personnel, financial and health and safety matters which are comprehensively reviewed. Regular meetings with the Executive Leadership Team also take place to ensure that aims and objectives are being efficiently disseminated and effectively met.

Aims for 2019 2020 include:

- review of the Trust, in particular ensuring cross site consistency, cross site working and staff training, also development of middle management
- refurbishment and development of Priorslee building
- rigorous review of teaching and learning, set within an embedded ethos
- whole Trust focus on ensuring children's progress, especially in maths
- further enhanced use of technology (iPads and surfaces)
- establishment of a school library
- possible expansion of the Trust

c. Public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Strategic report

Achievements and performance

a. Key performance indicators

Regular monitoring by key stakeholders ensures that performance is at least good and often outstanding. This is evidenced within performance management, minutes of meetings and external review. All Trustees and Advisory Boards have an active monitoring role and are attached to year groups across both sites within the Trust. Analysis of school data and Ofsted reporting are utilised to inform evidence based judgements. Academic targets set by the Executive Leadership Team are regularly scrutinised and evidenced within development plans.

Financial spend across the Trust is scrutinised half termly and any surplus set against a plan for further development of both the grounds and buildings. External, financial audits are embedded and routine. Highly effective administrative and financial procedures, a clear segregation of duties and efficient delegation and accountability ensure comprehensive control and management of risk.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

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

Financial review

a. Reserves policy

a (i) Unrestricted Reserves

The Trust will maintain an adequate level of unrestricted reserves to:

- Provide a working balance to cushion the impact of uneven cash flows
- Provide a contingency to cushion the impact of unexpected events, emergencies and large shortfalls in budget.
- Plan for potential major items of expenditure.

The appropriate level of reserves for this purpose will be determined by the Finance Committee and Trustees. During the prior year £400k of unrestricted funds were designated by the Board of Trustees to fund future building developments.

The unrestricted reserve balance will be reviewed and projections on future balances will be made at key points during the financial year.

a (ii) Restricted Reserves

Restricted reserves are not available to the Trust for use in its budget setting process. They are required for specific purposes and are a means of building up funds to meet known or predicted future liabilities. These reserves have no specific limit set on them but they should be reasonable for the purpose held. They must be used for the purpose for which they have been set aside and transferred to unrestricted reserves if it is found they are no longer required. In order to establish that reserves are correctly held, there will be a review of balances at least annually.

The Trust has a balance of restricted and unrestricted funds as at 31 August 2019 of £703k (excluding the pension reserve of £1,102k).

b. Investment policy

The Trust receives interest on any cash bank balances and holds a Charity Deposit Account.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

c. Principal risks and uncertainties

Risks are reviewed through ongoing discussion and agenda items within meetings at all levels. Overall responsibility for risk management rests with the Trustees. The Finance Committee is diligent in review of financial risk and long term forecast. Current areas for monitoring include the age of demountable buildings, changes to national funding, continued increase in pupil numbers at Buildwas and future changes to the leadership structure. Professional services are purchased from the LA for advice and support and additionally, comprehensive insurance is purchased through the ESFA.

An annual emergency plan is co ordinated by the Executive Principal and made accessible to all Trustees and key staff. This provides a clear overview and protocol to follow in case of any incident deemed an emergency. An annual fire risk assessment is carried out by the Local Authority which provides clarity in terms of risk to personnel and buildings. An additional buildings conditions survey is reviewed annually by a nominated Health and Safety Governor. All documents are used as the basis for expenditure and any actions to be taken are reflected in the financial plan. There is a dedicated Finance Committee which meets half termly. Training for Staff and Trustees is catalogued and comprehensive. Child Protection and Prevent training takes place every two years. There are four designated safeguarding leads as well as an attached Director. The SLA for caretaking and cleaning are within the remit of Wolverhampton Council, similarly for catering.

A termly report highlights matters pertinent to the day to day efficiencies in managing the Trust and references attendance, data, extra curricular activities, as well as pupil numbers and staffing. All staffing is determined by pupil numbers and specific need, with a termly establishment list updated. Performance management for all staff takes place at the start of each term. The Schools' development plan which is co ordinated by the Deputy Executive Principal ensures that curriculum delivery is cohesive and transparent.

Fundraising

The Business Manager has undertaken a training course in fundraising. There has not been any fundraising during the financial year. Going forward any fundraising initiatives would adhere to the recognised standards.

