

PRIORSLEE MULTI-ACADEMY TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020



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

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 - 12
Governance statement	13 - 15
Statement on regularity, propriety and compliance	16
Statement of Trustees' responsibilities	17
Independent auditors' report on the financial statements	18 - 20
Independent reporting accountant's report on regularity	21 - 22
Statement of financial activities incorporating income and expenditure account	23 - 24
Balance sheet	25 - 26
Statement of cash flows	27
Notes to the financial statements	28 - 54

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

REFERENCE AND ADMINISTRATIVE DETAILS

Members	K Hall (resigned 12 November 2019) J Dickinson V Fletcher (appointed 24 February 2020)
Trustees	JA Bates, Chair ¹ P Dyson, Trustee (appointed 14 January 2020) V Fletcher, Trustee K Hall, Trustee (appointed 12 November 2019) ¹ M Hall, Trustee (appointed 14 January 2020) SJ Lane, Trustee (resigned 6 January 2020) ¹ D Loughran, Trustee ¹ S Tilley, Trustee (appointed 1 September 2019) ¹

¹ Member of the Finance Committee

Company registered number	07481145
Company name	Priorslee Multi-Academy Trust
Principal and registered office	Priorslee Avenue Priorslee Telford Shropshire TF2 9RS
Company secretary	N Curtin
Executive leadership team	S Tilley, Executive Principal (appointed 1 September 2019) J Cooper, Head of School - Priorslee Primary School
Independent auditors	WR Partners 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 2020

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

The academy trust is made up of 2 primary schools; Priorslee Primary Academy and Buildwas Academy.

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 Priorslee Multi Academy Trust.

Details of the Trustees who served during the , 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 7 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.

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

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

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 - this does not agree to the executive leadership team on page 1.

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 WR Partners.

i. Trade union facility time

The Trust did not have any employees who were relevant union officials during the year ending 31 August 2020.

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.

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

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

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 2020 2021 include:

- the opening of a Two-Year-Old provision at the Priorslee site
- further 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 in all subjects post lock down
- further enhanced use of technology (iPads and surfaces)
- further increase of NOR at Buildwas
- 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)'.

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

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

Strategic report

Achievements and performance

Curriculum

- 'Theme' curriculum (history and geography) revised and ready to be implemented for September 2020
- Times-Tables Rockstars implemented across MAT to support the teaching of multiplication
- ICT software implemented to support teaching and learning in the computing curriculum
- Edublog system implemented in all classes to maintain broad and balanced learning during the national lock-down
- Installed a curriculum kitchen area to be used to support DT activities.

Personnel

- Reviewed and revised the leadership structure at Priorslee Academy to ensure a more efficient, distributed leadership model is in place
- Ensured that good quality teachers were in place in all classes
- Supported staff through national lockdown
- Conducted recruitment process for Key Stage Leads (EYFS, KS1, Lower KS2 and Upper KS2) ensuring the highest quality people were in these roles.

Financial

- Improved the Total Funds situation (before fixed assets funds and pension reserve) from 2019
- Effectively responded to the additional financial burdens and income reduction through the national lockdown and maintained the above financial position.

Health and Safety

- Removed health and safety risk posed by curtained locker areas, along with the lockers themselves
- Ensured that the school was fully compliant with government guidelines during the national lockdown and partial re-opening in June 2020
- Ensured a good stock of hygiene equipment and protective equipment was available for all staff during the national lockdown and partial re-opening.
- Ensured cleaning regime was intensified to meet guidelines.

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

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

Strategic report (continued)

Achievements and performance (continued)

a. Impact of Covid-19 Pandemic

In common with most primary and secondary schools in the land the impact of Covid 19 has been significant in a number of ways.

Since March 2020 and throughout the pandemic nearly every staff member has been continued to be paid at their usual rate. This decision was taken to mitigate any potential hardship through the first lockdown and to ensure that when the school did re-open full staffing was immediately and readily available to continue the education of the children in the most practicable and efficient way, as well as being the morally correct thing to do. This decision was validated as we were able to respond to the various phases of re-opening swiftly whilst ensuring the safety, as best we could, of the staff at both Priorslee and Buildwas.

