

Company Registration Number: 10410830 (England & Wales)

**THE PRIESTLEY ACADEMY TRUST**

**(A company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**THE PRIESTLEY ACADEMY TRUST**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Members**

Emma Hendry (appointed 15 July 2019)  
Bryan Millar  
Nadira Mirza  
Mark Mon-Williams

**Trustees**

Ros Garside, Chair  
Javed Ahmed<sup>1</sup>  
Kevin Holland, Accounting Officer<sup>1</sup>  
Samantha Keighley<sup>1</sup>  
Ashfaq Rahman  
Margaret Smith<sup>1</sup>

<sup>1</sup> Member of the Finance, Audit and Risk Committee

**Company registered number**

10410830

**Company name**

The Priestley Academy Trust

**Principal and registered office**

Green Lane Primary School  
Green Lane  
Bradford  
West Yorkshire  
BD8 8HT

**Accounting officer**

Kevin Holland

**Executive team**

Kevin Holland, Chief Executive Officer  
Tracey Parry, Chief Operating Officer  
Michael Horrocks, Chief Financial Officer

**Independent auditors**

Clive Owen LLP  
Chartered Accountants  
Statutory Auditors  
140 Coniscliffe Road  
Darlington  
Co Durham  
DL3 7RT

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Bankers**

Lloyds Bank plc  
Hustlergate  
Bradford  
BD1 1NT



**THE PRIESTLEY ACADEMY TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

The Academy Trust was incorporated on 4 October 2016 and operates five primary academy schools in the Manningham area of Bradford. The schools in the Academy Trust have a total capacity of 2,310 pupils (excluding nursery provision) and the number of pupils as at the census in October 2019 was 2,204.

The five schools in The Priestley Academy Trust are:

Atlas Primary School, BD8 8DL, joined 1 December 2016

Green Lane Primary School, BD8 8HT, joined 1 December 2016

Lilycroft Primary School, BD9 5AD, joined 1 February 2017

Margaret McMillan Primary School, BD9 5DF, joined 1 February 2017

Westbourne Primary School, BD8 7PL, joined 1 February 2017

### **Structure, governance and management**

#### **Constitution**

The Priestley Academy Trust was established in December 2016 with the strategic aim of improving the life chances of young people in the Manningham area of Bradford. Founder Members and Trustees have relevant experience of education and the local community as well as Members with a wider perspective and national and international credentials.

The Members and Trustees understand the need to maintain a breadth of expertise on the Board and Trustees will as a matter of course at all times seek to recruit new Trustees to the Board where there has been an identified need for new skills, expertise and experience.

The Academy 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 Academy Trust.

The Trustees of The Priestley Academy Trust are also the Directors of the charitable company for the purposes of company law.

The charitable company is known as The Priestley Academy Trust.

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

#### **Members' liability**

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

#### **Trustees' indemnities**

The Academy Trust is a member of the DFE Academy Risk Protection scheme which provides cover to protect Trustees from claims arising against negligent acts, errors or omissions occurring whilst on Academy Trust business.

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

**Structure, governance and management (continued)**

**Method of recruitment and appointment or election of Trustees**

The Articles of Association and Funding Agreement are the primary documents that govern the appointment of Trustees. These allow for the Members to appoint up to 7 Trustees to the Board of the Trust.

The Trust operates Local Governing Bodies within its schools and each of these must have a minimum of 2 parent governors. Were the Academy Trust to amend its structure so that Local Governing Bodies were no longer established at Academy Trust schools then Article 53 requires that 2 Parent Trustees shall be appointed to the Trust Board by way of an appropriate election process.

Article 58 permits the Trustees to co-opt further Trustees to the Board subject to certain eligibility criteria. In the period covered by these statements there were no co-opted Trustees appointed.

The term of office for any Trustee shall be 4 years, save that this time limit shall not apply to the CEO or any post held ex officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected in accordance with the Articles.

**Policies adopted for the induction and training of Trustees**

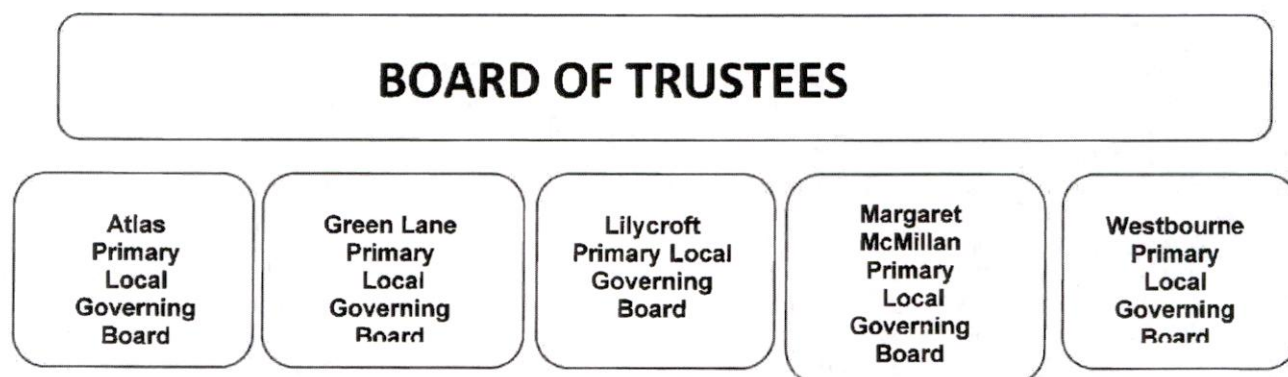
The training and induction provided for new Trustees depends on their existing experience. Where necessary induction and training is provided on charity, educational, legal and financial matters. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. All Trustees are given access to the relevant areas of the Academy Trust IT system where they can gather information, in addition to being made aware of external agencies and websites that provide information relevant to their role. As Trustee appointments within any one year may be few in number induction is carried out at school level and is tailored specifically to the individual.

