

THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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

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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 Fedrick Louise Bouteiller Fred Child Mark Edwards Corinna Mazzotta Scott Robins (resigned 31 August 2020) Clive Zimmerman Sandra Farquharson (appointed 24 March 2020, resigned 31 August 2020) Anthony Purser (appointed 24 July 2020) Matthew Dixon (appointed 30 July 2020)
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

THE PARK ACADEMIES TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Bankers	National Westminster 84 Commercial Road Swindon Wiltshire SN1 5NW
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Solicitors	Stone King 13 Queen Square Bath BA1 2HJ
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**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2020. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law. The Trust operates Three academies; 1 primary and 2 secondary academies in Swindon. During the year the three academies had a combined pupil capacity of 3,070, including sixth form. This includes pupils in the three SRPs (one secondary for ASD and two primary, one for CLAN and one for SBI) and sixth form. Subsequent to the year end, on 1 October 2020, Orchid Vale Primary School joined the Trust with capacity for 420 pupils. The Trust had a roll of 3,228 in the October 2020 school census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust was incorporated on 29 July 2011 and opened as an Academy on 1 August 2011. On 27 August 2016, the Trust became a MAT. The 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, Abbey Park School, Lydiard Park Academy, Red Oaks Primary School and, from 1 October 2020, Orchid Vale Primary School.

Details of the Trustees who served throughout the year, and to the date the accounts are approved are included in the Reference and Administration Details on page 1.

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 cease 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 business. The insurance provides cover up to £5,000,000 on any one claim.

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.

In line with the requirements of the AFH, there is a Finance and Audit Committee which 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 reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.

Local Advisory Boards (LAB's) are sub committees of the Trust Board and include parental representation and staff representation. They have robust Terms of Reference to specifically support their schools.

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

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

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.

Trade union facility time

There were no relevant union officials for the year ended 31 August 2020.

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 Trust currently sells services to Orchid Vale Primary school which joined the Trust on 1 October 2020.

Engagement with employees (including disabled persons)

The Trust engages with their employees through many means and methods, including:

- Consulting with employees on key matters;
- Staff Forum and wellbeing groups;
- Local Advisory Boards have staff representatives; and
- Regular staff briefings and meetings.

Engagement with suppliers, customers and others in a business relationship with the Trust

The Trust is a local organisation that considers it has a responsibility to its community. Where appropriate, we utilise smaller local suppliers.

During the COVID-19 situation, the Trust has considered the guidance in PPN 02/20 and 04/20 and its moral responsibility as a publicly funded organisation. On that basis, we have continued to work with suppliers under the terms and spirit of the guidance where there has been service interruption.

We are confident that, where required, we have applied the open book requirements whilst maintaining our best value obligations.

In particular, where we engage self employed and sole trader organisations, most of who supply time, and have honoured our commitments or facilitated their delivering aspects of service remotely where appropriate.

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

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 its 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 collaborative primary phase of the Trust. Our aim for the year was to induct our second primary school (Orchid Vale Primary School) into the Trust and commence an initial programme of work aimed at building the structures and practices needed to ensure closer working between our founding and new primary schools. This work was ultimately limited by the delays in the academisation process, during which time it became clear Orchid Vale needed a sponsor. TPAT was identified as the correct sponsor and we began supporting the school by ensuring its lockdown procedures were sufficiently safeguarding pupils. Work also began on a post-Ofsted recovery plan where the school will be given considerable support by Red Oaks Primary and our Executive Primary Principal. (Academisation took place on 1 October 2020).

Objective 2: Transition work. Secondary and primary colleagues within the Trust completed a Year 5-8 mapping exercise to ensure curriculum progression and continuity. Secondary subject specialists and primary subject leads also worked to develop an all-through approach to each subject area and a new Admissions Policy was developed, consulted upon and agreed. This will prioritise pupils from Red Oaks whose parents wish them to stay within the Trust by progressing to Abbey Park School and thus benefitting from the curriculum alignment that has been achieved.

Objective 3: Increase secondary phase progression. Both secondary schools collaborated on the development of literacy (including subject-related extended texts) and closing the achievement gap with disadvantaged pupils. Both schools also undertook work on improving ethos and behaviour with external training from Tom Bennett and worked together to identify and implement a new MIS system to improve teacher access to key pupil data.

Objective 4: Leadership development. Although much of the planned work was stymied by the delayed academisation of Orchid Vale (such as a cross trust focus on primary middle leadership development) and then by the pandemic lockdown, governance was improved by the recruitment of new, active Trustees and a further strengthening of trustee's capacity to lead strategically.

Objective 5: Trust Growth. New improved websites for both secondary schools and also the central Trust were under development at the time of lockdown but were close to deployment at the end of the 2019-20 academic year. Equally, an enquiry from a potential third primary school was delayed by lockdown (but we will try to revive interest as soon as is possible). The number of key common Trust approaches increased with the adoption of Arbor as our Trust-wide MIS solution.