Plans for future periods

There are plans to tender for significant refurbishment of the Priorslee building which will result in better quality core facilities for the children and staff. We are also at early stages of discussions for another school to join the Trust, which should result in further opportunities for development and improvement for staff and procurement systems.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 18 December 2019 and signed on its behalf by:



J A Bates
Chair of Trustees

PRIORSLEE MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the 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 3 times during the year.

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

Trustee	Meetings attended	Out of a possible
JA Bates, Chair	3	3
SJ Lane	2	3
WD Moore, Trustee	2	3
TCV Plim, Trustee	2	3
V Fletcher, Trustee	3	3
K Paskin, Trustee	0	0
Reverend D Loughran	3	3
S Tilley, Trustee	0	0
K Hall, Trustee	0	0

The Finance Committee is a sub-committee of the main board of Trustees. Its purpose is to appropriately deal with the financial matters that arise during the years and agree on the financial strategy of the Trust.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
JA Bates	4	5
SJ Lane	2	5
D Loughran	3	5
WD Moore	5	5
TCV Plim	4	5
G Mansell	2	4

PRIORSLEE MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- aggregating purchasing power by reviewing contracts and sourcing best value across the MAT
- diversifying the role and responsibilities of the Executive Principal, by encompassing key services across the MAT, including all HR, financial management, health and safety, also procurement
- completing all operational tasks utilising a small, highly effective and efficient Executive Leadership Team

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 the Trust for the year 1 September 2018 to 31 August 2019 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 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 Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

PRIORSLEE MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Whittingham Riddell LLP, the external auditors, to perform additional checks.

The external auditors' role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems.

On a termly basis, the external auditors report to the Board of Trustees through the Finance Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

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

- testing of payroll systems;
- testing of purchase systems;
- testing of accounting procedures including bank reconciliations;
- testing of income;
- testing of items requiring special approval;
- testing of tendering activities;
- testing of asset maintenance; and
- testing of management reporting controls.

PRIORSLEE MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

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

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

Approved by order of the members of the board of Trustees on 18 December 2019 and signed on their behalf by:


J A Bates
Chair of Trustees


S P Tilley
Accounting Officer

PRIORSLEE MULTI-ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Priorslee Multi-Academy Trust I have considered my responsibility to notify the Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2018.

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.



S P Tilley
Accounting Officer
Date: 18 December 2019

PRIORSLEE MULTI-ACADEMY TRUST
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

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 & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



S P Tilley
Accounting Officer
Date: 18 December 2019

PRIORSLEE MULTI-ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PRIORSLEE MULTI-ACADEMY TRUST**

Opinion

We have audited the financial statements of Priorslee Multi-Academy Trust (the 'Trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

PRIORSLEE MULTI-ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PRIORSLEE MULTI-ACADEMY TRUST (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

PRIORSLEE MULTI-ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PRIORSLEE MULTI-ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

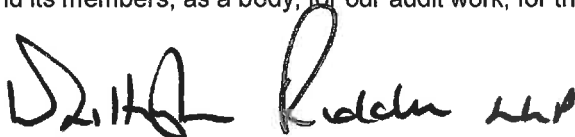
Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Andrew Malpass BA FCA (Senior statutory auditor) (Senior statutory auditor)
for and on behalf of

Whittingham Riddell LLP
Chartered Accountants
Statutory Auditors
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date:

19 December 2019

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

In accordance with the terms of our engagement letter dated 5 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Priorslee Multi-Academy Trust during the year 1 September 2018 to 31 August 2019 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 Priorslee Multi-Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Priorslee Multi-Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Priorslee Multi-Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Priorslee Multi-Academy Trust's funding agreement with the Secretary of State for Education dated January 2011 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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 Trust's income and expenditure.

PRIORSLEE MULTI-ACADEMY TRUST
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Andrew Malpass BA FCA (Senior statutory auditor)

for and on behalf of

Whittingham Riddell LLP

Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date:

19 December 2019

PRIORSLEE MULTI-ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	8,269	-	23,364	31,633	16,343
Charitable activities		-	2,032,945	-	2,032,945	1,866,917
Other trading activities		-	228,352	-	228,352	205,944
Investments	6	5,010	-	-	5,010	4,219
Total income		13,279	2,261,297	23,364	2,297,940	2,093,423
Expenditure on:						
Charitable activities		-	2,345,406	79,696	2,425,102	2,208,352
Total expenditure		-	2,345,406	79,696	2,425,102	2,208,352
Net income/(expenditure)		13,279	(84,109)	(56,332)	(127,162)	(114,929)
Transfers between funds	18	-	7,895	(7,895)	-	-
Net movement in funds before other recognised gains/(losses)		13,279	(76,214)	(64,227)	(127,162)	(114,929)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(330,000)	-	(330,000)	122,000
Net movement in funds		13,279	(406,214)	(64,227)	(457,162)	7,071
Reconciliation of funds:						
Total funds brought forward		472,142	(478,141)	4,328,028	4,322,029	4,314,958
Net movement in funds		13,279	(406,214)	(64,227)	(457,162)	7,071
Total funds carried forward		485,421	(884,355)	4,263,801	3,864,867	4,322,029

PRIORSLEE MULTI-ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 24 to 48 form part of these financial statements.

PRIORSLEE MULTI-ACADEMY TRUST
(A company limited by guarantee)

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	4,263,801	4,328,028
		<u>4,263,801</u>	<u>4,328,028</u>
Current assets			
Debtors	15	80,955	81,654
Cash at bank and in hand		918,913	841,320
		<u>999,868</u>	<u>922,974</u>
Creditors: amounts falling due within one year	16	(269,889)	(245,898)
Net current assets		<u>729,979</u>	<u>677,076</u>
Total assets less current liabilities		<u>4,993,780</u>	<u>5,005,104</u>
Creditors: amounts falling due after more than one year	17	(26,913)	(38,075)
Net assets excluding pension liability		<u>4,966,867</u>	<u>4,967,029</u>
Defined benefit pension scheme liability	24	(1,102,000)	(645,000)
Total net assets		<u><u>3,864,867</u></u>	<u><u>4,322,029</u></u>

PRIORSLEE MULTI-ACADEMY TRUST
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

	Note	2019	2019 £	2018	2018 £
Funds of the Trust					
Restricted funds:					
Fixed asset funds	18	4,263,801		4,328,028	
Restricted income funds	18	217,645		166,859	
Restricted funds excluding pension asset	18	4,481,446		4,494,887	
Pension reserve	18	(1,102,000)		(645,000)	
Total restricted funds	18		3,379,446		3,849,887
Unrestricted income funds	18		485,421		472,142
Total funds			3,864,867		4,322,029

The financial statements on pages 19 to 48 were approved by the Trustees, and authorised for issue on 18 December 2019 and are signed on their behalf, by:


JA Bates
Chair of Trustees

The notes on pages 24 to 48 form part of these financial statements.

PRIORSLEE MULTI-ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	20	88,051	73,804
Cash flows from investing activities	22	(10,458)	(34,397)
Cash flows from financing activities	21	-	(11,161)
Change in cash and cash equivalents in the year		77,593	28,246
Cash and cash equivalents at the beginning of the year		841,320	813,074
Cash and cash equivalents at the end of the year	23	918,913	841,320

The notes on pages 24 to 48 form part of these financial statements

PRIORSLEE MULTI-ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

1.3 Income

All incoming resources are recognised when the Trust has entitlement to the funds, the receipt is probable and the amount 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.

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

PRIORSLEE MULTI-ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Tangible fixed assets

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

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

Depreciation is provided on the following bases:

Long-term leasehold property	- Straight line over term of lease (125 years)
Furniture and equipment	- 15% straight line
Computer equipment	- 25% straight line
Leasehold improvements	- 5% straight line

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

1.7 Debtors

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

1.8 Cash at bank and in hand

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

1.9 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 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.

PRIORSLEE MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 Pensions

Retirement benefits to employees of the 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 so as to spread the cost of pensions over employees' working lives with the 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 on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

PRIORSLEE MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.12 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

PRIORSLEE MULTI-ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

Critical areas of judgment:

Assumptions used in Pension Valuation

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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Long term Leasehold Property

Priorslee Academy's land and buildings were bought in on conversion based on a valuation of £3,542k. Buildwas Academy's land and buildings were brought in on conversion at a valuation of £623k. Both balances are being written off over the 125 year life of the leases.