One member of staff, on an historic 'zero hours' contract, chose to be furloughed for the period of March to September 2020. They returned to their role in September 2020.

The retention of salaries for breakfast, afterschool and lunchtime supervisor staff at both schools has caused a significant drain on finances as these salaries are usually covered through income from parental payments for these activities. As neither of the wrap around care clubs took place from March to September 2020 the funding for these staff members has had to be taken from central 'GAG' funding.

For illustration, the period March to September 2020 was £75k down on the period in the previous year (March to September 2019).

Since September 2020, with the full reopening of schools, breakfast and after school club activity has resumed at both schools. However, both schools are experiencing somewhat reduced numbers. Whilst Buildwas is able to maintain appropriate and safe distancing for children and staff in the one space due to lower numbers, at Priorslee we have had to completely change how the service is provided, with each year group bubble having, in effect, its own club in the resource areas outside of the classrooms. This has required additional staffing to be put into place and some year groups have not been 'breaking even' due to the staff to children ratio. This is illustrated in the table below which is for Priorslee Academy.

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

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

Strategic report (continued)

Achievements and performance (continued)

	BF	ASC 4.15	ASC 5.15	Total
Year R	£81.00	£66.00	£45.00	
Year 1	£987.00	£1,032.00	£444.00	
Year 2	£732.00	£855.00	£249.00	
Year 3	£636.00	£840.00	£420.00	
Year 4	£1,338.00	£1,131.00	£624.00	
Year 5	£831.00	£747.00	£276.00	
Year 6	£798.00	£153.00	£42.00	
P/S	£147.00	£108.00	£39.00	
Total income	£5,550.00	£4,932.00	£2,139.00	£12,621.00
Staff Costs	£2,882.00	£4,140.84	£4,411.88	£11,434.72
Food Costs	£2,100.00			
Overall	-£913.72			

A similar activity will be undertaken at Buildwas.

Another significant spending increase has been on sanitation and cleaning materials. We have provided hand sanitiser in all entrances, classrooms and shared areas at both schools. Individual classes have been provided with anti-bacterial cleaning materials to clean desks and other hard surfaces at breaks and after school. Frequent toilet cleaning has been implemented at both schools and at Priorslee the Site Supervisor has been working an additional four hours each day undertaking additional toilet and shared area cleaning. Although the number of toilets available for children and staff at Buildwas is (barely) adequate due the increased cleaning time needed, at Priorslee the number of available toilets proved to be inadequate for the full reopening in September and additional Portaloo units have had to be hired to meet the demand. Although these are a relatively low-cost expense at £20 per week, there are currently five of these units on site effectively costing an additional £100 per week. There is also an additional 'abstract' cost to the pandemic in terms of the amount of learning time lost to more formalised toileting and sanitary procedures and staff time in ensuring the toilets and other areas are cleaned before the next 'bubble' can use them.

The classrooms at Buildwas feature rectangular tables and are a sufficient size to enable the safe re-organisation of the classroom to meet the Government's guidelines. At Priorslee a number of classrooms had a mixture of small round and rectangular tables; a number of additional rectangular tables had to be ordered to replace the round ones. In total an additional £3k was spent on furniture to ensure that classrooms were compliant with Government guidelines.

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

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

Strategic report (continued)

Achievements and performance (continued)

The opening, closing, lunch and break times at both schools have been staggered to minimise the opportunity for gathering. Whilst this has proven to be effective and well supported by parents, due to the limited number of senior staff available at Buildwas and the number of different entrances having to be utilised at Priorslee senior staff are in effect losing up to an hour and a half each day in manning and managing the various entrances at the start and end of each day; this again represents a hidden financial impact of the pandemic.

At the time of writing Buildwas has fortunately yet to have to close a bubble. At Priorslee the Year 4 bubble had to be closed during half-term and the following week due to a child unfortunately testing positive for Covid 19. One of the Year 1 classes has had to close from the 9th to 23rd of November due to both a child and the class teacher separately testing positive for Covid 19 and one of the Year 3 bubbles will be closed from 16th to 30th November due to the teacher testing positive.