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**TRUSTEES REPORT (CONTINUED)
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Objective 6: Partnership. Our School Direct training programme continued to grow in terms of number of trainees and the desirability of the subjects they can offer. This is despite having to switch to recruiting and interviewing solely on-line. Our plan to offer Trust CPD sessions to neighbouring schools had to be shelved because of lockdown and social distancing restrictions but remains a key goal going forwards.

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 Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

STRATEGIC REPORT

In July 2020 the Board received notice that the CEO intends to leave his employment with the Trust at the end of the calendar year. Trustees have used this opportunity to review the Trust senior leadership structure. The recruitment process has commenced for their successor as CEO.

ACHIEVEMENTS AND PERFORMANCE

External examinations were replaced by Centre Assessed Grades in the summer of 2020 because of the coronavirus pandemic. This makes comparisons with previous year's results invalid. However: Lydiard Park Academy performed well at both 'A level and GCSE. Centre assessed grades suggested that rates of student progress continued to rise and final grades allowed a greater proportion than ever before to progress to undergraduate courses at first tier (e.g. Russell Group) universities. For the second year running one of our students was successful in gaining entry to Oxford University. At GCSE level, Centre Assessed Grades were in line with national averages on many key benchmarks, although the high attainment 8 score continued to highlight the strength in depth of the all-round curriculum.

Centre Assessed Grades at Abbey Park School showed that standards of attainment were maintained compared to the previous year, despite a considerably weaker cohort (judging by KS2 points score on entry to the school). This shows that the underlying strength of the school continues to grow and a clear improvement trend is firmly established.

At primary level, SATs were cancelled because of the pandemic and there were no formal centre assessed grades issued. However, internal teacher assessments show that, up until the point of lockdown, pupils progress was strong and our anticipation is that, had it not been for the disruption to the second half of the school year caused by coronavirus, Red Oaks Primary School would have done very well in Key Stage 1 and Key Stage 2 SATs.

Despite the potential difficulties of recruiting during the pandemic, the School Direct training scheme started by the Trust (and operated in partnership with three other local secondary schools) has continued to grow. We expect around fourteen trainee teachers to begin training in September 2020 following our recruitment activities and, of particular note, is our growing success in recruiting to subjects where there are national shortages e.g. mathematics, science, computing and design technology.

Key Performance Indicators

Trustees have determined that they will review performance against the government benchmarks and have completed the associated financial reporting and monitoring at Finance Committee level. The headline financial measures are:

Maintain reserves in line with the reserves policy - Current reserves exceed those set in the reserves policy however Trustees have approved significant capital spend at Lydiard Park Academy which will bring reserves in line with the levels set by policy and address major maintenance issues by replacing large areas of roofing.

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

Set and deliver balanced budgets - Budgets for all academies and the Trust central budget have been achieved or exceeded. The budget for Abbey Park was set with an in year deficit reflecting the impact of lagged funding and an increasing roll. One off income removed the deficit and delivered a surplus.

Maintain pupil numbers - Pupil numbers in all trust schools have grown.

Going Concern

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

FINANCIAL REVIEW

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 2020 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.

During the year ended 31 August 2020, the Academy received total income of £16,449,855 and incurred total expenditure of £15,906,465 (excluding restricted fixed asset funds). The excess of income over expenditure for the year was £543,390.

At 31 August 2020 the net book value of fixed assets was £10,512,599 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

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 means that they have no Asset Value at transfer. Orchid Vale Primary school is also a part of the North Swindon PFI and Trustees consider that it will also transfer with no asset value.

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 28 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy, Terms of Reference and Schemes of Delegation which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Admissions.

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 aim:

- 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

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- Inspire our pupils to become confident, motivated and respectful individuals ready to make a positive contribution to society.

The Trust will support its 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.

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 Committee;
- All reserves are Trust reserves, however individual school reserves balances will be recorded in order to facilitate administrative requirements and for the purposes of accounting;
- The Trust's general reserves balance may be comprised of restricted or unrestricted reserves;
- The use of reserves is at all times at the absolute discretion of the Trustees; and
- The principal of 'a loan from reserves' will be applied to ensure that where reserves are allocated, they are repaid.

Trust general reserves balance

The Trust 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 £1,000,000 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. Trustees have approved the use of £750,000 of reserves to support a Capital Roofing Project at Lydiard Park Academy, work which has commenced in the 2019-2020 financial year.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the 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 Trust.

Investment Policy

Investment principles

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

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

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

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.