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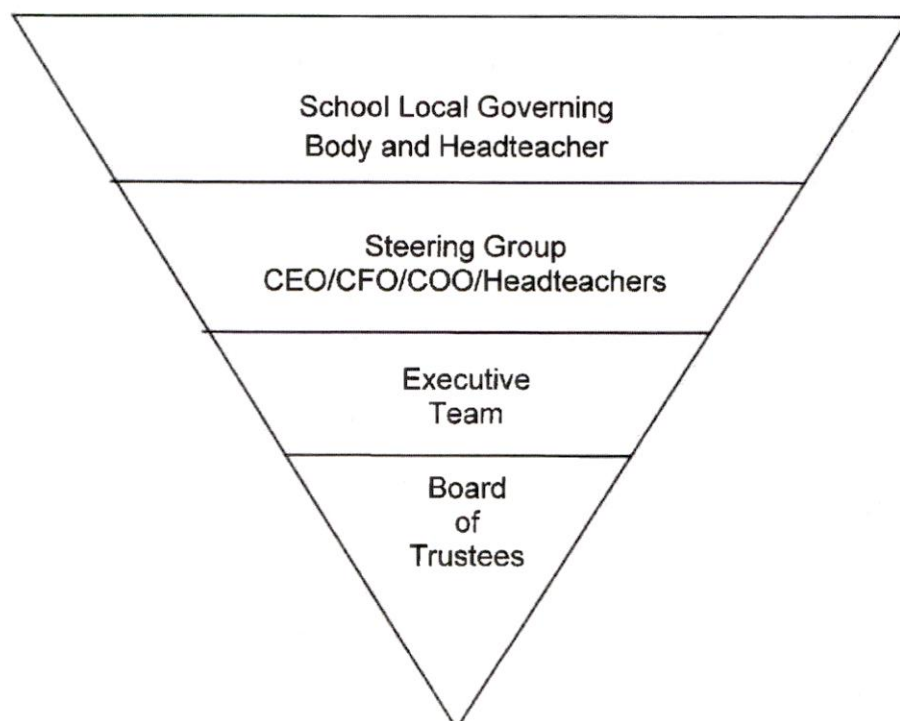
**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Structure, governance and management (continued)**

**Organisational structure**



The strategic development and operational structure can be represented by



During the year the Academy Trust operated a management structure that consisted of 6 levels: Founder Members, the Board of Trustees, The Trust Executive Team, Steering Group, School Local Governing Bodies and School Headteachers. The role of each are as follows:



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

**Structure, governance and management (continued)**

Founder Members

- To appoint Trustees to the Board and review Trustee operations at least annually.

Board of Trustees

- Responsible for the operation of the Academy Trust which it exercises through delegation to the Executive Team and Local Governing Boards via the Scheme of Delegation. The Board of Trustees operates two sub-committees, the Scrutiny and Standards committee and the Finance, Audit and Risk committee. Through regular meetings of the Academy Trust's Board and the sub-committees the Trustees deliver strategic oversight and direction of the Academy Trust, in addition to ensuring operational effectiveness.

Trust Executive Team

- Consisting of the CEO, CFO and COO are responsible for regulatory compliance and or providing support to each school through a range of centrally delivered services. The Executive Team also direct the work of the officers in the central team covering such areas as finance, ICT, estates and clerking. In addition the CEO is responsible for overseeing the performance of each school, its headteacher and Local Governing Board and for holding these to account through effective monitoring and review processes.

Steering Group

- Comprises of the Executive Team and each school Headteacher advise the Trustees on strategic direction and Academy Trust ethos. At an operational level the Steering Group deliver collaborative working, and peer to peer review.

School Local Governing Bodies

- Oversee school improvement of their school and provide challenge and review to the Headteacher.

School Headteachers

- Responsible for the leadership of management of that school, working at all times within the Scheme of Delegation and under the direction of the CEO.

**The Trustees :-**

- Are responsible for the overall strategic direction of the Academy Trust.
- Are required to ensure the Academy Trust complies with:
  - o Company Law & Regulations
  - o Charity Law & Regulation
  - o Statutes and Regulations issued by National Government via the DfE, ESFA and other relevant agencies
- Ensure the Academy Trust operates in a manner that delivers an appropriate and effective stewardship of public funds
- Appoint an Accounting Officer

This is achieved via the development of appropriate policies, procedures and practices which are implemented by the Executive of the Academy Trust i.e. the CEO, CFO and COO.

The Board of Trustees monitors the performance of the Academy Trust and its compliance with relevant laws and regulations through

- A series of sub-committees focussed on specific areas of operations
- The engagement of external third parties to undertake independent review and verification (e.g. external audit; external consultant)

The Executive Team is led by the CEO and comprises:

- The Chief Executive Officer
- The Chief Operating Officer
- The Chief Finance Officer

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

**Structure, governance and management (continued)**

**Arrangements for setting pay and remuneration of key management personnel**

Arrangements for setting the pay and remuneration of the Academy Trust's key management personnel are in accordance with the Academy Trust Pay Policy which has been agreed by the Board of Trustees.

The Academy Trust follows the pay arrangements for maintained schools in England and Wales for teachers and support staff. The Academy Trust's teachers' pay policy is based on the national agreed pay scale as outlined in the School Teachers Pay and Conditions Document. The academies adhere to Local Government pay arrangements for support staff and follows the Local Government pay spine.

The Trustee 'School Improvement Committee', is responsible for the performance management of the CEO. The CEO is responsible for reviewing the performance of the central team (CFO, COO). An element of key personnel remuneration is related to performance, which is covered by Academy Trust pay policies.

**Trade union facility time**

The Academy Trust has no employees who were relevant union officials in the period 1 September 2018 to 31 August 2019. During this period the Academy Trust contributed to a local arrangement for the provision of trade union support for Academy Trust employees. The value of these contributions was £10,036.

**Related parties and other connected charities and organisations**

All five schools in the Academy Trust are members of the SHINE partnership, which is a wider group of Bradford based Primary Schools whose aim is to provide a mechanism for sharing good practice and co-ordinating training opportunities in order to raise standards.

The Academy Trust provides an administration service to the SHINE partnership the costs of which are met by contributions from the other SHINE member schools.

The funds held by the Academy Trust at 31 August 2019 do not include any funds relating to SHINE operations.

The Academy Trust has a partnership agreement with the Exceed Teaching School. The CEO is a board member of the organisation and a number of Academy Trust employees are identified as Local Leaders of Education (LLE) and Specialist Leaders of Education (SLE). Academy Trust support has been given to other schools in the authority through the teaching school.

**Objectives and activities**

**Objectives, strategies and activities**

All the schools in The Priestley Academy Trust are effective, outward-looking learning communities with core strengths relating to leadership and partnership working. Leaders in these schools are committed to providing the very best education and care for the children in the each of the schools. We have wide horizons and are innovative in our approaches to provide high quality education.

**Ethos**

The Priestley Academy Trust is a dynamic community hub for leadership and learning through our inspirational 'Be the Change' ethos. The vision is to offer an outstanding, holistic, transformational learning experience for each pupil with a strong emphasis on academic excellence, character development and public service. Our pupils are offered a broad-based educational curriculum, taught by inspiring and dynamic teachers and offered tailored support within a school ethos characterised by ambition, mutual respect and compassion and an approach that involves working in partnership with parents/carers. Pupils are provided with opportunities to secure the highest levels of academic achievement and personal development so that they are prepared for life (within the family and community), for further learning and for work. All involved in the Academy Trust have a proven track record in their respective fields i.e. the teachers, Trustees and members and, combined, the



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

**Objectives and activities (continued)**

strengths of the group will help overcome the disadvantage faced by children who face multiple socio/economic disadvantage in Bradford.

**Mission**

Our mission is to develop all our students as academic and as well rounded, characterful young people, equipped with the understanding, attitudes, skills and behaviours necessary to succeed in life. We strive to ensure they are prepared to succeed in higher education, employment, entrepreneurship and within the family by offering a holistic educational experience.