To continue to provide high quality education for these children, staff have continued the use of the Edublog system that was procured at the start of the March lockdown. The system has been well received by both staff and parents, and provides an effective way to continue high quality interactions between teachers and children remotely.

The pay rise gifted to teachers over the summer has been applied to teachers' salaries and has resulted in an approximately 3.5% increase in teaching staff costs. Similarly, the cancellation of summer 2020 statutory assessments and the inability to track the progress of children over the whole 2019 -2020 academic year has meant that there is no useful or substantive data with which to hold teachers to account. This, in addition to the potential lack of opportunity for teaching staff to enact the other targets in their performance management and guidance to the effect that 'no teacher should be treated unfavourably for circumstances outside their control' mean that it is most likely that a further increase in staffing costs will be incurred when performance management advancement is applied.

In conclusion whilst the Trust has been in a good position to weather the various complications caused by the Covid 19, the effects on finances have been significant. Moving forward, however, we are in a strong position with the opening of the Two Year Old provision at Priorslee, the restoration of attendance figures for wrap around care clubs and the number.

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

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

Strategic report (continued)

Achievements and performance (continued)

b. Key performance indicators

A number of Key Performance Indicators were identified for 2019 / 2020 pertaining to both the academic performance of the Trust. These were:

- Improve progress scores for reading and maths to be closer to / in-line with National average
- Improve progress in writing (from Ofsted January 2017 report)
- Maintain 'good' Ofsted judgement for Priorslee
- Increase Good Level of Development in EYFS to 85%

Financial:

- Increase Number on Roll at Buildwas to 'self-sustainability' levels
- Obtain funding for un-funded SEND children
- Further develop and refine Segregation of Duty for financial management

The KPIs relating to pupil performance were affected most heavily by the COVID-19 pandemic, with the children not being in school substantially from March 2020 onwards and the government's decision that statutory assessment would not take place in Summer 2020. School had implemented a range of measures to improve the progress of children in these subjects, however as the schools' assessment cycle falls at the end of each term, we have only information for the Autumn term 2019.

The Number on Roll at Buildwas managed to rise substantially over the course of 2019/20, despite the Covid pandemic. The NOR rose from 55 to 65 by the time of the October 2019 Census – that school is receiving funding based on that figure, despite the NOR having risen to 83 by the start of the 2020 / 21 academic year. SENCOs at both schools have worked to ensure funding is in place for those children who are eligible for it. To date an additional two children with SEND that was previously unfunded have received funded EHCPs. The segregation of financial management has been further improved by identifying separate individuals responsible for each stage of the ordering process and the expansion of the role of the Senior Administrator for managing and taking responsibility for co-ordinating and supervising all orders across the MAT.

c. 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.

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

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

Strategic report (continued)

Financial review

In the year the Trust achieved an in-year deficit of £5,578 (excluding pension reserve and fixed asset movement) (2019: £64,056). Total net movement in funds was a deficit of £210,717 (2019: £457,162) which includes an actuarial loss on the pension scheme of £33,000 (2019: £330,000).

Total assets excluding the defined benefit pension scheme liability were £4,924,150 which is a slight decrease from the prior year despite net current assets increasing to £724,395.

In the year, despite the impact of COVID-19, the principal sources of funding have continued to be received and expenditure managed appropriately against this. A small amount of additional funding was received in order to support the additional costs involved in reopening the school after lockdown.

a. Reserves policy

The Trust has a balance of restricted and unrestricted funds as at 31 August 2020 of £3,654,150 (2019: £3,864,867). Excluding the pension reserve their total funds were £4,924,150 (2019: £4,966,867).

The Trust's free reserves are £492,406 (2019: £485,421).

(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.

(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.

b. Investment policy

The Trust receives interest on any cash bank balances and holds a Charity Deposit Account. No other investments are held by the Trust.

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

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

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 reduction of income at wrap around care clubs due to the current pandemic
- The opening of the new Year Two room generating inadequate funds due to the current pandemic
- The necessary increase in spending on qualified and experienced staff to support significant SEMH / SEND children in school
- The lag between the rapid increase in roll at Buildwas and the receipt of funding for this

Professional services are purchased from the LA for advice and support and additionally, comprehensive insurance is purchased through the ESFA.