Procedures

- The DFO will review interest rates and compare them with other investment opportunities at least annually and whenever funds are identified as available for investment;
- This may include paying off debt such as equal pay loans or CIF Loans (decisions of this nature must be approved by the finance and audit committee prior to being undertaken);
- Cash flow and current account balances will be monitored regularly by the DFO to ensure immediate financial commitments can be met and that the current account has adequate balances to meet forthcoming commitments;
- When there are funds identified as surplus to immediate cash requirements in the current account, they will be transferred to an account with a higher interest rate;
- If surplus funds are identified, the DFO will clarify the timescale the funds are available for an appropriate investment option;
- Transfers of funds to approved instant access accounts may be made by the DFO as required;
- Transfers of funds to approved notice or fixed term accounts of thirty days or less may be made by the DFO with the approval of the CEO;
- All other investments must have the prior approval of the finance and audit committee; and
- Investments will normally be for a fixed-term that does not exceed six months unless there is a clear rationale for longer-term investment that would benefit the Trust.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has reviewed the major risks to which the 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 Trust are as follows:

COVID-19 - The current circumstances have put a range of pressures on the Trust. Staff wellbeing, attendance and resilience is a key concern and Trustees are mindful of the impact that this may have on each of the schools being able to deliver a quality education to its pupils. This also creates short term financial issues with some revenue streams reduced and expenditure in some budget lines being impacted. Trustees are clear that costs must be met from budgets set but maintain a close watching brief to ensure that, in exceptional circumstances, reserves can be released to protect provision.

Pressures on governance and the need for timely decision making has led the Trustees to empower a COVID-19 committee with the remit to provide prompt decisions and support for the executive team as required.

Financial - the Trust has considerable reliance on continued Government funding through the ESFA. In the last year 96% of the Trust'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. Trustees recognise that these are uncertain times and are maintaining significant reserves to ensure all Trust schools have the resources they require and are able to plan strategically.

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,

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**TRUSTEES REPORT (CONTINUED)
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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.

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.

Fraud and mismanagement of funds - The Trust has appointed an internal reviewer 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 has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Trust holds a risk register at Trust level.

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings.

The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 28 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

Parent Teacher groups support a number of Trust schools but are registered as separate entities. Internal fundraising activities have been limited over the past year and are predominantly charity fundraising by pupils.

Grant applications and income from external organisations have been appropriately assessed and the criteria managed to ensure compliance with grant terms.

STREAMLINED ENERGY AND CARBON REPORTING

As the Trust has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

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

PLANS FOR FUTURE PERIODS

Whilst the Trust continues with its strategic plans, Trustees are mindful of the day to day challenges the COVID-19 situation is placing on its leaders, staff and pupils as well as the wider community. Trustees will continue to ensure that appropriate planning, resources and welfare support are available to minimise the impact on the Trust community and maximise the educational outcomes possible.

The Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Trust will continue to work with partner schools to improve the educational opportunities for students in the wider community.

The Trust will continue to develop a comprehensive approach to transition, using the expertise of primary colleagues to benefit the early years of secondary education and using the subject expertise of secondary colleagues to benefit the later years of primary education.

Due to our success in working with other schools, we have been asked to sponsor Orchid Vale Primary School and to support the Head Teacher and the Senior Leadership Team through their conversion to an Academy. Orchid Vale Primary School converted to an Academy and joined the Trust on 1 October 2020.

The Trust will continue to grow the number of trainees recruited the Swindon Teacher Training Partnership that we lead and, with a second primary school joining, will explore the potential of expanding training into the primary phase too.

Full details of our plans for the future are given in our Trust Development Plan, which is available on our website or from the Clerk to the Trustees.

Trustees are focussed on recruiting a new Chief Executive

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

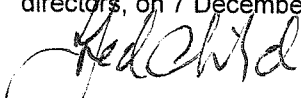
AUDITOR

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware;
- and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The auditors, Bishop Fleming Bath Limited, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the Company directors, on 7 December 2020 and signed on the Board's behalf by:



**Fred Child
Chair of Trustees**

**THE PARK ACADEMIES TRUST
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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.

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

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

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

Trustee	Meetings attended	Out of a possible
Dave Allen	0	1
Amy Fedrick	6	6
Louise Bouteiller	6	6
Fred Child	6	6
Mark Edwards	6	6
Corinna Mazzotta	5	6
Scott Robins	4	6
Clive Zimmerman	6	6
Sandra Farquharson	0	3
Anthony Purser	0	0
Matthew Dixon	0	0

- Dave Allen resigned and left the Board with effect from 14 October 2019 due to work commitments;
- Sandra Farquharson joined the Board with effect from 24 March 2020 but left on 31 August 2020 due to a change in personal circumstances;
- Scott Robins left the Board with effect from 31 August 2020 due to relocation;
- Anthony Purser joined the Board with effect from 24 July 2020;
- Matthew Dixon joined the Board with effect from 30 July 2020;
- Louise Bouteiller's tenure was completed on 31 August 2020 but Louise was appointed by the Board as a co-opted Trustee with effect from 1 September 2020; and
- Corinna Mazzotta's tenure was completed on 31 August 2020 but Corinna was appointed by the Board as a co-opted Trustee with effect from 1 September 2020; and
- At the Trust Board meeting held on 14 September 2020 Fred Child was elected Chair of the Trust Board following the completion of Louise Bouteiller's term of office. Matt Dixon and Mark Edwards were elected Vice Chairs.

The Board and its delegated committees have continued to develop shared working practices across all layers of governance within the Trust. Full Trust training sessions have been put in place where Local Governors and Trustees have come together to learn about things like performance data, how finance works within a Trust and the Ofsted Inspection Framework. This shall be a continuing theme going forward.

