

Company Registration Number: 07694023

THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 11
Governance Statement	12 - 15
Statement on Regularity, Propriety and Compliance	16
Statement of Trustees' Responsibilities	17
Independent Auditors' Report on the Financial Statements	18 - 20
Independent Reporting Accountant's Report on Regularity	21 - 22
Statement of Financial Activities Incorporating Income and Expenditure Account	23
Balance Sheet	24
Statement of Cash Flows	25
Notes to the Financial Statements	26 - 54

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

REFERENCE AND ADMINISTRATIVE DETAILS

Members

David Davison
Crispin Hawes
Philip Harland
Chris Shepherd
Louise Bouteiller

Trustees and Directors

Dave Allen (resigned 14 October 2019)
Amy Armstrong (appointed 7 January 2019)
Louise Bouteiller
Fred Child
Alastair Dixon-Patterson (resigned 2 April 2019)
Toni Gillespie (resigned 21 September 2018)
Mark Edwards
Corinna Mazzotta
Scott Robins
Clive Zimmerman

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Company registered number 07694023

Company name The Park Academies Trust

Principal and registered office The Lydiard Park Academy
Grange Park Way
Grange Park
Swindon
SN5 6HN

Accounting Officer Clive Zimmerman

Senior leadership team

Clive Zimmerman, Chief Executive Officer and Executive Principal
Jonathan Young, Operational Principal (APS)
Gary Pearson, Operational Principal (LPA)
Rachel Surch, Primary Executive Principal
Alastair Dixon-Patterson, Trust Director of Finance and Operations
Sophie Hesten, Vice Principal (LPA)
Laura Hunter, Vice Principal (APS)
David Williams, Assistant Principal (Trust SENDCo)

Independent auditors Bishop Fleming Bath Limited
Chartered Accountants
Statutory Auditors
Minerva House
Lower Bristol Road
Bath
BA2 9ER

Bankers National Westminster
84 Commercial Road
Swindon
Wiltshire
SN1 5NW

Solicitors Stone King
13 Queen Square
Bath
BA1 2HJ

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2019. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates three academies; two secondary and one primary with a total of 2,878 pupils aged 3 to 19 which encompasses the Sixth Form at Lydiard Park Academy. There are three SRPs (one secondary for ASD and two primary), one SBI and one CLAN.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of The Park Academies Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as The Park Academies Trust but may also be known as; Lydiard Park Academy, Abbey Park School and Red Oaks School.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

Members' liability

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

Trustees' Indemnities

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 10 Trustees who are appointed by the members;
- the Chief Executive who is treated for all purposes as being an ex officio Trustee.

Trustees are appointed for a four year period, except that this time limit does not apply to the Chief Executive.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Academy Trust has a Trustee Recruitment, Induction and Training policy available from the Clerk to the Trustees.

The training and induction provided for new Trustees will depend upon their existing experience. 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.

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Organisational Structure

The Board of Trustees normally meets four times per year. The Board, through robust Schemes of Delegation and Terms of Reference, establishes an overall framework for the governance of the Trust. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 2 Core committees as follows;

- Finance and Audit Committee - this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving internal assurance reports and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.
- Education Standards Committee - this meets once a term to monitor, evaluate and review Educational Performance and review the work of the Local Advisory Boards for each of the Academies within the Trust.

~~Local Advisory Boards are sub committees of the Trust Board and include parental representation and staff representation.~~

The Trustees have devolved responsibility for day to day management of the Trust to the Chief Executive Officer and Senior Leadership Team (SLT). The SLT comprises the Chief Executive Officer, Director of Finance and Operations and the Principals of each Academy.

Each Academy has a leadership team with devolved responsibility for the day to day operation of the Academy within the terms set out in the Scheme of Delegation and monitored by the Local Advisory Board and Chief Executive.

The Chief Executive is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Performance management is the key determining factor used by Trustees to set the pay of Key Management Personnel.

The Trustees consider the Key Management Personnel to be the Chief Executive and the Director of Finance and Operations. Performance management for the Chief Executive is determined by the Chair and two vice chairs with support from the Trust SIP. The performance management of the Director of Finance and Operations is determined by the Chair, Two Vice Chairs and the Chief Executive. Their recommendation is taken to the Full Board for approval.

The Finance and Audit committee review pay and salary recommendations as part of budget submissions. Pay and salary is reviewed annually for all staff with direct reference to national benchmarks and agreements.

All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

Related Parties and other Connected Charities and Organisations

The Trust operates a joint teacher training scheme known as The Swindon Teacher Training Partnership (STTP) with The Commonweal School, Highworth Warneford School and St Joseph's School.

There are no related parties which either control or significantly influence the decisions and operations of The Park Academies Trust.

Both Red Oaks and Abbey Park have formal Parent Teacher Associations associated with their respective Academy.

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

The Trust currently sells services to Orchid Vale Primary school which is due to join the Trust in the coming financial year.

OBJECTIVES AND ACTIVITIES

Objects and Aims

Our mission:

To create centres of educational excellence that inspire all pupils to turn their *potential into performance* and, through this, to become a leading educational Trust in the South West.

To achieve this our schools will:

- Provide a broad and balanced curriculum that allows pupils to develop their talents and ambitions;
- Deliver the highest quality learning opportunities facilitated by excellent teachers; and
- Inspire our pupils to become confident, motivated and respectful individuals ready to make a positive contribution to society.

The Trust will support our schools by:

- Having a shared ethos within which the unique identity and character of each school can flourish;
- Maximising the resources and expertise available to individual schools;
- Providing a platform for the sharing of excellent practice; and
- Challenging and developing staff to turn their potential into performance.

Objectives, Strategies and Activities

Objective 1: Setting up a primary phase of the Trust. Our aim for the year was to induct our founding primary school (Red Oaks Primary School) into the Trust and commence an initial programme of work aimed at building the cross phase structures and practices needed to ensure closer working between our primary and secondary schools. This work was ultimately limited by the delays in the academisation process, although we were able to establish fully mapped and sequenced curricula in all main subjects.