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.

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. Current areas for monitoring are:

- The number of toilets available to children; especially during the current pandemic
- The age and condition of the Year 5 demountable
- The use of the pre-school demountable beyond the planning extension of three years – and what alternative provision will need to be considered.

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, who also attempt update training whenever this is available.

The SLA for caretaking and cleaning are within the remit of Wolverhampton Council, with catering currently provided by Shire 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, transparent and in-line with current legislation and statutory guidance.

- There has been a significant investment in assessment systems to rapidly identify the level of children's learning and plan to address any gaps
- In addition to providing a broad and balanced curriculum from re-opening in the autumn term 2020, the focus for both schools is also upon ensuring there has been no long term detriment to children's learning during the lock-down by identifying gaps and barriers and planning to address these in a timely manner.

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

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

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.

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 14/12/2020 and signed on its behalf by:



J A Bates
Chair of Trustees

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

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.

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive 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 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
JA Bates, Chair	4	6
V Fletcher, Trustee	3	6
V Fletcher, Trustee	5	6
K Hall, Trustee	0	1
M Hall, Trustee	5	6
SJ Lane, Trustee	4	6
D Loughran, Trustee	4	4
S Tilley, Trustee	3	4

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
S Tilley	5	5
JA Bates	4	5
SJ Lane	1	1
D Loughran	5	5
K Hall	4	4

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

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the 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 the most appropriate team member for the role

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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the 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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

The 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

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

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The Board of Trustees has considered the need for a specific internal audit function and has opted for a bought-in internal audit service in line with the AFH 2019/2020..

The Board considered the output from external audit interim visits, and other compliance visits, in conjunction with the Trust's assessment of risk in confirming the scope of the internal audit work.

The internal auditor's role included performing a range of checks on areas of the Trust's finance systems and controls which included:

- the operations of the systems of controls;
- then proper use of public funds;
- systems, procedures and policies in place; and
- reporting on their findings.

In addition to the internal audit, the external auditors reported to the Board the results of the interim visits performed during the year, which comprise part of the statutory year end audit; reporting on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

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 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 14/12/2020
their behalf by:

and signed on


J A Bates
Chair of Trustees


S P Tilley
Accounting Officer

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

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 2019.

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 2019.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.



S P Tilley
Accounting Officer

Date: 18/12/20

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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


S P Tilley
Accounting Officer

Date: 14/12/20

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 2020 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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
(A company limited by guarantee)

**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
(A company limited by guarantee)

**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)

for and on behalf of

WR Partners

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

Date:



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 AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 17 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Priorslee Multi-Academy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Priorslee Multi-Academy Trust and 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 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the 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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Andrew Malpass BA FCA (Senior statutory auditor)

for and on behalf of

WR Partners

Chartered Accountants

Statutory Auditors

Belmont House

Shrewsbury Business Park

Shrewsbury

Shropshire

SY2 6LG

Date:

16 December 2020

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

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	165	-	13,456	13,621	31,633
Charitable activities	4	-	2,139,475	-	2,139,475	2,032,945
Other trading activities	5	-	183,362	-	183,362	228,352
Investments	6	6,820	-	-	6,820	5,010
Total income		6,985	2,322,837	13,456	2,343,278	2,297,940
Expenditure on:						
Charitable activities	7,8	-	2,443,965	77,030	2,520,995	2,425,102
Total expenditure		-	2,443,965	77,030	2,520,995	2,425,102
Net income/(expenditure)		6,985	(121,128)	(63,574)	(177,717)	(127,162)
Transfers between funds	18	-	(15,279)	15,279	-	-
Net movement in funds before other recognised gains/(losses)		6,985	(136,407)	(48,295)	(177,717)	(127,162)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(33,000)	-	(33,000)	(330,000)
Net movement in funds		6,985	(169,407)	(48,295)	(210,717)	(457,162)

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 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
	Note					
Reconciliation of funds:						
Total funds brought forward	18	485,421	(884,355)	4,263,801	3,864,867	4,322,029
Net movement in funds		6,985	(169,407)	(48,295)	(210,717)	(457,162)
Total funds carried forward		492,406	(1,053,762)	4,215,506	3,654,150	3,864,867

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

The notes on pages 28 to 54 form part of these financial statements.