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

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

Across-Trust Clerks and Chairs meetings are a continued source of shared information and best practice.

Where any governance vacancies have existed, the Trust board, Local Advisory Boards and Clerks have worked hard to fill them with people that bring suitable skills and expertise to Trust governance. Annual skills audits are completed and used as a recruitment tool.

Two key Trustees have been co-opted beyond their existing tenure to help support the Trust through a busy phase and to help with the handover to Trustees that are newer to the board.

Recruitment and retention remains an ongoing focus.

The Trust Board have continued to work with senior leaders to ensure data received across all layers of governance is appropriate and of a high quality. Data has also been sought from external providers in terms of finance, audit and education to ensure checking and controls are in place.

Trust governance including the Local Advisory Boards responded swiftly to the changes required in the way they met due to COVID-19. All meetings were able to be held remotely and meeting attendance remained high. A special COVID-19 Committee was formed by the Trust Board with approved Terms of Reference and delegations from the Board to enable them to meet at short notice and approve decisions needed to be made quickly during the COVID-19 crisis.

In July 2020 the Board received notice that the CEO intends to leave his employment with the Trust at the end of the calendar year. Trustees have used this opportunity to review the Trust senior leadership structure. The recruitment process has commenced for their successor as CEO.

Governance Review

The Trust Board intends to complete an external review of governance during early 2021. This will include a review of the Board composition, the Trust governance structure, delegations and its delegated committees.

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	4	4
Scott Robins	4	4
Mark Edwards	4	4

The functions delegated to the committee were taken back by the Full Trust Board after the March 2020 meeting due to the COVID-19 crisis. All Finance & Audit Committee matters were therefore covered from April 2020 by the Full Trust Board, where a further two meetings were held which discussed financial matters.

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

GOVERNANCE STATEMENT (CONTINUED)

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 resources;
- Benchmarking across the Trust;
 - o 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 including a qualified management accountant; and
- Trained SRMA (School Resource Management Adviser) as DFO;
 - o Delivers Income; and
 - o Allows Benchmarking and introduction of new ideas.

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

CAPACITY TO HANDLE RISK

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

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

GOVERNANCE STATEMENT (CONTINUED)

THE RISK AND CONTROL FRAMEWORK

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- Regular reviews by the Finance 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; 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 Financial Services 4 Schools Limited to conduct internal assurance reviews, directed by the Finance and Audit Committee; and
- To instruct the Trust Finance Manager and Director of Finance and Operations to monitor and audit internal compliance.

The internal reviewer'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 reviewer reports to the Finance and Audit Committee. Trustees have been allocated a specific budget to procure additional support and monitoring as and when required.

REVIEW OF EFFECTIVENESS

The 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 discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- The work of the Director of Finance and Operations;
- The internal assurance reports;
- The financial management and governance self-assessment process; and
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT (CONTINUED)

The internal reviewer'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 reviewer reports to the Finance and Audit Committee. Trustees have been allocated a specific budget to procure additional support and monitoring as and when required.

REVIEW OF EFFECTIVENESS

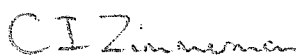
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- The discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- The work of the Director of Finance and Operations;
- The internal assurance reports;
- The financial management and governance self-assessment process; and
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit Committee 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 7 December 2020 and signed on their behalf by:


Fred Child
Chair of Trustees


Clive Zimmerman
Accounting Officer

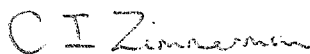
**THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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 noncompliance 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: 7 December 2020

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

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

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

Company law requires the Trustees to prepare financial statements for each financial 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:

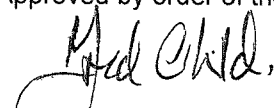
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

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


Fred Child
Chair of Trustees

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

In our opinion the financial statements:

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

BASIS FOR OPINION

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



**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 and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Park Academies Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

APPROACH

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the 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 Trust complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

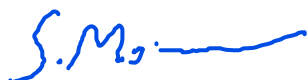
We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Simon Morrison FCA (Reporting Accountant)
Bishop Fleming Bath Limited
Chartered Accountants
Statutory Auditors
Minerva House
Lower Bristol Road
Bath
BA2 9ER

Date:

17/12/20

THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:						
Donations and capital grants	3	12,263	-	64,642	76,905	740,505
Charitable activities	4	696,825	15,491,472	-	16,188,297	11,833,768
Other trading activities	5	241,101	-	-	241,101	220,914
Investments	6	8,194	-	-	8,194	4,373
TOTAL INCOME		958,383	15,491,472	64,642	16,514,497	12,799,560
EXPENDITURE ON:						
Charitable activities	8	756,269	15,150,196	292,731	16,199,196	12,490,262
TOTAL EXPENDITURE		756,269	15,150,196	292,731	16,199,196	12,490,262
NET INCOME/ (EXPENDITURE)		202,114	341,276	(228,089)	315,301	309,298
Transfers between funds	19	-	(222,782)	222,782	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		202,114	118,494	(5,307)	315,301	309,298
Actuarial losses on defined benefit pension schemes	28	-	(324,000)	-	(324,000)	(797,000)
NET MOVEMENT IN FUNDS		202,114	(205,506)	(5,307)	(8,699)	(487,702)
RECONCILIATION OF FUNDS:						
Total funds brought forward		1,052,483	(1,775,093)	10,517,906	9,795,296	10,282,998
Net movement in funds		202,114	(205,506)	(5,307)	(8,699)	(487,702)
TOTAL FUNDS CARRIED FORWARD		1,254,597	(1,980,599)	10,512,599	9,786,597	9,795,296

The notes on pages 28 to 56 form part of these financial statements.