PRIORSLEE MULTI-ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	8,269	23,364	31,633	16,343
<i>Total 2018</i>	<i>2,861</i>	<i>13,482</i>	<i>16,343</i>	

4. Funding for the Trust's direct costs - activities

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
General Annual Grant (GAG)	1,692,981	1,692,981	1,569,587
Student Support Services	133,934	133,934	141,457
Other DfE / ESFA Grant Income	1,776	1,776	-
Pupil Premium	9,840	9,840	7,380
Local Authority - SEN	34,256	34,256	25,389
Local Authority - Early Years	134,918	134,918	105,620
Local Authority - Other Grants	5,040	5,040	-
Sponsor Capacity Grant	16,460	16,460	16,350
Other Income	3,740	3,740	1,134
	<u>2,032,945</u>	<u>2,032,945</u>	<u>1,866,917</u>

PRIORSLEE MULTI-ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

5. Income from other trading activities

	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Other Income	11,534	11,534	8,485
Water Rates Recharge	1,847	1,847	273
Clubs, Activities and Trips	214,002	214,002	196,457
Commissions on School Merchandise	969	969	729
	<u>228,352</u>	<u>228,352</u>	<u>205,944</u>

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Investment income	<u>5,010</u>	<u>5,010</u>	<u>4,219</u>

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	<i>Total 2018 £</i>
Direct costs - Activities:					
Direct costs	1,080,145	-	274,123	1,354,268	1,281,133
Allocated support costs	650,270	274,085	163,479	1,087,834	943,219
Total 2019	<u>1,730,415</u>	<u>274,085</u>	<u>437,602</u>	<u>2,442,102</u>	<u>2,224,352</u>
<i>Total 2018</i>	<u>1,595,628</u>	<u>34,580</u>	<u>594,144</u>	<u>2,224,352</u>	

PRIORSLEE MULTI-ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Trust's educational activities	1,354,268	1,087,834	2,442,102	2,224,352
<i>Total 2018</i>	<i>1,269,200</i>	<i>955,152</i>	<i>2,224,352</i>	

Analysis of direct costs

	Educational activities 2019 £	Total funds 2019 £	Total funds 2018 £
Pension income	17,000	17,000	16,000
Staff costs	1,080,145	1,080,145	999,932
Depreciation	24,215	24,215	24,897
Educational Supplies	121,868	121,868	126,839
Examination Fees	5,540	5,540	13,075
Technology Costs	50,883	50,883	33,319
Staff Expenses	1,523	1,523	-
Other costs	53,094	53,094	55,138
Total 2019	1,354,268	1,354,268	1,269,200

PRIORSLEE MULTI-ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational activities 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Staff costs	650,270	650,270	595,696
Depreciation	55,481	55,481	54,483
Other Staff Costs	17,856	17,856	11,953
Other costs	24,118	24,118	26,235
Rent and rates	44,087	44,087	30,885
Maintenance of Premises	23,961	23,961	29,746
Cleaning and Caretaking	192,667	192,667	179,020
Operating Leases	-	-	258
Security	640	640	460
MFG	48,939	48,939	-
Other Premises Costs	29,815	29,815	26,416
Total 2019	<u>1,087,834</u>	<u>1,087,834</u>	<u>955,152</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	<i>2018 £</i>
Operating lease rentals	2,448	13,558
Depreciation of tangible fixed assets	79,696	79,950
Fees paid to auditors for:		
- audit	8,050	5,750
- other services	3,900	5,850

PRIORSLEE MULTI-ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019	2018
	£	£
Wages and salaries	1,283,601	1,209,688
Social security costs	105,398	97,037
Pension costs	341,416	288,903
	1,730,415	1,595,628

b. Staff numbers

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

	2019	2018
	No.	No.
Teachers	20	19
Administration and Support	44	44
Management	2	2
	66	65

PRIORSLEE MULTI-ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Staff costs (continued)

c. Higher paid staff

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	1	-
In the band £100,001 - £110,000	-	1
In the band £140,001 - £150,000	1	-

d. Key management personnel

During the year 2019/2020, only two members of the key management personnel have been remunerated through the Trust. 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 Trust was £244,120 (2018: £226,867).

11. Central services

No central services were provided by the Trust to its academies during the year and no central charges arose.

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the 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. The value of Trustees' remuneration and other benefits was as follows:

		2019	2018
		£	£
WD Moore, Trustee	Remuneration	145,000 -	130,000 -
		150,000	135,000
	Pension contributions paid	15,000 -	15,000 -
		20,000	20,000
TCV Plim, Trustee (resigned 31 August 2019)	Remuneration	60,000 -	55,000 -
		65,000	60,000
	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000

During the year ended 31 August 2019, expenses totalling £351 were reimbursed or paid directly to 2 Trustees (2018 - £400 to 4 Trustees).