**Values**

Our five core values are: Respect, Responsibility, Excellence, Compassion and Collaboration. They are based on a belief in the human dignity of all and on achieving academic excellence within a disciplined, creative, inclusive, learning environment, where high expectations are the norm and where each student is supported to reach their potential. Our pupils are encouraged to develop a passion for active, self-learning, for global citizenship and public service. Appropriate assessment, monitoring and data analysis will form the basis of individualised learning plans for all students. We are convinced that a whole school approach to our values enables each student to feel safe, nurtured and included. It encourages learning to be purposeful and relevant. Students thereby flourish, becoming highly motivated, active learners concerned not only with their personal success, academically and otherwise, but that of their peers too. They realise they can make a positive difference to their own lives, to their community and to their world through who they are and how they chose to act. They experience the benefits of collaborative working and of diversity. By establishing this powerful and distinct value based ethos, the Academy Trust is helping develop pupils to become more aspirational, ethical, critical thinkers with strong communication and dialogue skills, able to understand the implications of their choices and to behave more responsibly.

Our whole school values-based approach is evident in many ways, including through our recruitment of outstanding, innovative and committed staff that inspire and motivate pupils to learn through excellent teaching and pastoral support, by offering diverse opportunities for learning through a broad and balanced curriculum, by offering personalised learning and support and by offering a range of exciting, enrichment activities.

The Priestley Academy Trust recognises it's responsibility to help other schools develop. During the DfE review of the Trust (Autumn 2017) it was noted the Trust has capacity to sponsor other schools. The Trust is now in a position to consider schools that have been identified by the DfE.

**Public benefit**

The Academy Trust's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The Trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Trustees have considered this guidance in deciding what activities the Academy Trust should undertake

**Strategic report**

**Achievements and performance**

**Key performance indicators**

Data headlines 2018-19

\*The following data is for 2,335 pupils on roll at the 2019 Census (including nursery age pupils):

88.5% of pupils have English as an additional language

Very high percentage of pupils live in what is described as a highly deprived area. 30% of the pupils live in

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

**Strategic report (continued)**

**Achievements and performance (continued)**

LSOA (lowest super output area) and 125 pupils live in LSOA70.

Vast majority of pupils from Pakistani heritage. 95.8% of pupils BME

22.4% access pupil premium.

18.9% eligible for free school meals, but this under represents the deprivation in the area.

This represents a significant under-claim for FSM due to families living outside the tax economy.

Three new Headteachers have been appointed to the Academy Trust and two schools have undertaken restructures. The schools have become far more aligned during the year, with a particular focus on assessment and reporting data. Headteachers have a clear focus on raising standards. We have moved to centralise some of the roles, for example ICT and buildings, enabling more time to be spent on school improvement.



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

**Strategic report (continued)**

**Achievements and performance (continued)**

**Pupil Level Data**

**Number of children with SEN**

<b>SEN Provision (not DSP)</b>	<b>National</b>	<b>Atlas Community Primary</b>	<b>Green Lane Primary</b>	<b>Lilycroft Primary</b>	<b>Margaret McMillan Primary</b>	<b>Westbourne Primary</b>	<b>PAT</b>
Percentage of pupils with SEN Support	12.6	26.5	20.3	10.2	20.5	16.9	8.9
Percentage of SEN pupils without specific SEN		73.0	75.1	87.9	76.6	81.9	78.9
Percentage pupils with an EHCP	1.6	0.5	4.5	1.9	2.9	1.2	2.2
Number of DSP children		0	18	0	0	0	18

**Number of children with EAL/FSM**

	<b>Atlas Community Primary</b>	<b>Green Lane Primary</b>	<b>Lilycroft Primary</b>	<b>Margaret McMillan Primary</b>	<b>Westbourne Primary</b>	<b>PAT</b>
Percentage of pupils currently eligible for FSM National 13.7%	18.1	17.7	24.5	16.8	20.3	19.8
Percentage of pupils eligible for FSM through Ever 6 criteria	25.6	24.7	35.9	21.2	28.2	27.1
Percentage of EAL pupils	92.1	96.4	85.9	81.8	85.7	88.4

**Attendance**

<b>(Government expectation 96%)</b>	<b>Atlas Community Primary</b>	<b>Green Lane Primary</b>	<b>Lilycroft Primary</b>	<b>Margaret McMillan Primary</b>	<b>Westbourne Primary</b>	<b>PAT</b>
Attendance 2018/19	95.3	95.6	94.8	94.7	94.4	95

**Leadership Capacity**

	<b>Atlas Community Primary</b>	<b>Green Lane Primary</b>	<b>Lilycroft Primary</b>	<b>Margaret McMillan Primary</b>	<b>Westbourne Primary</b>	<b>PAT</b>
Headteacher	1	1	1	1	1	5
Deputy Headteacher	0	0	2 (acting)	1	2	5
Assistant Headteacher	3	7	1.6	4	3	18.6
TLR	1(+1 Temp)	4	1	3	4	14



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

**Strategic report (continued)**

**Achievements and performance (continued)**

			Atlas Primary		Green Lane Primary		Lilycroft Primary		Margaret McMillan Primary		Westbourne Primary	
	National		2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
	2018	2019	%	%	%	%	%	%	%	%	%	%
GLD	72	72	61	66	70	66	66	67	56	62	62	74
Y1 Phonics	82	82	77	78	77	77	62	73	84	83	82	83
ARE KS1 Reading	75	76	58	62	67	64	65	67	64	66	68	76
ARE KS1 Writing	70	70	64	65	65	60	66	67	59	58	60	72
ARE KS1 Mathematics	76	77	61	69	69	67	64	67	64	65	60	74
ARE KS2 Reading	75	72	64	41	52	67	72	65	57	69	80	61
ARE KS2 Writing	78	79	68	65	70	73	81	83	82	84	75	81
ARE KS2 Mathematics	76	79	71	72	70	73	74	86	66	82	82	83
ARE KS2 GPS	78	78	75	79	67	84	71	85	70	82	80	85
ARE KS2 Combined	64	65	50	32	52	57	69	62	53	63	72	59

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

**Strategic report (continued)**

**Achievements and performance (continued)**

**Going concern**

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

**Financial review**

The majority of the Academy Trust's income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust also receives grants for fixed assets from the DfE/ESFA. In accordance with The Charities Statement of Recommended practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

In addition the financial statements show income for such items as school trips, school dinners, uniforms etc. This income is treated as "unrestricted funds."

During the period ended 31 August 2019 total expenditure, excluding capital items (charged to the fixed assets fund) and pension losses was £11,752,000. This total expenditure was less than the combination of recurrent grant funding from the DfE/ESFA together and other incoming resources.

During the period covered by the statements the Academy Trust spent £536,000 on Capital Investment in buildings and infrastructure and £405,000 on ICT. Of this capital expenditure £553,000 was funded by grant income with the balance of £388,000 being transferred to the restricted fixed assets fund from the revenue fund.

The in-year surplus excluding the pension reserve and restricted fixed asset funds was £342,000.

