
THE PARK FEDERATION ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

THE PARK FEDERATION ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Linda Day
Kuldeep Lakhmana
Muralee Nair
Obaid Siddique
Liz Herod
Margaret Inniss

Trustees

Dr Martin Young, Chief Executive Officer and Federation Principal
Mr Muralee Nair, Chair of the Board
Dr Adel Rouz, Oversight of Operations
Mr Anoop Ghai, Oversight of Finance, Vice Chair
Mr Peter Dollimore, Chair of James Elliman Academy Council
Ms Ranisha Dhamu, Chair of Cranford Park Academy Council
Mr Adrian Ingham, Chair of West Drayton Academy Council
Ms Afsheen Chowdhry, Chair of Wood End Park Academy Council
Mr Simon Carter, Chair of Western House Academy Council

Cranford Park Academy Council

Ranisha Dhamu, Chair and Community Governor
Sarah Evans, Academy Principal
Gursharan Viridi/Tasneem Sattar, Parent Governors
Kevin O Donnell/Geeta Ludhra, Community Governors
Sarah Fatalla/Luke Simcock, Staff Governors
Kay Lathey, Clerk

James Elliman Academy Council

Peter Dollimore, Chair and Community Governor
Saira Rasheed, Academy Principal
Ajmal Azam/Samir Damle, Parent Governors
Nagaswetha Maralavadi-Nagaaj/Stephanie Weber, Staff Governors
Sandie Hopkinson, Community Governor
Kausar Latif, Clerk

Lake Farm Park Academy Council

Tarsem Chana, Chair and Parent Governor
Harshindar Buttar, Academy Principal
Fathia Adams/Carla Jorsling-Thomas, Staff Governors
Zainab Virmani/Ranu Ali,, Parent Governors
Anne-Marie McCarthy/Vishalli Ghai, Community Governors
Raji Nair, Clerk

Montem Academy Council

Shuhab Hamid, Chair and Community Governor
Ann Probert, Academy Principal
Kamran Basharat/Adam Martin, Parent Governors
Helen Okoro, Community Governor
Kay Lathey, Clerk

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

Western House Academy Council

Simon Carter, Chair and Community Governor
Coral Snowden, Principal
Suki Ranu/Anajali Singhal/Ranjit Siddle, Parent Governors
Liz Herod, Community Governor
Kyla Parmley/Helen Haines, Staff Governors
Nicole McCaig, Clerk

The Godolphin Junior Academy

Aftab Aslam, Chair and Parent Governor
Helen Abell, Principal
Rafid Jadoon/Celia Burnham, Community Governors
Nadia Nadeem/Nadia Bashir, Parent Governors
Rani Lakha/Anne Tudor, Staff Governors
Kulvir Dhindsa, Clerk

Wood End Park Academy Council

Afsheen Chowdhry, Chair and Parent Governor
Surjeet Johra, Academy Principal
Avril Littlechild/Peter Lord, Staff Governors
Deepaman Prabhakar/Manish Ladwa/Nevin Abraham, Community Governors
Amanda Biddle/Nishant Kumar, Parent Governors
Karen Gibson, Clerk

West Drayton Academy Council

Adrian Ingham, Chair and Community Governor
Richard Yates, Academy Principal
Lorenzo McLellan/Emily Allen-Mersh, Community Governors
Lisa Caves/Joanne Callanan, Staff Governors
William Parsons/Janet Shearer/Shelly Singh, Parent Governors
Donna Nash, Clerk

**Company registered
number**

08146330

Company name

The Park Federation Academy Trust

**Principal and registered
office**

Lake Farm Park Academy
Botwell Common Lane
Hayes
Middlesex
UB3 1JA

Company secretary

Mrs Elaine Armstrong

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

Accounting officer	Dr Martin Young
Executive management team	Dr Martin Young, Chief Executive Officer and Federation Principal Mr Jas Sohal, Chief Operating Officer Mrs Sarah Evans, Academy Principal Ms Surjeet Johra, Academy Principal Mrs Ann Probert, Academy Principal Miss Saira Rasheed, Academy Principal Mrs Coral Snowden, Academy Principal Mr Richard Yates, Academy Principal Mrs Harshindar Buttar, Academy Principal Mrs Helen Abell, Academy Principal
Independent auditors	Landau Baker Limited Chartered Accountants Statutory Auditors Mountcliff House 154 Brent Street London NW4 2DR
Bankers	Lloyds Bank 21-22 High Street Uxbridge Middlesex
Solicitors	Browne Jacobson LLP 3 Piccadilly Place Manchester N1 3BN

The Trustees of The Park Federation Academy Trust are referred to as Directors throughout this document.