Objective 2: Developing the Trust CPD programme. Our aims for the year were to commence cross-phase twilight training, to complete the accredited middle leaders course commenced the year before, and to establish bespoke elements of CPD that staff could access according to their strengths and needs. All of these aims were fully met.

Objective 3: Increased recruitment of pupils and staff. Our aims were to increase pupil applications to all Trust schools (including the Sixth Form) and to improve our ability to attract new staff through highlighting the benefits and opportunities of working for a Trust. Through a growing reputation and a clear focusing on our key messages in marketing and advertising, all three Trust schools were able to fill all places for new entrants. Applications for the Sixth Form increased slightly but this will need to remain a key focus. An improving reputation at Abbey Park School facilitated successful teacher recruitment despite national shortages in some subjects, and the Trust successfully created, marketed and recruited to a new School Direct Hub for PGCE trainees across a number of key subjects.

Objective 4: Trust Growth. Our aims were to increase the number of schools in the Trust through commencing a primary phase, and to build links with other Trusts that might prove beneficial. After meeting with the Governing Bodies of five primary schools, Red Oaks Primary School completed the academisation process to join the Trust, and Orchid Vale Primary School is part-way through the process. Links were established with three local Trusts through leadership visits and meetings.

Objective 5: Developing common approaches. Our aims were to develop greater efficiencies and strength of practice at secondary level by creating specialist subject teams across both secondary schools, resulting in a common curriculum. This project has now progressed to a common Year 7 and Year 8 curriculum as a result, with a common GCSE specification also being chosen in most subjects. A further aim was to standardise the information produced by school leaders at each school for scrutiny by Local Advisory Bodies and the Trust Board, which has been achieved.

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Objective 6: Raising the Trust profile. Our aim was to raise awareness of the Trust as a successful educational provider in the South West. Publicity materials and the information on Trust and school websites were revised. A new Trust newsletter was created and circulated widely. School leaders contributed to the delivery of CPD programmes such as NPQH and NPQSL and a TEEP Open Day was held at Lydiard Park Academy.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

STRATEGIC REPORT

Achievements and Performance

Lydiard Park Academy achieved record levels of attainment at both 'A' level and GCSE. Top 'A' level grades (A*-B) were some 11% above the ALPs target for median progress at 42%, the percentage of students progressing to university remained at 70%, which is double the Swindon average. For the first time since opening the Sixth Form, a student was successful in gaining a place at Oxford University, and there was a significant increase in the number of places gained at Russell Group universities. At GCSE level, the percentage of pupils gaining five or more 'passes' (Band 4 or higher) including English and maths rose to 67.2%, a record high and some 8% above the national average.

Results at Abbey Park School also rose significantly, marking the school's rise from an underachieving school (at the point it was brokered into the Trust) to one that is achieving results above the national average. The percentage of pupils gaining five or more 'passes' (band 4 or higher) rose from 61% in 2018 to 66.5% in 2019 (around 7% above the national average).

SAT results at Red Oaks Primary School also rose considerably in 2019 compared to 2018. At both Key Stage 1 and Key Stage 2 results were at or above the national average in every subject bar one (and this becomes all subjects if the results of pupils in the Special Resource Provision are set aside). Of particular note is a large rise in performance in KS2 maths, which had been a weak spot in 2018 but was a strength in 2019.

Key Performance Indicators

See above for key educational outcomes.

Financial indicators:

Due to the growth and development of the Trust, the primary financial KPI's are evolving as the profile of the Trust changes and the DFO has been tasked with identifying a suitable range of benchmarks to allow trustees to set core KPI's.

The primary KPI is to deliver on the agreed budgets for the financial year and develop a balanced budget for the subsequent years.

Pupil numbers drive income and it is critical to financial performance that pupil numbers grow in line with forecast. They have done so across the Trust.

Reserves have been reviewed in line with the growth of the Trust and the reserves policy has been redrafted.

As budgets tighten, cashflow is critical and a positive cashflow is required at all times with a minimum of £500,000 held in the business reserve account and the remaining funds held in instant access high interest accounts to generate income but remain accessible. The reserves are spread across a range of accounts to ensure a degree of protection from banking default and are managed in line with the new investment policy.

The DFO has completed SRMA accreditation and will undertake a full ICFP review to inform Trust benchmarks and also measure against national performance. This will include an analysis of performance against the Kreston Benchmarking report.

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Going Concern

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

FINANCIAL REVIEW

Financial Review

The Trust intends and expects that all decisions around the use of Trust resources will be underpinned at all times by its vision and values:

Our mission:

- To create centres of educational excellence that inspire all pupils to turn their *potential into performance*.

To achieve this our schools will:

- Provide a broad and balanced curriculum that allows pupils to develop their talents and ambitions;
- Deliver the highest quality learning opportunities facilitated by excellent teachers; and
- Inspire our pupils to become confident, motivated and respectful individuals ready to make a positive contribution to society.

The Trust will support our schools by:

- Maximising the resources and expertise available to individual schools;
- Providing a platform for the sharing of excellent practice; and
- Challenging and developing staff to turn their potential into performance.

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which 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 useful life of the assets concerned, as defined in the Academy's accounting policies.

Abbey Park and Red Oaks Primary School form part of the North Swindon Schools PFI and the Trust receives income specific to the PFI. The Trustees have determined that the PFI nature of the schools mean that they have no asset value at transfer.

During the year ended 31 August 2019, the Academy received total income of £12,091,031 and incurred total expenditure of £12,208,757 (excluding restricted fixed funds and balances received on conversion). The excess of expenditure over income for the year was £117,726.

The Trust has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 27 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy, Reserves Policy and Investment Policy.

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Reserves Policy

The Trustees reviewed the reserves policy during the 2018/2019 financial year to reflect the changing nature of the Trust and the impact of the PFI arrangements.

The following principles underpin the Trust's approach to reserves management:

- The Trust, and Trust schools, should set balanced in-year revenue budgets every year;
- The Trust's reserves balance should only decrease due to capital investment and/or other organisational needs which shall at all times be approved by the Finance and Audit Committee;
- All reserves are Trust reserves, however individual school reserves balances will be reported in order to facilitate administrative requirements and for the purposes of statutory accounting;
- The Trust's general reserves balance may be comprised of restricted or unrestricted reserves; and
- The use of reserves is at all times at the absolute discretion of the Trustees;
- The principal of 'a loan from reserves' will be applied to ensure that where reserves are allocated, they are repaid.