The balance on the revenue reserves at the end of the period (excluding pension fund deficit) stands at £2,465,000.

The land and buildings from which the schools within the Academy Trust operate were transferred to the Academy Trust at the time the schools converted to academies. The assets were used exclusively for providing education and the associated support services to the students of the Academy Trust.

The provisions of Financial Reporting Standard No.17 'Retirement Benefits' (FRS 17) have been applied in full, resulting in a pension deficit of £4,750,000 recognised on the balance sheet.

The Academy Trust held fund balances as at 31 August 2019 of £15,264,000 comprising of £1,528,000 restricted general funds, £17,549,000 of restricted fixed asset funds, (£4,750,000) of restricted pension fund and £937,000 of unrestricted funds.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the Academy Trust's objectives.



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

**Strategic report (continued)**

**Financial review (continued)**

**Reserves policy**

The Academy Trust holds restricted and unrestricted funds (the attached financial statements detail these funds). Unrestricted funds are held:

- To cover ongoing costs in relation to non-core elements of the academy's operations including catering provisions, school trips, uniform costs and fundraising for good causes.
- To provide for sufficient funds held in reserve to enable the Trust to implement effective recovery measures in the event of a major unforeseen incident/circumstance.

The level of reserves is reviewed by the Trustees regularly throughout the year. The minimum level of reserves for the ongoing needs of the Academy Trust is reviewed by the Trustees on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees therefore consider it prudent to hold unrestricted reserves in the general fund in the form of free reserves (total funds less the amount held in fixed assets and restricted funds but excluding pension deficit) of no more than 7% of the general annual grant income, which amounts to approximately £683,000. This is considered sufficient to cover

- a) additional planned during year expenditure
- b) to meet changes to operational needs and
- c) sufficient contingencies for unforeseen circumstances or emergencies.

In addition to the 7% Academy Trust reserve it is expected that each school should operate with a school level reserve of no lower than a sum equivalent to 2.5% of their general annual grant income

Where reserves at the end of an accounting period are in excess of this agreed level the Trustees will work with individual Academy Headteachers and Local Governing Bodies in order to develop and implement plans and actions which utilise excess funds in order to meet the targets in the individual academy improvement plans. The individual school balances of £2,465,000 detailed in note 18 form the Academy Trust's reserves. The current level of reserves held are higher than the level of reserves required for the ongoing needs of the Academy Trust and are therefore considered to be sufficient. The Trustees continue to consider additional activities related to the Academy Trust's objectives to which the excess reserves may be applied.

The balance on restricted general funds, excluding pension reserve, plus the balance on unrestricted funds at 31 August 2019 is a net surplus of £2,465,000 of which £937,000 are free reserves.

**Investment policy**

The Academy Trust invests surplus funds through interest bearing current accounts. This policy maximises investment return whilst minimising risks to the principal sum.

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

**Strategic report (continued)**

**Financial review (continued)**

**Principal risks and uncertainties**

The principal risks and uncertainties are centred on changes in the level of funding from the DfE/ESFA. In addition the Academy Trust is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the Academy Trust balance sheet.

The Trustees have assessed the major risks, to which the Academy Trust is exposed, in particular those relating specifically to teaching, provision of facilities, other operational areas of the Academy Trust and its finances. The Trustees have implemented a number of systems to assess risks that each school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The Academy Trust has fully implemented the requirements of the Safer Recruitment procedures and relevant staff have received training in this area in addition all staff receiving training on Child Protection/Safeguarding.

**Fundraising**

Schools within the Academy Trust undertake periodic activities to raise funds for a number of charities and/or local support groups. These funds are raised through sponsorship, donations and miscellaneous activities. There is no obligation for any child/parent to donate. All funds/donations collected are given to the relevant charity in a timely manner.

**Plans for future periods**

The Academy Trust intends to maintain broad and balanced curriculums within its member academies that are fully inclusive and appropriate to the needs of pupils of all abilities. The Academy Trust is already strong in enrichment activities which are very important in an area of disadvantage. These will be further developed. The Academy Trust aspires to ensure equality of opportunity for all staff and students and includes a focus on promoting the needs of disadvantaged pupils.

Performance has improved across the Academy Trust schools and progress is generally good. In some areas within the Academy Trust schools performance is below the level expected, especially in relation to national expectations, and the Board of Trustees, through the CEO and school Headteachers are developing and implementing action plans to address these including performance management and target setting for the Chief Executive Officer and for Headteachers in each of the schools.

The Trustees plan to admit additional schools into the Academy Trust where the ethos and position of such schools fits within the overall ethos and structures of the Academy Trust. The Trustees have a strong desire to establish secondary school provision within the Academy Trust in order to address capacity and quality shortfalls within secondary education serving the Manningham community. The Academy Trust will pursue this strategic aim in future periods and is in continuing discussions with officers at the DfE, ESFA and Bradford Council on this matter.

**Funds held as custodian on behalf of others**

The Financial Statements do not include any balances on funds that the Academy Trust is holding as a custodian on behalf of others.



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

**Employee involvement and employment of the disabled**

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

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

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

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

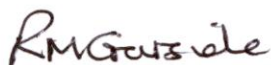
Full details of these policies are available from the Academy Trust's offices.

**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 16 December 2019 and signed on its behalf by:



**Ros Garside**  
Chair

**THE PRIESTLEY ACADEMY TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT**

**Scope of responsibility**

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

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

The following committee structure operates:

- Finance Audit and Risk Committee
- School Improvement Committee

**Leadership and Management of the schools within the Academy Trust**

This is undertaken on a day to day basis by the Headteachers and Senior Staff in each school. The Headteachers, led by the CEO, determine the strategic issues in each school which are identified through the School Improvement Priorities and through policy recommendations.

There is a comprehensive quality assurance process within the schools and the Academy Trust which ensures that leadership and management, teaching and learning, the support for pupils and the outcomes for pupils are analysed, adjusted and that the budget of each school is used to address the identified priorities.

**The role of school staff**

Middle Leaders and all staff contribute to the processes involving identifying priorities. They are involved in the development of policies, and the implementation and review processes. This is kept under review. Different cohorts of staff meet through various groups to ensure that the school's improvement priorities are identified and appropriate continuous professional development is supported.

There is a clear line management structure which is linked to a rigorous appraisal process. There is accountability for performance and resources at all levels. Teachers are subject to annual appraisal which conforms to the policy of the Governing Body. Individual objectives are linked into the wider school improvement agenda.



**THE PRIESTLEY ACADEMY TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**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 4 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
Ros Garside, Chair	4	4
Javed Ahmed	4	4
Kevin Holland, Accounting Officer	4	4
Samantha Keighley	3	4
Ashfaq Rahman	3	4
Margaret Smith	3	4

The DfE consider it good practice for Trustees to meet a minimum of six times per year. The Trustees are confident that it has met its obligations regarding effective scrutiny and governance within the four meetings held during the year. The Trustees are confident in the monitoring and reporting structures across its schools and that the information the Trustees receive throughout the year and at its meetings deliver effective governance.