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


BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	14	10,512,599	10,489,235
		<u>10,512,599</u>	<u>10,489,235</u>
CURRENT ASSETS			
Debtors	15	448,030	1,011,625
Cash at bank and in hand		2,814,426	1,446,199
		<u>3,262,456</u>	<u>2,457,824</u>
Creditors: amounts falling due within one year	16	(1,082,458)	(989,127)
NET CURRENT ASSETS		<u>2,179,998</u>	<u>1,468,697</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>12,692,597</u>	<u>11,957,932</u>
Creditors: amounts falling due after more than one year	17	-	(107,636)
NET ASSETS EXCLUDING PENSION LIABILITY		<u>12,692,597</u>	<u>11,850,296</u>
Defined benefit pension scheme liability	28	(2,906,000)	(2,055,000)
TOTAL NET ASSETS		<u><u>9,786,597</u></u>	<u><u>9,795,296</u></u>
FUNDS OF THE ACADEMY TRUST			
Restricted funds:			
Fixed asset funds	19	10,512,599	10,517,906
Restricted income funds	19	925,401	279,907
		<u>11,438,000</u>	<u>10,797,813</u>
Restricted funds excluding pension asset	19	11,438,000	10,797,813
Pension reserve	19	(2,906,000)	(2,055,000)
Total restricted funds	19	<u>8,532,000</u>	<u>8,742,813</u>
Unrestricted income funds	19	<u>1,254,597</u>	<u>1,052,483</u>
TOTAL FUNDS		<u><u>9,786,597</u></u>	<u><u>9,795,296</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 24 to 56 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

A handwritten signature in black ink, appearing to read 'Fred Child', with a large circular flourish at the end.

Fred Child
Chair of Trustees
Date: 7 December 2020

The notes on pages 28 to 56 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 2020**

	Note	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	21	1,692,289	675,516
CASH FLOWS FROM INVESTING ACTIVITIES	23	(206,372)	280,238
CASH FLOWS FROM FINANCING ACTIVITIES	22	(117,690)	(4,864)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		1,368,227	950,890
Cash and cash equivalents at the beginning of the year		1,446,199	495,309
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24, 25	2,814,426	1,446,199

The notes on pages 28 to 56 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 2020**

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the 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 2019 to 2020 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
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. ACCOUNTING POLICIES (continued)

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

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.

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

1. ACCOUNTING POLICIES (continued)

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.

Cash at bank is classified as a basic financial instrument and is measured at face value.

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

See note 18 for a summary of the financial instruments at 31 August 2020.

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.

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

1. ACCOUNTING POLICIES (continued)

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.

1.13 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 26.

1.14 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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

The 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 28, 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 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	12,263	-	-	12,263	365,403
Capital Grants	-	-	64,642	64,642	375,102
	<u>12,263</u>	<u>-</u>	<u>64,642</u>	<u>76,905</u>	<u>740,505</u>
Total 2019	<u>989,403</u>	<u>(624,000)</u>	<u>375,102</u>	<u>740,505</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.

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

4. FUNDING FROM THE ACADEMY TRUST' EDUCATIONAL OPERATIONS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant	-	12,890,397	12,890,397	10,173,508
Other DfE grants	-	842,539	842,539	256,396
Pupil premium	-	543,460	543,460	425,637
	-	14,276,396	14,276,396	10,855,541
Other Government grants				
High needs	-	1,063,035	1,063,035	361,680
Other Government grants: non capital	-	59,006	59,006	-
	-	1,122,041	1,122,041	361,680
Other income				
School games organiser	-	23,800	23,800	23,800
PGCE income	-	-	-	3,756
Pupil transport	219,132	69,235	288,367	298,687
Other income	68,745	-	68,745	82,902
PFI income	408,948	-	408,948	207,402
	696,825	93,035	789,860	616,547
	696,825	15,491,472	16,188,297	11,833,768
Total 2019	472,351	11,361,417	11,833,768	

THE PARK ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Lettings	56,302	56,302	105,824
Educational support	65,527	65,527	115,090
Nursery income	119,272	119,272	-
	<u>241,101</u>	<u>241,101</u>	<u>220,914</u>
TOTAL 2019	<u>220,914</u>	<u>220,914</u>	

6. INVESTMENT INCOME

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	8,194	8,194	4,373
Total 2019	<u>4,373</u>	<u>4,373</u>	

All prior year amounts relate to unrestricted funds.