The Trust's general reserves balance will be maintained at a level equivalent to 5% of combined General Annual Grant for all schools subject to 10% tolerance either way (so between 4.5% and 5.5% of GAG). Therefore if the combined GAG for the following year is forecasted to be £20m, the Trust's reserves balance should be £1m but can remain between £900,000 and £1,100,000. This is the percentage that Trustees regard as an appropriate level of reserves, given the current operating environment.

A general reserves balance higher than this figure must be supported by an appropriate plan, for example for expenditure on school improvement or capital works, or to mitigate a specific foreseen risk.

- The combined amount that schools are required to contribute to reserves will vary from year to year, as this amount is defined by what is required to make the reserves balance up to the 5% of GAG target. If for example the target is £1m and the current reserves balance is £900,000, the combined schools contribution will be £100,000.
- The combined schools' contribution will be set annually for the following year once February (half year) Management Accounts are completed and will be based on the forecasted current year - end reserves balance at that point, together with estimated combined GAG for the following year. Contributions will then be included in schools' budgets for the following year.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

Trustees have adopted a formal investment policy during the 2018/2019 financial year to reflect the increase in funds available and the positive cashflow position of the Trust.

The Trust recognises the need to obtain best value from all of the assets that it holds, including any cash balances that it may periodically hold.

The Trust Board, Chief Executive Officer and Director of Finance and Operations have overall responsibility for the security and management of funds. The day to day management of the treasury function is controlled by the Director of Finance and Operations.

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

The objectives of the Trust's approach to investment are to:

- provide a balanced means by which the Trust can meet its financial commitments;
- ensure that sums are available:
 - at short term or no notice to meet foreseeable requirements;
 - as required to meet longer term commitments as required; and
- earn an acceptable rate of return on uncommitted funds without undue risk.

By:

- only investing funds in a variety of low risk and easily-accessible accounts;
- managing risk through diversification of investments, ensuring that the security of funds takes precedence over revenue maximisation;
- only placing funds with banking institutions that are regulated by the Financial Conduct Authority and with good credit ratings; and
- automatically reinvesting funds, and any interest earned on those funds, unless money is required for immediate or anticipated expenditure.

The Trust will not place cash assets in stocks, shares, bonds or other such investment schemes.

The Trust recognises that there will be occasions where it may choose to fund projects through CIF loans or maintain debt for equal pay loans whilst investing funds in the interests of prudent cashflow management.

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major 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 principal risks and uncertainties facing the Academy Trust are as follows:

Financial

- the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 90% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.
- PFI costs are a particular risk as they remain fixed regardless of pupil numbers and the Trust is unable to control those costs.
- pupil numbers are robust and growing which mitigates some of the risk

Failures in governance and/or management

- the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational

- the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection

- the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Staffing

- the success of the Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- Trustees have supported innovative approaches including the STTP, a staff benefits package and a staff Charter.

Fraud and mismanagement of funds

- The Trust use FS4S to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.
- The Trust Finance Manager undertakes internal compliance reviews.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme) and the TPS (Teachers Pension Scheme), which is set out in Note 26 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

FUNDRAISING

Abbey Park and Red Oaks Schools both have PTA's who manage much of the direct fundraising. All schools undertake charitable fund raising.

PLANS FOR FUTURE PERIODS

The Academy Trust has a robust Trust Development plan developed by Trustees during their away day. This informs the Development plan for each of the Trust Academies. The key Trust Plans are:

1. Establish a new primary phase of the Trust by building strong collaborative practice between Red Oaks Primary School and Orchid Vale Primary School. This includes leadership structures, CPD and increased subject specialist input in upper Key Stage 2.
2. Further develop our model of primary-secondary transition and consult on a new Admissions Policy for Abbey Park School that reflects the all-through curriculum approach with Red Oaks and Orchid Vale Primary Schools.
3. Further develop collaborative working and the establishment of a Trust curriculum at secondary level. This includes introducing Maths Mastery at both schools, collaborative measures to improve disadvantaged pupil progress, developing a common assessment and data system, and growing a common approach to IAG (careers).
4. Continue to develop Trust leadership through recruiting new Trustees and LAB members, revising Schemes of Delegation and implementing further trustee and LAB member training.
5. Grow the Trust further by raising our profile through new websites and increased publicity, leading to greater interest from non-Trust schools. Augment this by opening up our Trust training programme to delegates from outside of the Trust and by working closely with local schools through our leadership of the new Swindon Teacher Training Partnership.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

TRUSTEES INDEMNITIES

There are no third party indemnities.

THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware;
- that Trustee has taken all steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

The auditors, Bishop Fleming Bath Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the Board of Trustees on 25/11/19 and signed on their behalf by:



Louise Bouteiller
Chair of Trustees

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees we acknowledge we have overall responsibility for ensuring that The Park Academies 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, 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 Park Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 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
Clive Zimmerman	4	4
Alastair Dixon-Patterson	3	3
Corinna Mazzotta	4	4
Dave Allen	2	4
Louise Bouteiller	3	4
Scott Robins	1	4
Toni Gillespie	1	1
Mark Edwards	3	4
Fred Child	4	4
Amy Armstrong	1	2

Two changes to the Articles of Association took place this year, which affected the composition of the Board, the requirement for two vice-chair of Trustees was introduced to allow for shared workload and for succession planning. The removal of the requirement for the Finance & Operations Director to be a Trustee as per the recommendation from the DfE.

Toni Gillespie and Alastair Dixon-Patterson both left the Board this year and there was the addition of Amy Armstrong who brings strong educational knowledge and expertise.

Governance Review

The annual skills audit informed the board on their recruitment needs and they have commenced work with Academy Ambassadors to recruit more Trustees to strengthen board capacity and knowledge.