The Finance, Audit and Risk committee is a sub-committee of the main Board of Trustees. Its purpose is to review the Academy Trust revenue budget; receive periodic management reports showing performance against the agreed budget; set accounting policies; ensure compliance with Academies Accounts Direction; advise on the appointment external auditors; monitor and have strategic oversight of risk across the Academy Trust; and receive the annual audit report prior to presentation to the full Board of Trustees.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Javed Ahmed	4	4
Kevin Holland	4	4
Samantha Keighley	2	4
Margaret Smith	4	4

**Review of value for money**

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

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

- Reviewing services delivered at the Academy Trust Central Service team to ensure cost effective provision, including developing services for ICT support and premises management support within the central team.
- Identifying and working to remove areas where there is a duplication of service provision with the Academy Trust and in each individual school/academy
- Working to maximise areas of expertise across the trust so as to reduce inefficiencies
- Adapting staffing structures in each school/academy as appropriate to reflect Academy Trust wide developments

**THE PRIESTLEY ACADEMY TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Priestley Academy Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.



**THE PRIESTLEY ACADEMY TRUST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

**The risk and control framework**

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

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

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

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

- Testing of payroll systems
- Testing of purchase systems
- Testing of petty cash/ expenses procedures
- Testing of income
- Testing of the accounting systems and management information produced
- Review of Governor appointments/resignations and declarations of interest
- Review of gifts and hospitality & honorarium/ex gratia payments
- Review of information technology strategy
- Review of fixed assets
- Review of VAT and Corporation tax position

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

The external auditors have delivered their schedule of work as planned and no material control issues have arisen as a result of their work.

**Review of effectiveness**

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

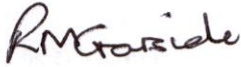
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

**THE PRIESTLEY ACADEMY TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

Approved by order of the members of the Board of Trustees on 16 December 2019 and signed on their behalf by:



**Ros Garside**  
Chair



**Kevin Holland**  
Accounting Officer

**THE PRIESTLEY ACADEMY TRUST**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of The Priestley Academy Trust I have considered my responsibility to notify the Academy 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 Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

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



**Kevin Holland**  
Accounting Officer  
Date: 16 December 2019



**THE PRIESTLEY ACADEMY TRUST**  
**(A company limited by guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

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

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

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

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

Approved by order of the members of the board of Trustees on 16 December 2019 and signed on its behalf by:



**Ros Garside**  
Chair

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

**Opinion**

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

In our opinion the financial statements:

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

**Basis for opinion**

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



**THE PRIESTLEY ACADEMY TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
PRIESTLEY 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 Academy 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.

**THE PRIESTLEY ACADEMY TRUST**  
(A company limited by guarantee)

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

**Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy 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 Academy 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 Academy 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**Use of our report**

This report is made solely to the Academy 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 Academy 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 Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Christopher Beaumont BA (Hons) FCA DChA (Senior statutory auditor)**

for and on behalf of

**Clive Owen LLP**

Chartered Accountants

Statutory Auditors

Reporting Accountant

140 Coniscliffe Road

Darlington

Co Durham

DL3 7RT

16 December 2019



**THE PRIESTLEY ACADEMY TRUST**  
**(A company limited by guarantee)**

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

In accordance with the terms of our engagement letter dated 19 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Priestley Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of The Priestley Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Priestley Academy Trust's funding agreement with the Secretary of State for Education dated 1 September 2017 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.



**THE PRIESTLEY ACADEMY TRUST**  
**(A company limited by guarantee)**

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

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of governing body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Review documentation provided to Directors and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Directors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of registers of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Review whistleblowing procedures;
- Review pay policy and factors determining executive pay;
- Review of staff expenses;
- Review other income to ensure is in line with funding agreement;
- Review governance structure and number of meetings held; and
- Review whether there is a risk register in place.

**THE PRIESTLEY ACADEMY TRUST**  
**(A company limited by guarantee)**

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

**Conclusion**

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

A handwritten signature in dark ink, appearing to read 'Clive Owen' followed by a stylized initial or mark.

**Clive Owen LLP**

Reporting Accountant  
140 Coniscliffe Road  
Darlington  
Co Durham  
DL3 7RT

Date: 16 December 2019

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

	Note	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
<b>Income from:</b>						
Donations and capital grants	3	13	-	1,094	1,107	69
Charitable activities		79	12,239	-	12,318	12,180
Other trading activities		149	-	-	149	109
Investments	6	2	-	-	2	2
<b>Total income</b>		<b>243</b>	<b>12,239</b>	<b>1,094</b>	<b>13,576</b>	<b>12,360</b>
<b>Expenditure on:</b>						
Charitable activities		477	11,891	394	12,762	12,628
<b>Total expenditure</b>		<b>477</b>	<b>11,891</b>	<b>394</b>	<b>12,762</b>	<b>12,628</b>
<b>Net (expenditure) /income</b>		<b>(234)</b>	<b>348</b>	<b>700</b>	<b>814</b>	<b>(268)</b>
Transfers between funds	18	-	(388)	388	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>(234)</b>	<b>(40)</b>	<b>1,088</b>	<b>814</b>	<b>(268)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	(2,226)	-	(2,226)	688
<b>Net movement in funds</b>		<b>(234)</b>	<b>(2,266)</b>	<b>1,088</b>	<b>(1,412)</b>	<b>420</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		1,171	(956)	16,461	16,676	16,256
Net movement in funds		(234)	(2,266)	1,088	(1,412)	420
<b>Total funds carried forward</b>		<b>937</b>	<b>(3,222)</b>	<b>17,549</b>	<b>15,264</b>	<b>16,676</b>

**THE PRIESTLEY ACADEMY TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 10410830**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Tangible assets	15	17,008	16,461
		<u>17,008</u>	<u>16,461</u>
<b>Current assets</b>			
Debtors	16	573	363
Cash at bank and in hand		3,746	3,144
		<u>4,319</u>	<u>3,507</u>
Creditors: amounts falling due within one year	17	(1,313)	(1,384)
<b>Net current assets</b>		<u>3,006</u>	<u>2,123</u>
<b>Total assets less current liabilities</b>		<u>20,014</u>	<u>18,584</u>
<b>Net assets excluding pension liability</b>		<u>20,014</u>	<u>18,584</u>
Defined benefit pension scheme liability	24	(4,750)	(1,908)
<b>Total net assets</b>		<u><u>15,264</u></u>	<u><u>16,676</u></u>
<b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	18	17,549	16,461
Restricted income funds	18	1,528	952
		<u>19,077</u>	<u>17,413</u>
Restricted funds excluding pension asset	18	19,077	17,413
Pension reserve	18	(4,750)	(1,908)
<b>Total restricted funds</b>	18	<u>14,327</u>	<u>15,505</u>
<b>Unrestricted income funds</b>	18	937	1,171
<b>Total funds</b>		<u><u>15,264</u></u>	<u><u>16,676</u></u>

The financial statements on pages 29 to 58 were approved by the Trustees, and authorised for issue on 16 December 2019 and are signed on their behalf, by:



**Ros Garside**  
Chair

**THE PRIESTLEY ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £000	2018 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	637	268
<b>Cash flows from investing activities</b>	21	(35)	(42)
<b>Change in cash and cash equivalents in the year</b>		602	226
Cash and cash equivalents at the beginning of the year		3,144	2,918
<b>Cash and cash equivalents at the end of the year</b>	22	<u>3,746</u>	<u>3,144</u>



**THE PRIESTLEY ACADEMY TRUST**  
(A company limited by guarantee)

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

**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

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

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

**1.2 Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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 Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**1. Accounting policies (continued)**

**1.3 Income**

All income is recognised once the Academy Trust has entitlement to the income it is probable that the income will be received and the amount of income receivable 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 incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

• **Donations**

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

• **Other income**

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**1.4 Expenditure**

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

• **Charitable activities**

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

All expenditure is inclusive of irrecoverable VAT.