7. EXPENDITURE

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Direct costs	9,752,132	292,731	979,946	11,024,809	9,188,271
Allocated support costs	3,165,759	1,300,561	708,067	5,174,387	3,301,991
	<u>12,917,891</u>	<u>1,593,292</u>	<u>1,688,013</u>	<u>16,199,196</u>	<u>12,490,262</u>

THE PARK ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Education	11,024,809	5,174,387	16,199,196	12,490,262
Total 2019	9,188,271	3,301,991	12,490,262	

Analysis of direct costs

	Total funds 2020 £	Total funds 2019 £
Pension costs	41,000	22,000
Staff costs	9,567,728	7,765,557
Depreciation	292,731	287,438
Educational supplies	217,984	183,274
Examination fees	189,578	162,718
Staff development	36,121	25,469
Other costs	484,500	549,325
Supply teachers	184,404	174,927
Recruitment and support	10,763	17,563
	11,024,809	9,188,271

THE PARK ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Total funds 2020 £	Total funds 2019 £
Staff costs	3,165,759	1,796,362
Educational supplies	21,810	18,227
Other costs	58,163	84,628
Recruitment and support	12,373	8,628
Maintenance of premises and equipment	550,338	539,984
Cleaning	28,475	22,401
Rent and rates	630,205	236,738
Energy costs	91,543	90,247
Insurance	45,208	23,044
Security and transport	15,626	25,177
Catering	170,008	94,692
Technology costs	67,454	64,778
Office overheads	49,096	51,266
Legal and professional	251,959	229,027
Interest and bank charges	4,370	4,242
Governance	12,000	12,550
	5,174,387	3,301,991

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Depreciation of tangible fixed assets	292,731	287,438
Fees payable to Auditor - Audit	12,500	12,250
Fees payable to Auditor - Other services	2,000	2,000
Operating lease rentals	16,835	8,459

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

10. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	9,269,934	7,383,062
Social security costs	872,126	709,354
Pension costs	2,591,427	1,469,503
	<u>12,733,487</u>	<u>9,561,919</u>
Agency staff costs	184,404	174,927
	<u><u>12,917,891</u></u>	<u><u>9,736,846</u></u>

b. STAFF NUMBERS

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

	2020 No.	2019 No.
Teachers	172	153
Education support	124	105
Administration	31	25
Management	8	17
	<u>335</u>	<u>300</u>

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

10. STAFF (CONTINUED)

c. HIGHER PAID STAFF

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

	2020	2019
	No.	No.
In the band £60,001 - £70,000	1	3
In the band £70,001 - £80,000	3	2
In the band £80,001 - £90,000	1	2
In the band £90,001 - £100,000	2	-
In the band £120,001 - £130,000	-	1
In the band £130,001 - £140,000	1	-

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2020 pension contributions for these staff amounted to £158,129 (2019: £98,707).

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £652,040 (2019: £638,310).

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.

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

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:

	2020 £	2019 £
Lydiard Park School	304,262	304,262
Abbey Park School	319,956	293,293
Red Oaks Primary School	58,613	4,754
TOTAL	682,831	602,309

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NOTES TO THE FINANCIAL STATEMENTS
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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 £130,000 - £135,000 (2019: £125,000 - £130,000), Employer's Pension Contributions £30,000 - £35,000 (2019: £20,000 - £25,000); A Dixon-Patterson (resigned as a Trustee on 2 April 2019), Remuneration £Nil (2019: £40,000 - £45,000), Employer's Pension Contributions £Nil (2019: £5,000 - £10,000).

During the year ended 31 August 2020, expenses totalling £87 were reimbursed to 1 Trustee (2019: £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 2020 was £1,290 (2019: £1,183). The cost of this insurance is included in the total insurance cost.

14. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
COST OR VALUATION					
At 1 September 2019	12,522,473	1,296,513	314,364	16,095	14,149,445
Additions	247,475	9,790	58,830	-	316,095
At 31 August 2020	12,769,948	1,306,303	373,194	16,095	14,465,540
DEPRECIATION					
At 1 September 2019	2,140,557	1,238,009	280,839	805	3,660,210
Charge for the year	250,757	22,917	15,838	3,219	292,731
At 31 August 2020	2,391,314	1,260,926	296,677	4,024	3,952,941
NET BOOK VALUE					
At 31 August 2020	10,378,634	45,377	76,517	12,071	10,512,599
At 31 August 2019	10,381,916	58,504	33,525	15,290	10,489,235

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

15. DEBTORS

	2020 £	2019 £
Trade debtors	6,651	19,400
Other debtors	90,703	18,764
Prepayments and accrued income	350,676	973,461
	<u>448,030</u>	<u>1,011,625</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Other loans	-	10,054
Trade creditors	47,809	305
Other taxation and social security	219,811	225,080
Other creditors	249,973	213,599
Accruals and deferred income	564,865	540,089
	<u>1,082,458</u>	<u>989,127</u>

	2020 £	2019 £
Deferred income at 1 September 2019	230,050	96,841
Resources deferred during the year	322,544	230,050
Amounts released from previous periods	(230,050)	(96,841)
	<u>322,544</u>	<u>230,050</u>

At the balance sheet date the Academy Trust was holding funds received in advance for trips booked for the autumn term 2020, sports games services, pupil transport and PFI and Universal Infant Free School Meal income received in advance.