PRIORSLEE MULTI-ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

13. Trustees' and Officers' insurance

The Trust has opted into the Department of 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 Trust 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 membership.

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2018	4,444,142	132,112	141,676	4,717,930
Additions	9,995	3,736	1,737	15,468
At 31 August 2019	4,454,137	135,848	143,413	4,733,398
Depreciation				
At 1 September 2018	226,351	68,900	94,651	389,902
Charge for the year	35,439	20,042	24,214	79,695
At 31 August 2019	261,790	88,942	118,865	469,597
Net book value				
At 31 August 2019	4,192,347	46,906	24,548	4,263,801
At 31 August 2018	4,217,791	63,212	47,025	4,328,028

PRIORSLEE MULTI-ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

15. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	4,947	3,654
Other debtors	2,504	3,976
Prepayments and accrued income	34,572	29,815
Tax recoverable	38,932	44,209
	<u>80,955</u>	<u>81,654</u>

16. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other loans	12,858	12,858
Trade creditors	102,397	113,049
Other taxation and social security	22,770	24,108
Other creditors	24,601	23,641
Accruals and deferred income	107,263	72,242
	<u>269,889</u>	<u>245,898</u>

Included in deferred income are monies received in the year from the Local Authority, Government Grants and Parent Balances that are for the year 2019/2020. The total amount relating to deferred income for the 2019 is £79,664 (2018: £59,370).

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

	2019 £	2018 £
Other loans	26,913	38,075

PRIORSLEE MULTI-ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

18. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Designated funds						
Designated Funds - all funds	400,000	-	-	-	-	400,000
General funds						
General Funds - all funds	72,142	13,279	-	-	-	85,421
Total Unrestricted funds	472,142	13,279	-	-	-	485,421
Restricted general funds						
Restricted Funds - all funds	166,859	2,261,297	(2,218,406)	7,895	-	217,645
Pension reserve	(645,000)	-	(127,000)	-	(330,000)	(1,102,000)
	(478,141)	2,261,297	(2,345,406)	7,895	(330,000)	(884,355)
Restricted fixed asset funds						
Class II Restricted Funds - all funds	4,328,028	23,364	(79,696)	(7,895)	-	4,263,801
Total Restricted funds	3,849,887	2,284,661	(2,425,102)	-	(330,000)	3,379,446
Total funds	4,322,029	2,297,940	(2,425,102)	-	(330,000)	3,864,867

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. Statement of funds (continued)

Balance at 1 September 2018	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31 August 2019
£	£	£	£	£	£

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18. Statement of funds (continued)

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

The unrestricted income received during the year relates to monies received in relation to donations and interest.

Designated funds represent monies set aside for future building development.

Restricted funds represent the monies paid by the Education and Skills Funding Agency, LEA and from parents for specific activities.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019	2018
	£	£
Priorslee Primary School	611,568	552,250
Buildwas Primary School	91,498	86,751
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	703,066	639,001
Restricted fixed asset fund	4,263,801	4,328,028
Pension reserve	(1,102,000)	(645,000)
	<hr/>	<hr/>
Total	3,864,867	4,322,029
	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of 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 2019 £	Total 2018 £
Priorslee Primary School	840,336	513,304	214,816	267,132	1,835,588	1,742,274
Buildwas Primary School	173,366	76,409	18,092	114,951	382,818	314,698
Central services	-	127,000	-	-	127,000	72,000
Trust	1,013,702	716,713	232,908	382,083	2,345,406	2,128,972

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18. Statement of funds (continued)

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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Unrestricted funds						
Designated funds						
Designated Funds - all funds	400,000	-	-	-	-	400,000
General funds						
General Funds - all funds	55,038	213,024	(195,920)	-	-	72,142
Total Unrestricted funds	455,038	213,024	(195,920)	-	-	472,142
Restricted general funds						
Educational activities	168,988	1,866,917	(1,845,052)	(23,994)	-	166,859
Pension reserve	(679,000)	-	(88,000)	-	122,000	(645,000)
	(510,012)	1,866,917	(1,933,052)	(23,994)	122,000	(478,141)
Restricted fixed asset funds						
Class II Restricted Funds - all funds	4,369,932	13,482	(79,380)	23,994	-	4,328,028
Total Restricted funds	3,859,920	1,880,399	(2,012,432)	-	122,000	3,849,887

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Total funds	4,314,958	2,093,423	(2,208,352)	-	122,000	4,322,029