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**1. Accounting policies (continued)**

**1.5 Tangible fixed assets and depreciation**

All assets costing more than £2,000 are capitalised 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 leasehold land and assets under construction, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	- 2% straight line basis
Leasehold land	- Not depreciated
Furniture and equipment	- 20% straight line basis
Computer equipment	- 33.3% straight line basis

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.

**1.6 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

**1.7 Liabilities and provisions**

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



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**1. Accounting policies (continued)**

**1.8 Financial instruments**

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy 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 16. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. 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 note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.9 Taxation**

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

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

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**1. Accounting policies (continued)**

**1.10 Pensions**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy 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.

**1.11 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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.



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

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

Depreciation – Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £394,000.

Critical areas of judgment:

LGPS Pension - There are two recent court cases which could impact on the future liabilities associated with the LGPS scheme, McCloud Sargeant (McCloud) and GMP Indexation and Equalisation (GMP).

McCloud

In 2015 the government introduced reforms to public sector pensions resulting in most public sector workers being transferred to a new scheme. In December 2018, the Court of Appeal ruled that the 'transitional protections' offered to some members of the judges and firefighter schemes as part of the reforms amounted to unlawful discrimination. While the judgement was not in relation to the LGPS it is reasonable to expect that it will need to be applied to this scheme by the government. Actuaries have estimated that the additional liabilities associated with this to be around 3-4% of active liabilities. As this has been considered to be potentially material to the financial statements the year end valuation performed by the actuary has included an approximate calculation of the McCloud valuation. This has increased the LGPS liability by £258,000 as at 31 August 2019.

GMP

This case related to the equalisation for men and women of guaranteed minimum pension (GMP) for those who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled that equalisation of GMP was required. This case was in relation to Lloyds Bank and HM Treasury have since gone on record to state public sector schemes have a method to equalise GMP already. There is however some judgement in how this equalisation works and is reflected in the LGPS valuations. Actuaries have estimated that the impact of GMP indexation to be around 0.3% of total liabilities. Based on this estimate it would increase liabilities by £33,000 which has been assessed to be immaterial to the financial statements.

Land and buildings – The Academy Trust has yet to receive ESFA valuations for the land and buildings. The Academy Trust has therefore introduced the land and buildings based on the local authority valuation. The Trustees consider the valuation is appropriately disclosed within the financial statements.



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**NOTES TO THE FINANCIAL STATEMENTS  
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**3. Income from donations and capital grants**

	Unrestricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Donations	13	-	13	15
Capital Grants	-	1,094	1,094	54
	<u>13</u>	<u>1,094</u>	<u>1,107</u>	<u>69</u>
Total 2018	<u>15</u>	<u>54</u>	<u>69</u>	

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**4. Funding for the Academy Trust's educational operations**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	9,759	9,759	9,738
Pupil Premium	-	912	912	942
PE and Sport Premium	-	87	87	100
UIFSM	-	278	278	287
Rates	-	37	37	67
Other DfE Group grants	-	76	76	-
	-	11,149	11,149	11,134
<b>Other Government grants</b>				
SEN	-	300	300	290
Early Years Funding	-	508	508	477
Other Government grants	-	282	282	199
	-	1,090	1,090	966
<b>Other income</b>				
Student Trips	57	-	57	46
Student Catering	22	-	22	34
	79	-	79	80
	79	12,239	12,318	12,180
Total 2018	80	12,100	12,180	

**5. Income from other trading activities**

	Unrestricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Insurance claims	6	6	18
Other	143	143	91
	149	149	109

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**5. Income from other trading activities (continued)**

In 2018, of the total income from other trading activities, £109,000 was to unrestricted funds and £Nil was to restricted funds

**6. Investment income**

	Unrestricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Investment income - other local investments	2	2	2

In 2018, of the total income from Investment income, £2,000 was to unrestricted funds and £Nil was to restricted funds.

**7. Expenditure**

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000	Total 2018 £000
Academy's educational operations:					
Direct costs	8,103	-	631	8,734	8,728
Allocated support costs	1,648	1,124	1,256	4,028	3,900
	<u>9,751</u>	<u>1,124</u>	<u>1,887</u>	<u>12,762</u>	<u>12,628</u>
Total 2018	<u>9,789</u>	<u>1,023</u>	<u>1,816</u>	<u>12,628</u>	

In 2019 of the total expenditure, £477,000 (2018 : £115,000) was to unrestricted funds and £12,285,000 (2018 : £12,513,000) was to restricted funds.

There were no individual transactions exceeding £5,000 for:

- Compensation payments
- Gifts made by the trust
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

There were no ex-gratia payments in the year.



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**NOTES TO THE FINANCIAL STATEMENTS  
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**8. Analysis of expenditure by activities**

	Activities undertaken directly 2019 £000	Support costs 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Academy's educational operations	8,734	4,028	12,762	12,628
Total 2018	8,728	3,900	12,628	

**Analysis of direct costs**

	Total funds 2019 £000	Total funds 2018 £000
Staff costs	8,103	8,338
Educational supplies	376	198
Technology costs	11	23
Educational consultancy	149	169
Staff expenses	4	-
Other costs	91	-
	8,734	8,728

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**NOTES TO THE FINANCIAL STATEMENTS  
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**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	Total funds 2019 £000	Total funds 2018 £000
Net interest cost on pension scheme	48	49
Staff costs	1,648	1,451
Depreciation	394	482
Technology costs	194	105
Staff expenses	24	19
Transport	24	77
Maintenance of premises	130	120
Cleaning	275	252
Other premises costs	85	101
Energy	167	175
Rent & rates	46	29
Catering	657	652
Other insurance premiums	55	79
Security	25	46
Other costs	38	77
Governance costs	218	186
	<u>4,028</u>	<u>3,900</u>

**9. Net interest cost on pension scheme**

	2019 £000	2018 £000
Interest income on pension scheme assets	169	132
Interest on pension scheme liabilities	(217)	(181)
	<u>(48)</u>	<u>(49)</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Net (expenditure)/income**

Net (expenditure)/income for the year includes:

	2019 £000	2018 £000
Operating lease rentals	26	25
Depreciation of tangible fixed assets	394	482
Fees paid to auditors for:		
- audit	16	14
- other services	4	-
	<u>          </u>	<u>          </u>

**11. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £000	2018 £000
Wages and salaries	7,360	7,518
Social security costs	645	644
Pension costs	1,588	1,465
	<u>9,593</u>	<u>9,627</u>
Agency staff costs	99	49
Staff restructuring costs	59	113
	<u>9,751</u>	<u>9,789</u>

Included in operating costs of defined pension schemes is a debit of £568,000 (2018: £414,000) relating to the pension deficit actuarial adjustment.