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

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

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association last amended on 4th September 2015 are the primary governing documents of the academy trust. The Directors of The Park Federation Academy Trust are Directors of the charitable company for the purposes of company law. The charitable company is known as The Park Federation Academy Trust.

Details of the Directors who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

The Trust insurers indemnify against any claims in respect of any civil liability and which arises out of the conduct of the insured in their personal capacity as Director, Academy Council member or Officer of the Trust. Such qualifying third party indemnity insurance remains in force at the date of approving this report.

Principle Activities

The Academy Trust's principle objective is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a Trust offering a broad and balanced curriculum.

To promote for the benefit of the communities of Hayes and Slough and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social and economic circumstances or for the public at large in the interest of social welfare and with the object of improving the condition of life of the said residents.

Method of Recruitment and Appointment or Election of the Board of Directors

The management of the Trust is the responsibility of the Board of Directors who are elected and co-opted under the terms of the Articles of Association.

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

Structure, Governance and Management (continued)

Organisational structure

The Directors have agreed a scheme of delegation for how decisions are made and who has delegated responsibility for them. The Directors are organised into the whole Board of Directors and sub-committees with delegated responsibility.

During the period a unified structure was introduced and consists of three levels of governance:

- Members
- Board of Directors/Trustees
- Academy Councils

The Senior Managers are the Chief Executive and Federation Principal, Chief Operating Officer, Principals of each academy. These managers control the Trust at an executive level, implementing the policies laid down by the Board of Directors and reporting back to them. As a group the Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, through appointment boards for posts at Vice Principal and Deputy Principal always contain an Academy Council Governor. Spending control is devolved to the management team (budget holders), with agreed limits as per the Trust's financial procedures.

Arrangements for setting pay and remuneration of key management personnel

The Board of Directors have established a Pay and Performance Committee for setting the pay and remuneration of Senior Managers. They have established criteria that consider the long term implications to the business.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	5
Full-time equivalent employee number	5

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	5
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time	£000
Total cost of facility time	7,042
Total pay bill	22,346,000
Percentage of total pay bill spent on facility time	- %

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

Structure, Governance and Management (continued)

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours 100 %

Objectives and Activities

Objects and Aims

The Academy Trust's principle objectives are: - to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools (the academies) offering a broad and balanced curriculum which reflects British values (e.g. democracy; the rule of law; individual liberty; mutual respect; and tolerance of those of different faiths and beliefs).

To promote for the benefit of the inhabitants of Hayes and Slough and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social and economic circumstances or for the public at large in the interest of social welfare and with the object of improving the condition of life of the said inhabitants.

The aim of the Trust is to provide an effective and inspiring education in a caring, disciplined and safe environment.

The Directors have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the academy.

In accordance with the articles of association, the academy has adopted a "Scheme of Government" approved by the Secretary of State for Education.

The Scheme of Government is part of the wider 'Master Funding Agreement' between the Company and the Secretary of State and 'Supplemental Funding Agreements' for each Academy.

Our Vision:

The Park Federation Academy Trust

The Number One School of Choice for Local Families

Our schools are safe, happy places where creativity is prized. We value and nurture excellent behaviour, determination and ambitious academic standards. Professionalism, humility and service to the community guide everything we do.

Please join us in making our federation a springboard to success!

Our Ethos:

The Park Federation ethos is one of high academic ambition in a well-disciplined, caring and inclusive environment. We will work closely with all children – whatever their starting points and individual needs – to help them realise their full potential. Each child and family will be valued and respected. We will harness the energy, commitment and trust of the local community and combine it with the exceptional teaching and organisational skills of our staff team. Together we will create great academies, full of pride, success and kindness.

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

Objectives and Activities (continued)

Objectives, Strategies and Activities

The main objectives of the Academy during the period ended 31st August 2019 are summarised below

- To ensure that every pupil enjoys and benefits from a high-quality education and excellent levels of safeguarding;
- To improve the standard of educational achievement of all pupils and accelerate their progress;
- To improve the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory requirements;
- To conduct the Academy Trust's business in accordance with the highest standards of integrity, probity and openness.