PRIORSLEE MULTI-ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07481145

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	4,215,506	4,263,801
		<u>4,215,506</u>	<u>4,263,801</u>
Current assets			
Debtors	15	71,748	80,955
Cash at bank and in hand		892,585	918,913
		<u>964,333</u>	<u>999,868</u>
Creditors: amounts falling due within one year	16	(239,938)	(269,889)
Net current assets		<u>724,395</u>	<u>729,979</u>
Total assets less current liabilities		<u>4,939,901</u>	<u>4,993,780</u>
Creditors: amounts falling due after more than one year	17	(15,751)	(26,913)
Net assets excluding pension liability		<u>4,924,150</u>	<u>4,966,867</u>
Defined benefit pension scheme liability	24	(1,270,000)	(1,102,000)
Total net assets		<u><u>3,654,150</u></u>	<u><u>3,864,867</u></u>

PRIORSLEE MULTI-ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07481145

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Funds of the Trust			
Restricted funds:			
Fixed asset funds	18	4,215,506	4,263,801
Restricted income funds	18	216,238	217,645
Restricted funds excluding pension asset	18	4,431,744	4,481,446
Pension reserve	18	(1,270,000)	(1,102,000)
Total restricted funds	18	3,161,744	3,379,446
Unrestricted income funds	18	492,406	485,421
Total funds		3,654,150	3,864,867

The financial statements on pages 23 to 54 were approved by the Trustees, and authorised for issue on 14/12/2020 and are signed on their behalf, by:


JA Bates
Chair of Trustees

The notes on pages 28 to 54 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 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(4,413)	88,051
Cash flows from investing activities	21	(21,915)	(10,458)
Change in cash and cash equivalents in the year		(26,328)	77,593
Cash and cash equivalents at the beginning of the year		918,913	841,320
Cash and cash equivalents at the end of the year	22, 23	892,585	918,913

The notes on pages 28 to 54 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 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

The registered office and principal place of business for the Trust was Priorslee Avenue, Priorslee, Telford, Shropshire, TF2 9RS.

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.

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

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

1. Accounting policies (continued)

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.

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

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

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 2020

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 Taxation

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

1.7 Tangible fixed assets

Assets of a capital nature are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

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

1.8 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

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

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

1. Accounting policies (continued)

1.9 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.

1.10 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.

1.11 Provisions

Provisions are recognised when the 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.

1.12 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.

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

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

1. Accounting policies (continued)

1.13 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.

1.14 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.

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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.

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	165	-	165	8,269
Grants	-	13,456	13,456	23,364
	<u>165</u>	<u>13,456</u>	<u>13,621</u>	<u>31,633</u>
<i>Total 2019</i>	<u>8,269</u>	<u>23,364</u>	<u>31,633</u>	

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

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

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

	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
DfE / ESFA Grants			
General Annual Grant (GAG)	1,717,610	1,717,610	1,692,981
Other DfE / ESFA Grant Income	184,684	184,684	114,991
Pupil Premium	55,913	55,913	9,840
	<hr/> 1,958,207	<hr/> 1,958,207	<hr/> 1,817,812
Other Government Grants			
PE and Sport Grant	35,980	35,980	36,020
Local Authority - SEN	36,664	36,664	34,256
Local Authority - Early Years	100,691	100,691	134,918
COVID Income	1,631	1,631	-
	<hr/> 174,966	<hr/> 174,966	<hr/> 205,194
Other Income			
Other Income	32	32	3,740
Rates reclaim	6,270	6,270	6,199
	<hr/> 6,302	<hr/> 6,302	<hr/> 9,939
	<hr/> 2,139,475	<hr/> 2,139,475	<hr/> 2,032,945
<i>Total 2019</i>	<hr/> 2,032,945	<hr/> 2,032,945	

During the year, £1,631 COVID Income (2019: £Nil) was received under the Job Retention scheme.