Staff restructuring costs comprise:

	2019 £000	2018 £000
Redundancy payments	59	113
	<u>59</u>	<u>113</u>



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**NOTES TO THE FINANCIAL STATEMENTS  
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**11. Staff costs (continued)**

**b. Staff numbers**

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

	2019 No.	2018 No.
Teacher	130	133
Admin & Support	238	276
Management	15	14
	<u>383</u>	<u>423</u>

**c. Higher paid staff**

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	3	3
In the band £100,001 - £110,000	1	1
	<u>5</u>	<u>5</u>

**d. Key management personnel**

The key management personnel of the Academy Trust comprise the Trustees and senior management team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £255,000 (2018 : £243,000).

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**12. Central services**

The Academy Trust has provided the following central services to its academies during the year:

- financial services
- legal services
- educational support services

The Academy Trust charges for these services on the following basis:

Flat percentage of 5% of GAG income.

The actual amounts charged during the year were as follows:

	2019 £000	2018 £000
Atlas Community Primary School	50	50
Green Lane Primary School	141	139
Lilycroft Primary School	88	90
Margaret McMillan Primary School	121	124
Westbourne Primary School	88	83
<b>Total</b>	<u>488</u>	<u>486</u>

In addition to the top slice, all schools pool resources for school improvement and absence management. Although held centrally these pooled resources are not used to fund central services and any balances remain allocated to each school. The amounts paid into these pooled funds during the period covered by the financial statements were £98,000 for school improvement and £51,000 for absence management.

**13. Trustees' and Officers' insurance**

The Academy 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 academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

**14. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019 £000	2018 £000
Kevin Holland, Accounting Officer	Remuneration	105 - 110	100 - 105
	Pension contributions paid	15 - 20	15 - 20

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

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**15. Tangible fixed assets**

	Leasehold property £000	Furniture and equipment £000	Computer equipment £000	Total £000
<b>Cost or valuation</b>				
At 1 September 2018	16,644	275	356	17,275
Additions	536	-	405	941
At 31 August 2019	17,180	275	761	18,216
<b>Depreciation</b>				
At 1 September 2018	475	86	253	814
Charge for the year	287	55	52	394
At 31 August 2019	762	141	305	1,208
<b>Net book value</b>				
At 31 August 2019	16,418	134	456	17,008
At 31 August 2018	16,169	189	103	16,461

**16. Debtors**

	2019 £000	2018 £000
Trade debtors	10	21
VAT recoverable	107	47
Prepayments and accrued income	456	295
	573	363



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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. Debtors (continued)**

**17. Creditors: Amounts falling due within one year**

	2019 £000	2018 £000
Trade creditors	150	118
Other creditors	785	909
Accruals and deferred income	378	357
	<u>1,313</u>	<u>1,384</u>

Included within other creditors is an interest free loan of £16,000 (2018: £nil) from Salix Finance Ltd. The monthly instalments and commencement date of repayments is yet to be confirmed with the ESFA.

	2019 £000	2018 £000
<b>Deferred income</b>		
Deferred income at 1 September 2018	231	237
Resources deferred during the year	168	231
Amounts released from previous periods	(231)	(237)
<b>Deferred income at 31 August 2019</b>	<u>168</u>	<u>231</u>

At the balance sheet date the Academy Trust received in advance funding for Universal Infant Free School Meals, which relate to 2019/2020. There was also a balance in relation to unspent funds from a Regional Academy Growth Fund.

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

**18. Statement of funds**

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
<b>Unrestricted funds</b>						
General Funds	1,171	243	(477)	-	-	937
<b>Restricted general funds</b>						
General Annual Grant (GAG)	952	9,759	(8,795)	(388)	-	1,528
Pupil Premium	-	912	(912)	-	-	-
Other DfE/ESFA Grants	-	478	(478)	-	-	-
SEN	-	300	(300)	-	-	-
Other government grants	-	790	(790)	-	-	-
Pension reserve	(1,908)	-	(616)	-	(2,226)	(4,750)
	(956)	12,239	(11,891)	(388)	(2,226)	(3,222)
<b>Restricted fixed asset funds</b>						
Legacy assets	16,244	-	(341)	-	-	15,903
DFC	85	138	(16)	-	-	207
General Annual Grant (GAG)	132	-	(37)	388	-	483
CIF	-	956	-	-	-	956
	16,461	1,094	(394)	388	-	17,549
<b>Total Restricted funds</b>	15,505	13,333	(12,285)	-	(2,226)	14,327
<b>Total funds</b>	16,676	13,576	(12,762)	-	(2,226)	15,264

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

The General Annual Grant (GAG) must be used for the normal running of the academy including salaries and related costs, overheads, repairs and maintenance, and insurance.

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**18. Statement of funds (continued)**

Pupil Premium is additional funding to be spent as the school sees fit to support deprived students.

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 24.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful economic life of the associated assets.

Unrestricted funds include the income from uniform sales, school trips and catering with the relevant costs allocated accordingly.

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

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	2019 £000	2018 £000
Atlas Community Primary School	353	288
Green Lane Primary School	767	713
Lilycroft Primary School	409	427
Margaret McMillan Primary School	637	377
Westbourne Primary School	209	241
The Priestley Academy Trust	90	77
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	2,465	2,123
Restricted fixed asset fund	17,549	16,461
Pension reserve	(4,750)	(1,908)
	<hr/>	<hr/>
<b>Total</b>	<b>15,264</b>	<b>16,676</b>
	<hr/> <hr/>	<hr/> <hr/>

In addition to the top slice, schools pool resources for school improvement and absence management. Although held centrally, these pooled resources are not used to fund central services any balances remain allocated to each school. The balances of these funds held in the Priestley Academy Trust fund balance at 31 August 2019 are £48,000 for school improvement and £30,000 for absence management.