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

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

	2020 £	2019 £
Other loans	-	107,636
	<u>-</u>	<u>107,636</u>

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

	2020 £	2019 £
Payable or repayable by instalments	-	49,802
	<u>-</u>	<u>49,802</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 was 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. Settlement in full of all outstanding balances was paid to the local authority in the year, therefore at the year end there was no balance outstanding on any of the equal pay loans.

18. FINANCIAL INSTRUMENTS

	2020 £	2019 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	<u>2,814,426</u>	<u>1,446,199</u>

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

THE PARK ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. STATEMENT OF FUNDS

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS						
General funds	1,052,483	958,383	(756,269)	-	-	1,254,597
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	327,885	12,903,807	(12,032,387)	(340,472)	-	858,833
High needs funding	-	1,063,035	(1,063,035)	-	-	-
Pupil premium	-	543,460	(543,460)	-	-	-
Teacher's pay/pension grants	-	673,908	(673,908)	-	-	-
Rates relief	-	72,507	(72,507)	-	-	-
Other DFE/ESFA Grants	-	74,187	(74,187)	-	-	-
Loans from LA on conversion	(117,690)	-	-	117,690	-	-
MAT income	69,712	32,327	(35,471)	-	-	66,568
Other restricted income	-	128,241	(128,241)	-	-	-
Pension reserve	(2,055,000)	-	(527,000)	-	(324,000)	(2,906,000)
	<u>(1,775,093)</u>	<u>15,491,472</u>	<u>(15,150,196)</u>	<u>(222,782)</u>	<u>(324,000)</u>	<u>(1,980,599)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets on conversion	9,769,352	-	(239,912)	222,782	-	9,752,222
Fixed assets purchased from GAG / restricted funds	748,554	64,642	(52,819)	-	-	760,377
	<u>10,517,906</u>	<u>64,642</u>	<u>(292,731)</u>	<u>222,782</u>	<u>-</u>	<u>10,512,599</u>
TOTAL RESTRICTED FUNDS	<u>8,742,813</u>	<u>15,556,114</u>	<u>(15,442,927)</u>	<u>-</u>	<u>(324,000)</u>	<u>8,532,000</u>

THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

19. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
TOTAL FUNDS	9,795,296	16,514,497	(16,199,196)	-	(324,000)	9,786,597

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 £222,782 (2019: £60,114) 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.

Teacher's pension/pay grants- This represents funding from the ESFA to cover the cost of increases in teacher's salary and pension costs in the year.

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

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

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 included an equal pay loan, the outstanding balance of which was £12,374 (Abbey Park School) and £19,940 (Red Oaks Primary School). The outstanding balance was settled in the year and therefore there is a £Nil balance carried forward at the year end date.

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 2020.

THE PARK ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by academy

Trust reserves as at 31 August 2020 (excluding the restricted fixed asset fund and pension reserve) were £2,179,998 (2019: £1,332,390) and have notionally been allocated to the academies within the Trust as follows:

	2020 £	2019 £
Lydiard Park Academy	422,643	297,649
Abbey Park School	865,356	437,424
Red Oaks Primary School	855,445	590,545
Central Services	36,554	6,772
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	2,179,998	1,332,390
Restricted fixed asset fund	10,512,599	10,517,906
Pension reserve	(2,906,000)	(2,055,000)
	<hr/>	<hr/>
TOTAL	9,786,597	9,795,296
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THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

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 2020 £	Total 2019 £
Lydiard Park Academy	4,492,174	1,181,597	104,485	910,487	6,688,743	6,491,100
Abbey Park School	3,403,013	843,270	57,242	1,247,639	5,551,164	4,754,088
Red Oaks Primary School	1,650,263	601,619	72,889	573,431	2,898,202	200,760
Central Services	289,278	313,273	5,178	160,627	768,356	756,876
ACADEMY TRUST	9,834,728	2,939,759	239,794	2,892,184	15,906,465	12,202,824

THE PARK ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. STATEMENT OF FUNDS (CONTINUED)

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

	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)
	(410,358)	10,737,417	(11,245,038)	(60,114)	(797,000)	(1,775,093)
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
	10,364,195	375,102	(281,505)	60,114	-	10,517,906

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

19. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
TOTAL RESTRICTED FUNDS	9,953,837	11,112,519	(11,526,543)	-	(797,000)	8,742,813
TOTAL FUNDS	10,282,998	12,799,560	(12,490,262)	-	(797,000)	9,795,296

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

CURRENT YEAR

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	10,512,599	10,512,599
Current assets	1,254,597	2,007,859	-	3,262,456
Creditors due within one year	-	(1,082,458)	-	(1,082,458)
Provisions for liabilities and charges	-	(2,906,000)	-	(2,906,000)
TOTAL	1,254,597	(1,980,599)	10,512,599	9,786,597