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	4,263,801	4,263,801
Current assets	485,421	514,447	-	999,868
Creditors due within one year	-	(269,889)	-	(269,889)
Creditors due in more than one year	-	(26,913)	-	(26,913)
Provisions for liabilities and charges	-	(1,102,000)	-	(1,102,000)
Total	485,421	(884,355)	4,263,801	3,864,867

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	4,328,028	4,328,028
Current assets	472,142	450,832	-	922,974
Creditors due within one year	-	(245,898)	-	(245,898)
Creditors due in more than one year	-	(38,075)	-	(38,075)
Provisions for liabilities and charges	-	(645,000)	-	(645,000)
Total	472,142	(478,141)	4,328,028	4,322,029

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

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

	2019 £	2018 £
Net expenditure for the year (as per Statement of financial activities)	(127,162)	(114,929)
Adjustments for:		
Depreciation	79,696	79,950
Interest receivable	(5,010)	(4,219)
Decrease in debtors	700	11,707
Increase in creditors	12,827	12,726
Loss on sale of fixed assets	-	569
FRS102 Pension adjustments	127,000	88,000
Net cash provided by operating activities	88,051	73,804

21. Cash flows from financing activities

	2019 £	2018 £
Repayments of borrowing	-	(11,161)
Net cash provided by/(used in) financing activities	-	(11,161)

22. Cash flows from investing activities

	2019 £	2018 £
Purchase of tangible fixed assets	(15,468)	(38,616)
Interest received	5,010	4,219
Net cash used in investing activities	(10,458)	(34,397)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

23. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	918,913	841,320
Total cash and cash equivalents	918,913	841,320

24. Pension commitments

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

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

Contributions amounting to £24,601 were payable to the schemes at 31 August 2019 (2018 - £23,641) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities.

In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website.

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful.

The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme.

Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £113,000 (2018 - £109,782), of which employer's contributions totalled £86,000 (2018 - £84,440) and employees' contributions totalled £ 27,000 (2018 - £26,341). The agreed contribution rates for future years are 15.7% per cent for employers and 5.5% - 12.5% per cent for employees.

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

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

Principal actuarial assumptions

	2019	<i>2018</i>
	%	%
Rate of increase in salaries	3.5	3.6
Rate of increase for pensions in payment/inflation	2.1	2.2
Discount rate for scheme liabilities	1.8	2.8
Inflation assumption (CPI)	2.0	2.1

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

	2019	<i>2018</i>
	Years	Years
<i>Retiring today</i>		
Males	23.2	23.1
Females	26.4	26.3
<i>Retiring in 20 years</i>		
Males	25.4	25.3
Females	28.7	28.6

Sensitivity analysis

	2019	<i>2018</i>
	£000	£000
Discount rate +0.1%	1,060	617
Mortality assumption - 1 year increase	1,134	667
CPI rate +0.1%	1,145	675
Pay growth +0.01%	1,109	650

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

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

	At 31 August 2019	<i>At 31 August 2018</i>
	£	£
Equities	378,000	317,000
Corporate bonds	157,000	139,000
Property	35,000	31,000
Cash and other liquid assets	14,000	15,000
Other	170,000	121,000
Total market value of assets	754,000	623,000

The actual return on scheme assets was £25,000 (2018 - £29,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019	<i>2018</i>
	£	£
Current service cost	(142,000)	(153,000)
Past service cost	(51,000)	-
Interest cost	(17,000)	(16,000)
Administrative expenses	(3,000)	(3,000)
Total amount recognised in the Statement of Financial Activities	(213,000)	(172,000)

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

	2019	<i>2018</i>
	£	£
At 1 September	1,268,000	1,171,000
Interest cost	36,000	30,000
Employee contributions	27,000	26,000
Actuarial losses/(gains)	336,000	(106,000)
Past service costs	51,000	-
Current service cost	142,000	153,000
Business combinations	(4,000)	(6,000)
At 31 August	1,856,000	1,268,000

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

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

	2019 £	2018 £
At 1 September	623,000	492,000
Interest income	19,000	14,000
Actuarial gains	6,000	16,000
Employer contributions	86,000	84,000
Employee contributions	27,000	26,000
Benefits paid	(4,000)	(6,000)
Administration costs	(3,000)	(3,000)
At 31 August	754,000	623,000

25. Members' liability

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

26. Related party transactions

Owing to the nature of the Trust's operations 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 a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.