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

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2019 £000	Total 2018 £000
Atlas Community Primary School	742	94	33	211	1,080	1,086
Green Lane Primary School	2,577	146	73	603	3,399	3,274
Lilycroft Primary School	1,507	105	132	328	2,072	2,033
Margaret McMillan Primary School	1,850	241	88	446	2,625	2,842
Westbourne Primary School	1,406	200	44	344	1,994	1,961
The Priestley Academy Trust	21	862	6	309	1,198	950
<b>Academy Trust</b>	<b>8,103</b>	<b>1,648</b>	<b>376</b>	<b>2,241</b>	<b>12,368</b>	<b>12,146</b>

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**18. Statement of funds (continued)**

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

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
<b>Unrestricted funds</b>						
General Funds	1,080	206	(115)	-	-	1,171
<b>Restricted general funds</b>						
General Annual Grant (GAG)	458	9,738	(9,199)	(45)	-	952
Pupil Premium	-	942	(942)	-	-	-
Other DfE/ESFA Grants	-	454	(454)	-	-	-
SEN	-	290	(290)	-	-	-
Other government grants	-	676	(676)	-	-	-
Pension reserve	(2,133)	-	(463)	-	688	(1,908)
	<u>(1,675)</u>	<u>12,100</u>	<u>(12,024)</u>	<u>(45)</u>	<u>688</u>	<u>(956)</u>
<b>Restricted fixed asset funds</b>						
Legacy assets	16,696	7	(459)	-	-	16,244
DFC	47	47	(9)	-	-	85
General Annual Grant (GAG)	108	-	(21)	45	-	132
	<u>16,851</u>	<u>54</u>	<u>(489)</u>	<u>45</u>	<u>-</u>	<u>16,461</u>
<b>Total Restricted funds</b>	<u>15,176</u>	<u>12,154</u>	<u>(12,513)</u>	<u>-</u>	<u>688</u>	<u>15,505</u>
<b>Total funds</b>	<u><u>16,256</u></u>	<u><u>12,360</u></u>	<u><u>(12,628)</u></u>	<u><u>-</u></u>	<u><u>688</u></u>	<u><u>16,676</u></u>

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**19. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	17,008	17,008
Current assets	1,155	2,518	646	4,319
Creditors due within one year	(218)	(990)	(105)	(1,313)
Provisions for liabilities and charges	-	(4,750)	-	(4,750)
<b>Total</b>	<b>937</b>	<b>(3,222)</b>	<b>17,549</b>	<b>15,264</b>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	16,461	16,461
Current assets	2,352	1,155	-	3,507
Creditors due within one year	(1,181)	(203)	-	(1,384)
Provisions for liabilities and charges	-	(1,908)	-	(1,908)
<b>Total</b>	<b>1,171</b>	<b>(956)</b>	<b>16,461</b>	<b>16,676</b>



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**20. Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	2019 £000	2018 £000
Net income/(expenditure) for the year (as per Statement of financial activities)	814	(268)
<b>Adjustments for:</b>		
Depreciation	394	482
Capital grants from DfE and other capital income	(904)	(54)
Interest receivable	(2)	(2)
Defined benefit pension scheme obligation inherited	568	414
Defined benefit pension scheme finance cost	48	49
(Increase)/decrease in debtors	(210)	243
Decrease in creditors	(71)	(596)
<b>Net cash provided by operating activities</b>	<b>637</b>	<b>268</b>

**21. Cash flows from investing activities**

	2019 £000	2018 £000
Dividends, interest and rents from investments	2	2
Purchase of tangible fixed assets	(941)	(98)
Capital grants from DfE Group	904	54
<b>Net cash used in investing activities</b>	<b>(35)</b>	<b>(42)</b>

**22. Analysis of cash and cash equivalents**

	2019 £000	2018 £000
Cash in hand	3,746	3,144
<b>Total cash and cash equivalents</b>	<b>3,746</b>	<b>3,144</b>

**23. Capital commitments**

	2019 £000	2018 £000
Contracted for but not provided in these financial statements	645	344

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**24. Pension commitments**

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

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

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

**Teachers' Pension Scheme**

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

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

**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 (amended) published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended). The valuation report was prepared for 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% employer administration charge)
- 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
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the 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 is 4.45%.



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**24. Pension commitments (continued)**

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £703,000 (2018 - £687,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £461,000 (2018 - £499,000), of which employer's contributions totalled £337,000 (2018 - £364,000) and employees' contributions totalled £ 124,000 (2018 - £135,000). The agreed contribution rates for future years are 15.5% per cent for employers and 5.5% to 12.5% per cent for employees.

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

**Principal actuarial assumptions**

	2019 %	2018 %
Rate of increase in salaries	3.25	3.25
Rate of increase for pensions in payment/inflation	2.00	2.00
Discount rate for scheme liabilities	1.90	2.80
Inflation assumption (CPI)	2.00	2.00
Commutation of pensions to lump sums	75.00	75.00

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	22.2	22.1
Females	25.4	25.3
<i>Retiring in 20 years</i>		
Males	23.2	23.1
Females	27.2	27.1



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**24. Pension commitments (continued)**

**Sensitivity analysis**

	2019 £000	2018 £000
Discount rate +0.1%	10,878	7,605
Discount rate -0.1%	11,429	7,990
Mortality assumption - 1 year increase	10,787	7,569
Mortality assumption - 1 year decrease	11,517	8,021
CPI rate +0.1%	11,321	7,914
CPI rate -0.1%	10,982	7,678

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

	At 31 August 2019 £000	At 31 August 2018 £000
Equities	4,966	4,392
Government bonds	672	636
Corporate bonds	288	206
Property	282	247
Cash	122	129
Other	70	277
<b>Total market value of assets</b>	<b>6,400</b>	<b>5,887</b>

The actual return on scheme assets was £244,000 (2018 - £404,000).

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

	2019 £000	2018 £000
Current service cost	(647)	(752)
Past service cost	(258)	(13)
Interest income	169	132
Interest cost	(217)	(181)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(953)</b>	<b>(814)</b>

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**24. Pension commitments (continued)**

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

	2019 £000	2018 £000
<b>Opening defined benefit obligation</b>	7,795	7,221
Current service cost	647	752
Interest cost	217	181
Employee contributions	124	136
Actuarial losses/(gains)	2,301	(416)
Benefits paid	(192)	(92)
Past service costs	258	13
<b>Closing defined benefit obligation</b>	<u>11,150</u>	<u>7,795</u>

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

	2019 £000	2018 £000
<b>Opening fair value of scheme assets</b>	5,887	5,088
Interest income	169	132
Actuarial gains	75	272
Employer contributions	337	351
Employee contributions	124	136
Benefits paid	(192)	(92)
<b>Closing fair value of scheme assets</b>	<u>6,400</u>	<u>5,887</u>

**25. Operating lease commitments**

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £000	2018 £000
<b>Amounts payable</b>		
Within 1 year	19	16
Between 1 and 5 years	7	23
<b>Total</b>	<u>26</u>	<u>39</u>

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**26. Related party transactions**

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

Expenditure Related Party Transactions

Action for Business (Bradford) Limited - a company in which Javed Ahmed and Sam Keighley (Trustees) have a directorship:

- The academy trust purchased £Nil (2018: £1,000) of support services from Action for Business (Bradford) Limited. There were no amounts outstanding at 31 August 2019.
- In entering into the transaction the academy has complied with the requirements of the Academies Financial Handbook 2018 and was made at arms' length.