Public Benefit

The Directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the academy Trust's objectives and aims and in planning future activities. The Directors consider that the academy Trust's aims are demonstrably to the public benefit. As an academy trust we make the best use of our skills, expertise and experience with regards to the community. An example of this is raising money for local, national and international charities.

Strategic Report

Achievements and Performance

Overview and key performance indicators

There are eight academies in The Park Federation Academy Trust. Seven of them have Ofsted inspection gradings, all at "Good" or "Outstanding", and one, West Drayton Academy, is a "fresh start" academy and has not had an inspection as of 31st August 2019. The eight schools are divided into two geographical hubs: Hillingdon Hub and Slough Hub. The four schools in the Hillingdon Hub are Cranford Park Academy, Wood End Park Academy, Lake Farm Park Academy and West Drayton Academy. The four schools in the Slough Hub are James Elliman Academy, Montem Academy, Western House Academy and The Godolphin Junior Academy.

Cranford Park Academy and Wood End Park Academy were founder academies in the Trust when the Trust was created on 1st September 2012. Both are graded "Good". Cranford Park was last inspected on 21st November 2017 and Wood End Park was last inspected on 28th November 2017.

James Elliman Academy joined the Trust on 1st April 2013. It is graded "Good". James Elliman Academy was last inspected on 8th November 2018.

Montem Academy joined the Trust on 1st December 2013. It is graded "Outstanding". It was last inspected on 23rd November 2016.

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

Strategic Report (continued)

Achievements and Performance (continued)

Western House Academy joined the Trust on 1st August 2014. It is graded "Good". It was last inspected on 14th June 2017.

Lake Farm Park Academy was opened as a new academy on 1st September 2014. It is graded "Good". It was last inspected on 17th May 2017.

The Godolphin Junior Academy joined the Trust as a "fresh start" academy on 1st September 2016. It is graded "Good". It was last inspected on 18th June 2019.

West Drayton Academy joined as a "fresh start" academy on 1st September 2017. It has not had an Ofsted inspection as of 31st August 2019.

Trust Attendance Data 2018/19

Data taken from the Inspection Data Summary Reports (IDSR) for individual academies. IDSRs are Ofsted documents.

Attendance 95.6%.

Academy	Date Joined MAT	Sponsored/ Converter/ New Provision	Expected +				Better than Expected				Above Floor
			Reading %	Writing %	Maths %	Reading, Writing & Maths (Combined)	Reading %	Writing %	Maths %	Reading, Writing & Maths (Combined)	Y/N
Cranford Park Academy	01/09/2012	Academy Converter	67%	67%	77%	58%	18%	8%	36%	7%	Yes
Wood End Park Academy	01/09/2012	Academy Converter	68%	83%	81%	62%	15%	29%	27%	9%	Yes
James Elliman Academy	01/04/2013	Academy sponsored	81%	79%	87%	70%	32%	17%	41%	12%	Yes
Montem Academy	01/12/2013	New provision	64%	90%	93%	63%	15%	40%	30%	8%	Yes
Western House Academy	01/08/2014	New provision	60%	83%	76%	56%	26%	26%	26%	13%	Yes
Lake Farm Park Academy	01/09/2014	New provision	N/A No Year 6 pupils.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Yes
The Godolphin Junior Academy	01/09/2016	Fresh Start	87%	95%	87%	82%	34%	36%	38%	24%	Yes
West Drayton Academy	01/09/2017	Fresh Start	70%	85%	78%	63%	15%	17%	23%	8%	Yes

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

Strategic Report (continued)

Achievements and Performance (continued)

Pupil Premium

The Trust received funding under the pupil premium scheme. This has been utilised to improve the outcomes of these pupils by ensuring that their needs are understood and addressed. The Trust provided programmes and other support services for these children, including booster classes before, during, after school, and during the weekends and holidays.

Pupil Premium Allocation	£000's
Cranford Park Academy	282
James Elliman Academy	153
Lake Farm Park Academy	129
Montem Academy	292
The Godolphin Junior Academy	205
Wood End Park Academy	334
Western House Academy	165
West Drayton Academy	167
Trust Total	1727

Going concern

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

Financial Review

The majority of the Trust's Income is obtained from the Department for Education in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds (non-fixed assets) in the statement of financial activities.

Each academy also received grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The Trust held total fund balances at 31 August 2019 of £57,712,000 comprising of an unrestricted fund of £4,644,000, restricted fixed asset funds of £68,107,000, restricted general funds of (£433,000) and a pension reserve deficit of £14,606,000.