The Board have taken part in a strategy focus day, which was a full day of discussion and planning around the Trust's mission and strategy.

The Clerk to Trustees, Chair and Vice-Chairs have been working closely with all the LAB Clerks and Chairs in the Trust to ensure Trust governance cohesion. The Chairs and Clerks group was formed and meet three times a year.

The annual review of the key documents, the Scheme of Delegation and LAB Terms of References took place and identified that both documents needed reviewing to ensure it was fit for purpose through the Trusts current and next stage of growth. A working party was formed with members from three LABs, Two Trustees, the DFO and Clerk to Trustees and new documents were formed and approved by the Trust.

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

The Finance and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to assist the Trust Board in ensuring that financial risks are reviewed and that the annual financial statements give a true and fair view of Trust activities whilst complying with the obligations set out in the Academies Financial Handbook.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Corinna Mazzotta	6	6
Scott Robins	6	6
Mark Edwards	5	6

The Educational Standards Committee is a sub-committee of the main Board of Trustees. Its purpose is to take a strategic overview of curriculum, quality and standards of teaching and learning and to ensure that the Trust addresses the raising of standards in teaching, learning and pupil achievement.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Fred Child	5	5
Louise Bouteiller	4	5
Dave Allen	4	5
Amy Armstrong	3	3

REVIEW OF VALUE FOR MONEY

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

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

- Robust financial governance and budget management;
- Value for money purchasing:
 - Using Trust economies of scale;
 - Reviewing profile of schools spend;
- Reviewing controls and managing risk;
- Considering allocation/targeting/use of resource;
- Benchmarking across the Trust:
 - ICFP (Integrated Curriculum Financial Planning);
- Challenging proposals and examining their effectiveness and efficiency;
- Deploying staff effectively;
- Reviewing quality of curriculum provision and quality of teaching;
- Reviewing quality of children's learning to enable children to achieve nationally expected progress;
- Robust Finance Policy with well-resourced finance team;
- Training of DFO as SRMA (School Resource Management Adviser):
 - Delivers Income; and
 - Allows Benchmarking and introduction of new ideas.

**THE PARK ACADEMIES 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 Park Academies 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 have been in place for the period from 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 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 and Audit 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; and
- Identification and management of risks.

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

- To appoint FS4S to undertake internal assurance reviews;
 - Directed by Finance and Audit Committee;
- The Trust Finance Manager and Director of Finance and Operations to monitor and audit assurance compliance.

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

- Testing of payroll systems;
- Testing of purchase systems;
- Testing of control account/bank account reconciliations; and
- Ensuring consistency of approach across the Trust.

The Director of Finance and Operations reports to both the Finance and Audit Committee and Trust Board at every meeting. The internal assurance provider reports to the Finance and Audit Committee.

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF EFFECTIVENESS

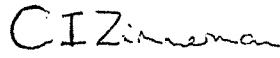
As Accounting Officer is the Chief Executive who has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- The work of the Director of Finance and Operations; and
- The internal assurance reports.

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

Approved by order of the members of the Board of Trustees on 25/11/19 and signed on their behalf by:


Louise Bouteiller
Chair of Trustees


Clive Zimmerman
Accounting Officer

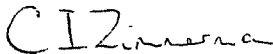
**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Park Academies Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of all funding, 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 .

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 .

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.



Clive Zimmerman
Accounting Officer

Date: 17/12/19

**THE PARK ACADEMIES 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 and signed on its behalf by:



Louise Bouteiller
Chair of Trustees

Date: 17/12/19

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
PARK ACADEMIES TRUST**

OPINION

We have audited the financial statements of The Park Academies 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 FRS 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 and 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 PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
PARK ACADEMIES 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has 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.

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.

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.

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

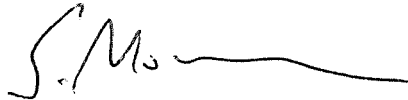
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

This report is made solely to the 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.



Simon Morrison FCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date: 19/12/2019

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

In accordance with the terms of our engagement letter 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 Park Academies 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 Park Academies 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 Park Academies 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 Park Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE PARK ACADEMIES TRUST'S ACCOUNTING OFFICER
AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of The Park Academies Trust's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

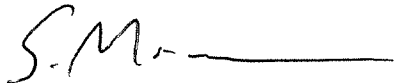
We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE PARK
ACADEMIES 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.



Simon Morrison FCA (Reporting Accountant)

Bishop Fleming Bath Limited
Minerva House
Lower Bristol Road
Bath
BA2 9ER

Date: 19/12/2019

THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:						
Donations and capital grants	3	989,403	(624,000)	375,102	740,505	206,898
Charitable activities	4	472,351	11,361,417	-	11,833,768	6,120,844
Other trading activities	5	220,914	-	-	220,914	747,942
Investments	6	4,373	-	-	4,373	309
TOTAL INCOME		1,687,041	10,737,417	375,102	12,799,560	7,075,993
EXPENDITURE ON:						
Charitable activities	8	963,719	11,245,038	281,505	12,490,262	7,326,010
TOTAL EXPENDITURE		963,719	11,245,038	281,505	12,490,262	7,326,010
NET INCOME/ (EXPENDITURE)		723,322	(507,621)	93,597	309,298	(250,017)
Transfers between funds	19	-	(60,114)	60,114	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		723,322	(567,735)	153,711	309,298	(250,017)
Actuarial losses on defined benefit pension schemes	27	-	(797,000)	-	(797,000)	537,000
NET MOVEMENT IN FUNDS		723,322	(1,364,735)	153,711	(487,702)	286,983
RECONCILIATION OF FUNDS:						
Total funds brought forward		329,161	(410,358)	10,364,195	10,282,998	9,996,015
Net movement in funds		723,322	(1,364,735)	153,711	(487,702)	286,983
TOTAL FUNDS CARRIED FORWARD		1,052,483	(1,775,093)	10,517,906	9,795,296	10,282,998

The notes on pages 26 to 54 form part of these financial statements.

THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07694023

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	14	10,489,235	10,401,571
		<u>10,489,235</u>	<u>10,401,571</u>
CURRENT ASSETS			
Debtors	15	1,011,625	374,738
Cash at bank and in hand		1,446,199	495,309
		<u>2,457,824</u>	<u>870,047</u>
Creditors: amounts falling due within one year	16	(989,127)	(455,322)
NET CURRENT ASSETS		<u>1,468,697</u>	<u>414,725</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,957,932</u>	<u>10,816,296</u>
Creditors: amounts falling due after more than one year	17	(107,636)	(83,298)
NET ASSETS EXCLUDING PENSION LIABILITY		<u>11,850,296</u>	<u>10,732,998</u>
Defined benefit pension scheme liability	27	(2,055,000)	(450,000)
TOTAL NET ASSETS		<u><u>9,795,296</u></u>	<u><u>10,282,998</u></u>
CHARITY FUNDS			
Restricted funds:			
Restricted funds	19	279,907	39,642
Fixed asset funds	19	10,517,906	10,364,195
		<u>10,797,813</u>	<u>10,403,837</u>
Restricted funds excluding pension asset			
Pension reserve	19	(2,055,000)	(450,000)
		<u>8,742,813</u>	<u>9,953,837</u>
Total restricted funds			
Unrestricted funds	19	1,052,483	329,161
		<u>9,795,296</u>	<u>10,282,998</u>
TOTAL FUNDS		<u><u>9,795,296</u></u>	<u><u>10,282,998</u></u>

The financial statements on pages 26 to 52 were approved by the Trustees, and authorised for issue on 17/12/2019 and are signed on their behalf, by:

Louise Bouteiller 
Chair of Trustees

Clive Zimmerman 
Accounting Officer

The notes on pages 26 to 54 form part of these financial statements.

THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by/(used in) operating activities	21	675,516	(145,895)
CASH FLOWS FROM INVESTING ACTIVITIES	23	280,238	63,973
CASH FLOWS FROM FINANCING ACTIVITIES	22	(4,864)	(4,582)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		950,890	(86,504)
Cash and cash equivalents at the beginning of the year		495,309	581,813
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24	<u>1,446,199</u>	<u>495,309</u>

The notes on pages 26 to 54 form part of these financial statements

**THE PARK ACADEMIES 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 Park Academies 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.

1.3 INCOME

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

• **Grants**

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

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

Capital grants are recognised when there is entitlement to the grant 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.

• **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 year it which it is receivable and to the extent the goods have been provided or on completion of the service.

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.3 INCOME (CONTINUED)

- **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an Academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

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**

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

1.5 TANGIBLE FIXED ASSETS

Tangible fixed assets costing £1,000 or more are capitalised and 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.

On conversion the Academy Trust was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

The land and buildings occupied by Abbey Park School and Red Oaks School are subject to a PFI agreement and maintained and controlled by the PFI company. The Academy Trust does not hold any ownership over the assets and therefore they are not held as fixed assets in the financial statements.

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.5 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is provided on all tangible fixed assets other than freehold land, 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:

Long term leasehold property	- 50 years straight line
Motor vehicles	- 20% straight line
Fixtures and fittings	- 20% straight line
Computer equipment	- 33% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.7 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.8 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.

1.9 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 15. Prepayments are not financial instruments.

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

See note 18 for a summary of the financial instruments at 31 August 2019.

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.10 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.

1.11 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.12 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.

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.13 CONVERSION TO AN ACADEMY TRUST

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Abbey Park School and Red Oaks Primary School to the Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of Financial Activities and analysed under unrestricted funds.

Further details of the transaction are set out in note 26.

1.14 AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 100% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in Note 25.

1.15 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.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

The 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 27, 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.

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	989,403	(624,000)	-	365,403	12,150
Capital Grants	-	-	375,102	375,102	194,748
	<u>989,403</u>	<u>(624,000)</u>	<u>375,102</u>	<u>740,505</u>	<u>206,898</u>
Total 2018	<u>12,150</u>	<u>-</u>	<u>194,748</u>	<u>206,898</u>	

Unrestricted donations received in 2019 include balances received on the conversion of Abbey Park School of £357,024 and balances received on the conversion of Red Oaks Primary School of £600,403.

Restricted donations in 2019 include the combined deficit relating to the Local Government Pension Scheme received on the conversion of Abbey Park School and Red Oaks Primary School of £624,000.

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

4. FUNDING FROM THE ACADEMY TRUST' EDUCATIONAL OPERATIONS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DFE/ESFA grants				
General Annual Grant	-	10,173,508	10,173,508	5,304,230
Other DfE grants	-	256,396	256,396	118,416
Pupil premium	-	425,637	425,637	261,820
	-	10,855,541	10,855,541	5,684,466
Other Government grants				
High needs	-	361,680	361,680	296,823
Other Government grants: non capital	-	-	-	18,800
	-	361,680	361,680	315,623
Other income				
School games organiser	-	23,800	23,800	23,800
PGCE income	-	3,756	3,756	5,950
Pupil transport	182,047	116,640	298,687	59,549
Other income	82,902	-	82,902	31,456
PFI income	207,402	-	207,402	-
	472,351	11,361,417	11,833,768	6,120,844
Total 2018	83,613	6,037,231	6,120,844	

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	105,824	105,824	119,778
Educational support	115,090	115,090	628,164
	220,914	220,914	747,942

All prior year amounts relate to unrestricted funds.

THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

6. INVESTMENT INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	4,373	4,373	309

All prior year amounts relate to unrestricted funds.