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

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

5. Income from other trading activities

	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Other Income	42,655	42,655	11,534
Water Rates Recharge	288	288	1,847
Clubs, Activities and Trips	140,419	140,419	214,002
Commissions on School Merchandise	-	-	969
	<u>183,362</u>	<u>183,362</u>	<u>228,352</u>
<i>Total 2019</i>	<u>228,352</u>	<u>228,352</u>	

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Investment income	6,820	6,820	5,010
	<u>6,820</u>	<u>6,820</u>	
<i>Total 2019</i>	<u>5,010</u>	<u>5,010</u>	

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

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

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	<i>Total 2019 £</i>
Educational Operations:					
Direct costs	1,160,992	-	281,519	1,442,511	1,337,268
Allocated support costs	688,701	271,954	117,829	1,078,484	1,087,834
Total 2020	1,849,693	271,954	399,348	2,520,995	2,425,102
<i>Total 2019</i>	<i>1,730,415</i>	<i>274,085</i>	<i>420,602</i>	<i>2,425,102</i>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Direct costs - Activities (Activity 1)	1,442,511	1,078,484	2,520,995	2,425,102
<i>Total 2019</i>	<i>1,337,268</i>	<i>1,087,834</i>	<i>2,425,102</i>	

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

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

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Activities 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	1,160,992	1,160,992	1,080,145
Depreciation	21,644	21,644	24,215
Educational Supplies	156,019	156,019	121,868
Examination Fees	13,140	13,140	5,540
Technology Costs	34,953	34,953	50,883
Staff Expenses	48	48	1,523
Other costs	55,715	55,715	53,094
	<u>1,442,511</u>	<u>1,442,511</u>	<u>1,337,268</u>
<i>Total 2019</i>	<u>1,337,268</u>	<u>1,337,268</u>	

Analysis of support costs

	Activities 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	688,701	688,701	650,270
Depreciation	55,386	55,386	55,481
Other Staff Costs	14,086	14,086	17,856
Other costs	18,829	18,829	24,118
Energy	31,296	31,296	44,087
Maintenance of Premises	39,293	39,293	23,961
Cleaning and Caretaking	164,630	164,630	192,667
Security	350	350	640
Transport	29,528	29,528	48,939
Other Premises Costs	36,385	36,385	29,815
	<u>1,078,484</u>	<u>1,078,484</u>	<u>1,087,834</u>
<i>Total 2019</i>	<u>1,087,834</u>	<u>1,087,834</u>	

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

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020	2019
	£	£
Operating lease rentals	-	2,448
Depreciation of tangible fixed assets	77,030	79,696
Fees paid to auditors for:		
- audit	8,875	8,050
- other services	3,000	3,900

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

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

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	1,304,252	1,283,601
Social security costs	99,956	105,398
Pension costs	412,151	341,416
	<u>1,816,359</u>	<u>1,730,415</u>
Staff restructuring costs	33,334	-
	<u><u>1,849,693</u></u>	<u><u>1,730,415</u></u>

Staff restructuring costs comprise:

	2020 £	2019 £
Severance payments	25,000	-
Other restructuring costs	8,334	-
	<u>33,334</u>	<u>-</u>

b. Non-statutory/non-contractual staff severance payments

During the year the Trust made a severance payment of £25,000 (2019: £nil) to one member of staff.

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	20	20
Administration and Support	50	44
Management	2	2
	<u>72</u>	<u>66</u>

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

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

10. Staff (continued)

d. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	1
In the band £140,001 - £150,000	-	1

e. Key management personnel

The key management personnel of the 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 Trust was £123,455 (2019 £244,120).