During the year ended 31 August 2019, total expenditure of £30,695,000 (excluding depreciation) was met by recurrent grant funding from the DfE and other government bodies together with other incoming resources. Total incoming resources for the year of £30,749,000.

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

Strategic Report (continued)

Achievements and Performance (continued)

The excess of income over expenditure for the year was £54,000.

Financial and risk management objectives and policies

The main objective is to ensure the Trust operates within its allocated budget and settles its liabilities as they fall due. The largest creditor within the balance sheet is the pension scheme deficit. Such a liability does not crystallise immediately but the Trust ensures scheme contributions are paid as they fall due in line with those recommended by the pension scheme actuaries.

Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by Department for Education. The guarantee came into force on 18 July 2013.

In accordance with the Trust's statutes, the Board of Directors and senior staff are responsible for the administration and management of the Trust's affairs. They are responsible for setting objectives and policies to ensure that:

- There is an effective system of internal control and that accounting records are properly kept:
- There are appropriate financial and management controls in place to safeguard the assets of the Trust and prevent and detect fraud:
- The Trust secures economical, efficient and effective management of its resources and expenditure.

The combined deficit in the Local Government Pension Scheme (LGPS) is recognised on the balance sheet in accordance with FRS17. At 31st August 2019 the deficit stood at £14,606,000. The existence of the pension scheme deficit does not mean an immediate liability crystallises and is addressed over a series of years through pension contributions recommended by the pension scheme actuaries during subsequent valuations of the scheme.

Reserves Policy

Subject to Education's Skills Funding Agency's constraints on permitted balances, the Academy's policy is to carry forward a prudent level of resources. The Trust aims for a 5% - 12% reserve of total cash balances. It believes this is a prudent figure for a number of reasons, including the structural age of many of the Trust's buildings, age of heating systems, technological changes in education, curriculum developments, uncertainty over the impact of Brexit on Government finances, capital investment plans and pension liabilities. There is currently a deficit on the reserve for the Local Government Pension Scheme. The Trust is paying contributions at the rate recommended by the actuary and payments in respect of the deficit will occur over a number of years.

Where an individual academy falls below the minimum percentage of 5%, a recovery plan is put in place indicating when the academy will return to the stated range of reserves. Where an academy is significantly above the stated range, a review of that academy's finances will be conducted.

Matters under consideration or in the process of implementation, that will affect reserves.

Western House Academy

Redevelopment of the outside Early Years Foundation Stage provision £70,000

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

Strategic Report (continued)

(continued)

Staff costs £60,000
Replace outside play equipment in Key Stage One £15,000
Procurement of Reading Technology £15,000
Renovation works Year 5/Year 6 £20,000
Additional technological equipment £3,000
Total spend £183,000

Lake Farm Park Academy

We are currently reviewing the costs for a Multi User Games Area and an extension to the building that will deliver additional teaching space
Total estimated costs during 2020 £200,000

Godolphin Junior Academy

Musical instruments £13,000
Multi User Games Area £90,000
Total spend £103,000

Investment Policy

Under the Articles of Association, the Academy Trust has the power to invest any funds not immediately required for the furtherance of its objects while ensuring that due regard is made to ensure that any investments are prudent and suitable to its needs. The Trust has established an investment committee and will ensure adequate cash balances are maintained. Reserves may be placed where there is no risk of capital loss, but to optimise returns on such investments. All investments will be made in sterling, with UK based financial institutions.

Principal Risks and Uncertainties

The Board of Directors have assessed the major risks to which the Trust is exposed, in particular those related to the operations and finances of the Trust and each individual Academy. The Board of Directors has implemented a number of systems to assess risks that the Trust faces especially in the operational areas (e.g. in relation to teaching, health and safety etc.) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. Vetting of new staff and volunteers, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

The Trust has an effective system of internal financial controls.

Finance Risk

The Trust is reliant upon government funding and this is expected to continue. This leaves the Trust, as per other educational establishments, susceptible to changes in government policy and particularly where there may be a reduction in public funding available for education. The Trust has plans in place to safeguard its long term ability to continue to attract staff and maintain its assets.

Reputation Risk

The Trust is growing and is mindful of reputation risk. Strategic support is provided throughout the Trust and each academy is focused on delivering high quality learning.