7. EXPENDITURE

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Direct costs	7,940,484	287,438	960,349	9,188,271	5,219,960
Allocated support costs	1,796,362	730,043	775,586	3,301,991	2,106,050
	<u>9,736,846</u>	<u>1,017,481</u>	<u>1,735,935</u>	<u>12,490,262</u>	<u>7,326,010</u>

THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	9,188,271	3,301,991	12,490,262	7,326,010
Total 2018	5,219,960	2,106,050	7,326,010	

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Pension costs	22,000	22,000
Staff costs	7,765,557	4,358,711
Depreciation	287,438	273,007
Educational supplies	183,274	104,864
Examination fees	162,718	98,574
Staff development	25,469	26,572
Other costs	549,325	228,840
Supply teachers	174,927	96,426
Recruitment and support	17,563	10,966
	9,188,271	5,219,960

THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	1,796,362	1,545,066
Educational supplies	18,227	15,012
Other costs	84,628	74,653
Recruitment and support	8,628	1,653
Maintenance of premises and equipment	539,984	62,903
Cleaning	22,401	18,253
Rent and rates	236,738	38,952
Energy costs	90,247	83,651
Insurance	23,044	33,436
Security and transport	25,177	13,359
Catering	94,692	47,103
Technology costs	64,778	66,415
Office overheads	51,266	33,443
Legal and professional	229,027	43,845
Interest and bank charges	4,242	2,229
Governance	12,550	26,077
	<u>3,301,991</u>	<u>2,106,050</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Depreciation of tangible fixed assets	287,438	273,007
Fees payable to Auditor - Audit	12,250	7,325
Fees payable to Auditor - Other services	2,000	2,000
Operating lease rentals	8,459	8,731
	<u>299,147</u>	<u>289,063</u>

THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

10. STAFF COSTS

a. STAFF COSTS

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	7,383,062	4,526,914
Social security costs	709,354	423,959
Pension costs	1,469,503	952,904
	<u>9,561,919</u>	<u>5,903,777</u>
Agency staff costs	174,927	96,426
	<u><u>9,736,846</u></u>	<u><u>6,000,203</u></u>

b. STAFF NUMBERS

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

	2019 No.	2018 No.
Teachers	153	89
Education support	105	57
Administration	25	15
Management	17	4
	<u><u>300</u></u>	<u><u>165</u></u>

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

10. STAFF COSTS (CONTINUED)

c. HIGHER PAID STAFF

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	3	1
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	2	2
In the band £120,001 - £130,000	1	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2019 pension contributions for these staff amounted to £98,707 (2018: £78,428).

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £638,610 (2018: £684,816).

As staff Trustees are not remunerated in respect of their role as a Trustee, where staff do not form part of the key management personnel other than in their role as Trustee, their remuneration as set out in note 12 has not been included in the total benefits received by key management personnel above.

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

11. CENTRAL SERVICES

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

- Governance
- Accounting
- Financial services
- Premises support
- Educational support
- Marketing and branding
- HR
- Legal services
- IT support and network management
- Data protection
- Health and safety

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

The Trust will charge school a % of the General Annual Grant income pro-rata for the year.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Lydiard Park School	304,262	-
Abbey Park School	293,293	-
Red Oaks Primary School	4,754	-
TOTAL	602,309	-

THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

12. 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 Chief Executive Officer and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their roles as Trustees. The value of Trustee's remuneration and other benefits was as follows: C Zimmerman, Remuneration £125,000 - £130,000 (2018: £125,000 - £130,000), Employer's Pension Contributions £20,000 - £25,000 (2018: £20,000 - £25,000); A Dixon-Patterson, Remuneration £40,000 - £45,000 (2018: £70,000 - £75,000), Employer's Pension Contributions £5,000 - £10,000 (2018: £15,000 - £20,000).

During the year, no Trustees received any other benefits (2018: £Nil).

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £1,183 (2018: £1,152). The cost of this insurance is included in the total insurance cost.

14. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
COST OR VALUATION					
At 1 September 2018	12,207,485	-	1,291,694	275,164	13,774,343
Additions	314,988	16,095	4,819	39,200	375,102
At 31 August 2019	12,522,473	16,095	1,296,513	314,364	14,149,445
DEPRECIATION					
At 1 September 2018	1,894,712	-	1,212,744	265,316	3,372,772
Charge for the year	245,845	805	25,265	15,523	287,438
At 31 August 2019	2,140,557	805	1,238,009	280,839	3,660,210
NET BOOK VALUE					
At 31 August 2019	10,381,916	15,290	58,504	33,525	10,489,235
At 31 August 2018	10,312,773	-	78,950	9,848	10,401,571

THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

15. DEBTORS

	2019 £	2018 £
Trade debtors	19,400	92,863
Other debtors	18,764	6,343
Prepayments and accrued income	973,461	275,532
	<u>1,011,625</u>	<u>374,738</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Other loans	10,054	6,941
Trade creditors	305	-
Other taxation and social security	225,080	112,065
Other creditors	213,599	107,850
Accruals and deferred income	540,089	228,466
	<u>989,127</u>	<u>455,322</u>

	2019 £	2018 £
Deferred income at 1 September 2018	96,841	133,504
Resources deferred during the year	230,050	96,841
Amounts released from previous periods	(96,841)	(133,504)
	<u>230,050</u>	<u>96,841</u>

At the balance sheet date the Academy Trust was holding funds received in advance for trips booked for the autumn term 2019, and for sports games services and pupil transport purchased in advance.

THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £	2018 £
Other loans	<u>107,636</u>	<u>83,298</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2019 £	2018 £
Payable or repayable by instalments	<u>49,802</u>	<u>55,532</u>
	<u><u>49,802</u></u>	<u><u>55,532</u></u>

The local authority ran an equal pay review in 2010 and as a result, prior to academy conversion, payments were made to staff funded 50% by the LA and 50% by the school via a loan. The loan is at a rate of 4.93%. When Abbey Park and Orchid Vale joined the Trust, their liability for equal pay loans passed to the Trust. Trustees have approved payment in full of all outstanding balances within 12 months of the year end date.

18. FINANCIAL INSTRUMENTS

	2019 £	2018 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	1,446,199	495,309
Financial assets that are debt instruments measured at amortised cost	<u>850,471</u>	<u>224,435</u>
	<u><u>2,296,670</u></u>	<u><u>719,744</u></u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	<u>(428,034)</u>	<u>(227,295)</u>

Financial assets measured at fair value through income and expenditure comprise cash and cash equivalents.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise accruals, other creditors and the equal pay loans.

THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

19. STATEMENT OF FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General funds	329,161	1,687,041	(963,719)	-	-	1,052,483
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	-	10,157,081	(9,764,219)	(64,977)	-	327,885
High needs funding	-	361,680	(361,680)	-	-	-
Pupil premium	-	425,637	(425,637)	-	-	-
Devolved formula capital	-	33,719	(33,719)	-	-	-
Rates relief	-	65,103	(65,103)	-	-	-
Other DFE/ESFA Grants	-	172,801	(172,801)	-	-	-
Loans from LA on conversion	(90,239)	-	(32,314)	4,863	-	(117,690)
MAT income	129,881	25,000	(85,169)	-	-	69,712
Other restricted income	-	120,396	(120,396)	-	-	-
Pension reserve	(450,000)	(624,000)	(184,000)	-	(797,000)	(2,055,000)
	<u>(410,358)</u>	<u>10,737,417</u>	<u>(11,245,038)</u>	<u>(60,114)</u>	<u>(797,000)</u>	<u>(1,775,093)</u>

THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

19. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets on conversion	10,009,264	-	(239,912)	-	-	9,769,352
Fixed assets purchased from GAG / restricted funds	354,931	375,102	(41,593)	60,114	-	748,554
	<u>10,364,195</u>	<u>375,102</u>	<u>(281,505)</u>	<u>60,114</u>	<u>-</u>	<u>10,517,906</u>
TOTAL RESTRICTED FUNDS	<u>9,953,837</u>	<u>11,112,519</u>	<u>(11,526,543)</u>	<u>-</u>	<u>(797,000)</u>	<u>8,742,813</u>
TOTAL FUNDS	<u>10,282,998</u>	<u>12,799,560</u>	<u>(12,490,262)</u>	<u>-</u>	<u>(797,000)</u>	<u>9,795,296</u>

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

RESTRICTED FUNDS

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs. During the year £60,114 (2018: £29,622) was transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG.

High Needs - Funding received by Swindon Borough Council to fund further support for students with additional needs.

Pupil premium - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current inequalities between those children and their wealthier peers.

Devolved formula capital - This represents funding from the ESFA to cover the maintenance and purchase of Academy Trust's fixed assets.

Rates relief - This represents funding received from the ESFA to contribute towards the Academy Trust's rates and insurance expenditure.

Other DFE/ESFA grants - This funding includes Y7 Catch up funding, Summer School funding and Post 16 Bursary funding.

The loans transferred from the LA conversion consists of Equal Pay Loans transferred from Swindon Borough Council. £85,376 of the outstanding loan at the year end relates to Lydiard Park Academy. On conversion the liabilities of both Abbey Park School and Red Oaks Primary School include an equal pay loan, the outstanding balance of which is £12,374 (Abbey Park School) and £19,940 (Red Oaks Primary School).

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

19. STATEMENT OF FUNDS (CONTINUED)

MAT income - Funding received from the ESFA for the expansion of the Multi Academy Trust.

Pension reserve - This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

Fixed assets transferred on conversion - This represents the building and equipment donated to the School from Swindon Borough Council on conversion to an Academy.

OTHER INFORMATION

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

Trust reserves as at 31 August 2019 (excluding the restricted fixed asset fund and pension reserve) were £1,332,390 and have notionally been allocated to the academies within the Trust as follows:

	2019 £	2018 £
Lydiard Park Academy	297,649	368,803
Abbey Park School	437,424	-
Red Oaks Primary School	590,545	-
Central Services	6,772	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,332,390	368,803
Restricted fixed asset fund	10,517,906	10,364,195
Pension reserve	(2,055,000)	(450,000)
	<hr/>	<hr/>
TOTAL	9,795,296	10,282,998
	<hr/>	<hr/>

THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

19. STATEMENT OF FUNDS (CONTINUED)

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Lydiard Park Academy	4,103,753	1,173,702	133,801	1,079,844	6,491,100	7,053,003
Abbey Park School	2,878,680	787,011	54,009	1,034,388	4,754,088	-
Red Oaks Primary School	106,885	73,730	-	20,145	200,760	-
Central Services	293,434	319,651	13,691	130,100	756,876	-
ACADEMY TRUST	7,382,752	2,354,094	201,501	2,264,477	12,202,824	7,053,003

THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

19. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS						
General Funds	395,442	844,014	(910,295)	-	-	329,161
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	-	5,333,218	(5,298,960)	(34,258)	-	-
High needs funding	-	292,598	(292,598)	-	-	-
Pupil premium	-	266,045	(266,045)	-	-	-
Devolved formula capital	-	23,266	(23,266)	-	-	-
Rates relief	-	30,541	(30,541)	-	-	-
Other DFE/ESFA Grants	-	10,621	(10,621)	-	-	-
Loans from LA on conversion	(94,875)	-	-	4,636	-	(90,239)
School Games Organiser	-	24,998	(24,998)	-	-	-
PGCE Income	-	5,950	(5,950)	-	-	-
MAT Income	113,549	25,000	(8,668)	-	-	129,881
Other restricted income	-	24,994	(24,994)	-	-	-
Pension reserve	(825,000)	-	(162,000)	-	537,000	(450,000)
	(806,326)	6,037,231	(6,148,641)	(29,622)	537,000	(410,358)

THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

19. STATEMENT OF FUNDS (CONTINUED)

	£	£	£	£	£	Balance at 31 August 2018 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets on conversion	10,246,735	-	(237,471)	-	-	10,009,264
Fixed assets purchased from GAG / restricted funds	160,164	194,748	(29,603)	29,622	-	354,931
	<u>10,406,899</u>	<u>194,748</u>	<u>(267,074)</u>	<u>29,622</u>	<u>-</u>	<u>10,364,195</u>
TOTAL RESTRICTED FUNDS	<u>9,600,573</u>	<u>6,231,979</u>	<u>(6,415,715)</u>	<u>-</u>	<u>537,000</u>	<u>9,953,837</u>
TOTAL FUNDS	<u><u>9,996,015</u></u>	<u><u>7,075,993</u></u>	<u><u>(7,326,010)</u></u>	<u><u>-</u></u>	<u><u>537,000</u></u>	<u><u>10,282,998</u></u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	115,207	-	10,374,028	10,489,235
Current assets	937,276	1,376,670	143,878	2,457,824
Creditors due within one year	(26,063)	(963,064)	-	(989,127)
Creditors due in more than one year	(29,376)	(78,260)	-	(107,636)
Provisions for liabilities and charges	-	(2,055,000)	-	(2,055,000)
TOTAL	<u><u>1,052,483</u></u>	<u><u>(1,775,093)</u></u>	<u><u>10,517,906</u></u>	<u><u>9,795,296</u></u>

THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

PRIOR YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	37,376	-	10,364,195	10,401,571
Current assets	291,785	578,262	-	870,047
Creditors due within one year	-	(455,322)	-	(455,322)
Creditors due in more than one year	-	(83,298)	-	(83,298)
Provisions for liabilities and charges	-	(450,000)	-	(450,000)
TOTAL	329,161	(410,358)	10,364,195	10,282,998

21. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATIONS

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	309,298	(250,017)
ADJUSTMENTS FOR:		
Depreciation	287,438	273,007
Interest receivable	(4,373)	(309)
Increase in debtors	(34,887)	(114,170)
Increase/(decrease) in creditors	562,557	(21,658)
Capital grants from DfE and other capital income	(293,493)	(194,748)
Cash received on new Academies joining the Trust	(357,024)	-
Defined benefit pension scheme cost less contributions payable	184,000	140,000
Defined benefit pension scheme finance cost	22,000	22,000
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	675,516	(145,895)

22. CASH FLOWS FROM FINANCING ACTIVITIES

	2019 £	2018 £
Repayments of borrowing	(4,864)	(4,582)
NET CASH USED IN FINANCING ACTIVITIES	(4,864)	(4,582)

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

23. CASH FLOWS FROM INVESTING ACTIVITIES

	2019 £	2018 £
Interest received	4,373	309
Purchase of tangible fixed assets	(375,102)	(131,084)
Capital grants from DfE Group	293,943	194,748
Cash received on Academies joining the Trust	357,024	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	280,238	63,973

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	1,446,199	495,309
TOTAL CASH AND CASH EQUIVALENTS	1,446,199	495,309

25. AGENCY ARRANGEMENTS

The Academy distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ended 31 August 2019 the Academy received £13,350 (2018: £10,621) and disbursed £13,350 (2018: £10,621) from the fund.

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

26. CONVERSION TO AN ACADEMY TRUST

On 1 October 2018 Abbey Park School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Park Academies Trust from Swindon Borough Council for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £	Total funds £
CURRENT ASSETS		
Cash - representing budget surplus on funds	357,204	357,204
	<u>357,204</u>	<u>357,204</u>
NET ASSETS		

On 1 August 2019 Red Oaks School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Park Academies Trust from Swindon Borough Council for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £	Total funds £
CURRENT ASSETS		
Accrued income - representing budget surplus on funds	600,403	600,403
	<u>600,403</u>	<u>600,403</u>
NET ASSETS		

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

27. 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 Wiltshire 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 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £736,380 (2018: £413,390).

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.

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

27. PENSION COMMITMENTS (CONTINUED)

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 £382,000 (2018: £344,000) of which employer's contributions totalled £309,000 (2018: £282,000) and employees' contributions totalled £73,000 (2018: £62,000). The agreed contribution rates for future years are 15.4% for employers and 5.5% to 7.5% 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	2.6	2.7
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8

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	21.4	22.5
Females	23.7	24.9
<i>Retiring in 20 years</i>		
Males	22.3	24.1
Females	25.1	26.7

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	4,925,000	3,066,000
Corporate bonds	971,000	605,000
Property	902,000	561,000
Cash	139,000	86,000
TOTAL MARKET VALUE OF ASSETS	6,937,000	4,318,000

THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

27. PENSION COMMITMENTS (CONTINUED)

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

	2019 £	2018 £
Current service cost	(440,000)	(422,000)
Past service costs	(31,000)	-
Interest income	145,000	96,000
Interest cost	(167,000)	(118,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(493,000)	(444,000)

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

	2019 £	2018 £
AT 1 SEPTEMBER	4,768,000	4,537,000
Conversion of Academy Trusts	2,548,000	-
Past service cost	31,000	-
Current service cost	440,000	422,000
Interest cost	167,000	118,000
Employee contributions	73,000	62,000
Actuarial losses/(gains)	1,144,000	(298,000)
Benefits paid	(179,000)	(73,000)
AT 31 AUGUST	8,992,000	4,768,000

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

	2019 £	2018 £
AT 1 SEPTEMBER	4,318,000	3,712,000
Interest income	145,000	96,000
Conversion of Academy Trusts	1,924,000	-
Actuarial gains	347,000	239,000
Employer contributions	309,000	282,000
Employee contributions	73,000	62,000
Benefits paid	(179,000)	(73,000)
AT 31 AUGUST	6,937,000	4,318,000

**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

28. 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 £	2018 £
Not later than 1 year	16,835	8,459
Later than 1 year and not later than 5 years	39,336	19,083
	<u>56,171</u>	<u>27,542</u>

The Trust has an ongoing annual PFI commitment via the Local Authority which currently amounts to £504,759, which is funded by the ESFA. There is a further commitment under the PFI contract for soft services of £410,820 which is linked to RPI. Both end after the 25 year term of the PFI agreement applicable to each school.

29. MEMBERS' LIABILITY

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

30. GENERAL INFORMATION

The Park Academies Trust is a company limited by guarantee incorporated in England and Wales. The registered office is Grange Park Way, Grange Park, Swindon, SN5 6HN.

31. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

During the accounting period ended 31 August 2017, Clive Zimmerman, the Chief Executive Officer of the Academy Trust, was appointed to act as Executive Principal of Abbey Park School and the Trust was providing educational support services in line with a management contract agreed with Swindon Borough Council before joining the Multi Academy Trust on 1 October 2018. The total cost of these services recharged in the year was £Nil (2018: £628,164) and at 31 August 2019 a balance of £Nil (2018: £92,616) was owing to the Academy Trust from Abbey Park School.