11. Central services

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

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

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

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:

		2020	2019
		£	£
S Tilley, Executive Principal (appointed 1 September 2019)	Remuneration	65,000 - 70,000	<i>Nil</i>
	Pension contributions paid	15,000 - 20,000	<i>Nil</i>
TCV Plim, Acting Headteacher (resigned 31 August 2019)	Remuneration	Nil	<i>60,000 - 65,000</i>
	Pension contributions paid	Nil	<i>5,000 - 10,000</i>
WD Moore, Executive Principal and CEO (resigned 31 August 2019)	Remuneration	Nil	<i>145,000 - 150,000</i>
	Pension contributions paid	Nil	<i>15,000 - 20,000</i>

Compensation of £25,000 (2019 - £NIL) was paid to Trustees and past Trustees in respect of loss of office.

During the year ended 31 August 2020, expenses totalling £231 were reimbursed or paid directly to 2 Trustees (2019 - £351 to 2 Trustees). These expenses related to Travel & Subsistence and miscellaneous costs.

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.

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

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

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2019	4,454,137	135,848	143,413	4,733,398
Additions	6,791	9,737	12,207	28,735
At 31 August 2020	4,460,928	145,585	155,620	4,762,133
Depreciation				
At 1 September 2019	261,790	88,942	118,865	469,597
Charge for the year	35,440	19,946	21,644	77,030
At 31 August 2020	297,230	108,888	140,509	546,627
Net book value				
At 31 August 2020	4,163,698	36,697	15,111	4,215,506
At 31 August 2019	4,192,347	46,906	24,548	4,263,801

15. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	2,866	4,947
Other debtors	-	2,504
Prepayments and accrued income	40,759	34,572
Tax recoverable	28,123	38,932
	71,748	80,955

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

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

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other loans	12,858	12,858
Trade creditors	87,696	102,397
Other taxation and social security	22,153	22,770
Other creditors	31,085	24,601
Accruals and deferred income	86,146	107,263
	<u>239,938</u>	<u>269,889</u>
	2020 £	2019 £
Resources deferred during the year		
Deferred income at 1 September 2019	79,664	59,370
Resources deferred during the year	76,210	79,664
Amounts released from previous periods	(79,664)	(59,370)
	<u>76,210</u>	<u>79,664</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 2020/2021. The total amount relating to deferred income for 2020 is £76,210 (2019: £79,664).

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

	2020 £	2019 £
Other loans	<u>15,751</u>	<u>26,913</u>

Other loans is made up of a "Salix" loan of £90,000 granted on the 01/03/2015 from ESFA. Payments are due twice a year for 8 years to 01/09/2021 and deducted from the GAG payments issued by the ESFA.

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

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

18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Designated funds						
Designated Funds - all funds	400,000	-	-	-	-	400,000
General funds						
General Funds - all funds	85,421	6,985	-	-	-	92,406
Total Unrestricted funds	485,421	6,985	-	-	-	492,406
Restricted general funds						
General Annual Grant (GAG)	-	1,817,490	(1,817,490)	-	-	-
Pupil Premium	-	55,913	(55,913)	-	-	-
Other Grants	217,645	449,434	(435,562)	(15,279)	-	216,238
Pension reserve	(1,102,000)	-	(135,000)	-	(33,000)	(1,270,000)
	(884,355)	2,322,837	(2,443,965)	(15,279)	(33,000)	(1,053,762)
Restricted fixed asset funds						
Class II Restricted Funds - all funds	4,263,801	13,456	(77,030)	15,279	-	4,215,506
Total Restricted funds	3,379,446	2,336,293	(2,520,995)	-	(33,000)	3,161,744
Total funds	3,864,867	2,343,278	(2,520,995)	-	(33,000)	3,654,150

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

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

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 2020.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Priorslee Primary School	669,407	611,568
Buildwas Primary School	39,237	91,498
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	708,644	703,066
Restricted fixed asset fund	4,215,506	4,263,801
Pension reserve	(1,270,000)	(1,102,000)
	<hr/>	<hr/>
Total	3,654,150	3,864,867
	<hr/> <hr/>	<hr/> <hr/>

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

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

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 2020 £	Total 2019 £
Priorslee Primary School	793,891	586,353	153,630	321,384	1,855,258	1,835,588
Buildwas Primary School	232,101	102,348	15,529	103,729	453,707	382,818
Central services	135,000	-	-	-	135,000	127,000
Trust	1,160,992	688,701	169,159	425,113	2,443,965	2,345,406