PRIOR 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	992,715	1,321,231	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	1,052,483	(1,775,093)	10,517,906	9,795,296

THE PARK ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	315,301	309,298
ADJUSTMENTS FOR:		
Depreciation	292,731	287,438
Interest receivable	(8,194)	(4,373)
Decrease/(increase) in debtors	568,568	(34,887)
Increase in creditors	61,525	562,557
Capital grants from DfE and other capital income	(64,642)	(293,493)
Cash received on new Academies joining the Trust	-	(357,024)
Defined benefit pension scheme cost less contributions payable	486,000	184,000
Defined benefit pension scheme finance cost	41,000	22,000
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,692,289	675,516

22. CASH FLOWS FROM FINANCING ACTIVITIES

	2020 £	2019 £
Repayments of borrowing	(117,690)	(4,864)
NET CASH USED IN FINANCING ACTIVITIES	(117,690)	(4,864)

23. CASH FLOWS FROM INVESTING ACTIVITIES

	2020 £	2019 £
Interest received	8,194	4,373
Purchase of tangible fixed assets	(279,208)	(375,102)
Capital grants from DfE Group	64,642	293,943
Cash received on Academies joining the Trust	-	357,024
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	(206,372)	280,238

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

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash in hand	2,814,426	1,446,199
TOTAL CASH AND CASH EQUIVALENTS	2,814,426	1,446,199

25. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	1,446,199	1,368,227	2,814,426
Debt due within 1 year	(10,054)	10,054	-
Debt due after 1 year	(107,636)	107,636	-
	1,328,509	1,485,917	2,814,426

26. AGENCY ARRANGEMENTS

The Academy distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ended 31 August 2020 the Academy received £13,410 (2019: £13,350) and disbursed £1,147 (2019: £13,350) from the fund. An amount of £12,263 (2019: £Nil) is included in other creditors relating to undistributed funds.

27. CAPITAL COMMITMENTS

	2020 £	2019 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS		
Costs for roofing project at Lydiard Park Academy	509,114	-
Costs for Fire Door replacement at Lydiard Park Academy	57,558	-
	566,672	-

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

28. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 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. All teachers have the option to opt-out of the TPS following enrolment.

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

VALUATION OF THE TEACHERS' PENSION SCHEME

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,245,164 (2019 - £736,380).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

28. 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 2020 was £706,000 (2019 - £382,000), of which employer's contributions totalled £571,000 (2019 - £309,000) and employees' contributions totalled £ 135,000 (2019 - £73,000). The agreed contribution rates for future years are 15.4% for employers and 5.5 to 7.5% for employees.

As described in note 28 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	2.6	2.6
Rates of increase in pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.8

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.7	21.4
Females	24.0	23.7
<i>Retiring in 20 years</i>		
Males	22.5	22.3
Females	25.5	25.1

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

28. PENSION COMMITMENTS (CONTINUED)

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

	2020 £	2019 £
Equities	4,316,000	4,925,000
Corporate bonds	2,364,000	971,000
Property	1,027,000	902,000
Cash	-	139,000
TOTAL MARKET VALUE OF ASSETS	7,707,000	6,937,000

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

	2020 £	2019 £
Current service cost	(1,057,000)	(440,000)
Past service cost	-	(31,000)
Interest income	131,000	145,000
Interest cost	(172,000)	(167,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(1,098,000)	(493,000)

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

	2020 £	2019 £
AT 1 SEPTEMBER	8,992,000	4,768,000
Conversion of Academy Trusts	-	2,548,000
Current service cost	1,057,000	440,000
Interest cost	172,000	167,000
Employee contributions	135,000	73,000
Actuarial losses	352,000	1,144,000
Benefits paid	(95,000)	(179,000)
Past service cost	-	31,000
AT 31 AUGUST	10,613,000	8,992,000

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

28. PENSION COMMITMENTS (CONTINUED)

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

	2020 £	2019 £
AT 1 SEPTEMBER	6,937,000	4,318,000
Conversion of Academy Trusts	-	1,924,000
Interest income	131,000	145,000
Actuarial gains	28,000	347,000
Employer contributions	571,000	309,000
Employee contributions	135,000	73,000
Benefits paid	(95,000)	(179,000)
AT 31 AUGUST	7,707,000	6,937,000

29. OPERATING LEASE COMMITMENTS

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	16,835	16,835
Later than 1 year and not later than 5 years	22,501	39,336
	39,336	56,171

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

30. 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.

31. 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.

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

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

32. RELATED PARTY TRANSACTIONS

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

33. POST BALANCE SHEET EVENTS

Since the year end Orchid Vale Primary School has joined The Park Academies Trust. Orchid Vale Primary School is a Private Finance Initiative (PFI) funded school. The annual net operating costs of the PFI lease agreement are £152,395 (subject to future indexation). The cost of meeting the annual lease obligations are factored into the Trust's future budgets.