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

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

18. Statement of funds (continued)

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

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

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

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

18. Statement of funds (continued)

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

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	4,215,506	4,215,506
Current assets	492,406	471,927	-	964,333
Creditors due within one year	-	(239,938)	-	(239,938)
Creditors due in more than one year	-	(15,751)	-	(15,751)
Provisions for liabilities and charges	-	(1,270,000)	-	(1,270,000)
Total	492,406	(1,053,762)	4,215,506	3,654,150

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

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

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
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

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

	2020 £	2019 £
Net expenditure for the period (as per Statement of financial activities)	(177,717)	(127,162)
Adjustments for:		
Depreciation	77,030	79,696
Interest receivable	(6,820)	(5,010)
Decrease in debtors	9,207	700
(Decrease)/increase in creditors	(41,113)	12,827
FRS102 Pension adjustments	135,000	127,000
Net cash (used in)/provided by operating activities	(4,413)	88,051

21. Cash flows from investing activities

	2020 £	2019 £
Purchase of tangible fixed assets	(28,735)	(15,468)
Interest received	6,820	5,010
Net cash used in investing activities	(21,915)	(10,458)

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

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

22. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	892,585	918,913
Total cash and cash equivalents	892,585	918,913

23. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	918,913	(26,328)	892,585
Debt due within 1 year	(12,858)	-	(12,858)
Debt due after 1 year	(26,913)	11,162	(15,751)
	879,142	(15,166)	863,976

24. Pension commitments

The 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 Mercer. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £24,601 were payable to the schemes at 31 August 2020 (2019 - £23,641) and are included within creditors.

Teachers' Pension Scheme

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

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

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

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

24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £87,424 (2019 - £74,204).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £132,000 (2019 - £113,000), of which employer's contributions totalled £101,000 (2019 - £86,000) and employees' contributions totalled £31,000 (2019 - £27,000). The agreed contribution rates for future years are 15.7% per cent for employers and 5.5% - 12.5% per cent for employees.

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

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

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

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

24. Pension commitments (continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.55	3.5
Rate of increase for pensions in payment/inflation	2.4	2.1
Discount rate for scheme liabilities	1.8	1.8
Inflation assumption (CPI)	2.3	2.0

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	22.9	23.2
Females	25.0	26.4
<i>Retiring in 20 years</i>		
Males	24.2	25.4
Females	26.6	28.7

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	1,222	1,060
Mortality assumption - 1 year increase	1,331	1,134
CPI rate +0.1%	1,319	1,145
Pay growth +0.1%	1,276	1,109

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

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

24. Pension commitments (continued)

Share of scheme assets

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

	2020 £	2019 £
Equities	431,000	378,000
Other bonds	197,000	157,000
Property	38,000	35,000
Cash and other liquid assets	15,000	14,000
Other	215,000	170,000
Total market value of assets	896,000	754,000

The actual return on scheme assets was £9,000 (2019 - £25,000).

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

	2020 £	2019 £
Current service cost	(214,000)	(142,000)
Past service cost	-	(51,000)
Interest cost	(19,000)	(17,000)
Administrative expenses	(3,000)	(3,000)
Total amount recognised in the Statement of Financial Activities	(236,000)	(213,000)

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

	2020 £	2019 £
At 1 September	1,856,000	1,268,000
Interest cost	34,000	36,000
Employee contributions	31,000	27,000
Actuarial losses	34,000	336,000
Past service costs	-	51,000
Current service cost	214,000	142,000
Benefits/transfers paid	(3,000)	(4,000)
At 31 August	2,166,000	1,856,000

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

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

24. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	754,000	623,000
Interest income	15,000	19,000
Actuarial gains	1,000	6,000
Employer contributions	101,000	86,000
Employee contributions	31,000	27,000
Benefits paid	(3,000)	(4,000)
Administration costs	(3,000)	(3,000)
At 31 August	896,000	754,000

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

Expenditure Related Party Transaction

During the year a Trustee provided clerking services to the Trust at a cost of £720 (2019: £480). There were no balances outstanding at year end.