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

Strategic Report (continued)

(continued)

Staffing Risk

The Trust is aware that quality teaching is only achieved by recruiting and retaining quality staff. While there are national difficulties in recruiting teaching staff, the Trust has worked hard in developing an effective recruitment and retention strategy. The Trust maintains high standards and will not compromise its established reputation because of national recruitment difficulties.

Asset Risk

The Trust has commissioned building surveys that help inform the investment plan. The estates portfolio varies in age and need for replacement of equipment and assets. The Trust receives Building Condition Funding to support the capital investment needed to maintain these assets.

The risk of failing to maintain these assets is being mitigated by keeping in contact with the ESFA and other Multi Academy Trusts to ensure procurement achieves best value and meets health and safety needs as well as ensuring that the academy has a positive learning environment.

Plans for the Future

Key Performance Indicators for 2019/20:

- Match or better national attainment for the children in Trust academies at the end of Reception, in the Year One Phonics Check, and at the end of Key Stage One and Two;
- Better than national expected progress by children in Trust academies at the end of Key Stage Two;
- Any academy inspected by Ofsted during the academic year 2019/20 graded at least "good"; Pupil attendance at least 96% in each Trust academy.
- Further strengthen continuing professional development for staff members in each school, in each geographical hub and across the Trust.

Employee involvement and employment of the disabled

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

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

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

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

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

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

Employee involvement and employment of the disabled (continued)

Trust Expansion:

The Trust is in a position to create a third hub of schools near to one or both of our present geographical hubs in Hillingdon and Slough. Moreover, it has the capacity to expand its present hubs if sensible opportunities became available.

Funds Held as Custodian Trustee on Behalf of Others

Neither the academy trust nor its directors act as custodian trustee.


Auditor

In so far as the Directors are aware:

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

The auditors, Landau Baker, are appointed under section 487(2) of the Companies Act 2006.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of Directors, as the company directors, on 7 December 2019 and signed on its behalf by:



Mr Muralee Nair
Chair of Board of Directors

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GOVERNANCE STATEMENT

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Directors' report and in the Directors' responsibilities statement. The Board of Directors have formally met seven times during the year. Attendance during the year at meetings was as follows:

Director	Meetings attended	Out of a possible
Dr Martin Young, CEO	7	7
Mr Muralee Nair, Chair	7	7
Dr Adel Rouz	7	7
Mr Anoop Ghai	6	7
Mr Peter Dollimore	4	7
Ms Ranisha Dhamu	6	7
Mrs Nicky Tranter	5	7
Ms Afsheen Chowdhry	6	7
Mr Simon Carter	6	7

The Finance and Operations Committee, and Audit Committee are sub-committees of the main Board of Directors. Their purpose is to carry out its roles under the Governors' scheme of delegation. The purpose of the Finance and Operations Committee is to assist the decision making of the Board, by enabling more detailed consideration to be given, fulfilling the Board's responsibility to ensure sound management of each academy's finances and resources, including proper planning, monitoring and probity. The main areas of work in the period have been the issues under its remit in the conversion to Academy status ensuring we are compliant with the Academy Financial Handbook. The Audit Committee continues to monitor our internal controls and external reports issued by the Auditor. Board Directors are issued with monthly finance reports.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Dr Martin Young, CEO	4	4
Dr Adel Rouz, Chair	4	4
Mr Anoop Ghai, Vice Chair	3	4
Ms Ranisha Dhamu	3	4
Ms Afsheen Chowdhry	4	4

Financial Governance and Oversight:

Our governance arrangements include regular monitoring by the Board of Directors and its committees, including

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

the Finance and Operations Committee and the Audit Committee. They receive monthly financial reports and ask relevant questions as evidenced in the minutes. There are a number of finance and operations specialists on the Board of Directors. The work of these committees is further informed by regular Responsible Officer reports, with the Chair of the Audit Committee supported by an independent finance consultant.

Review of Value for Money

As accounting officer, the Chief Executive and Federation Principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that the value for money refers to the educational and wider societal outcomes achieved in return for the tax payer 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

Improving Educational Results:

We have ensured that resources are directed where they are most needed and most effective in meeting educational requirements, for example by:

Targeting resources in line with academy and Trust priorities, including:

- Further strengthen special provision for pupils who attract Pupil Premium funding and at risk of underachieving.
- Further strengthen provision for children with special educational needs/disability.
- Recruitment of effective teachers responsible for the development of high-quality education.
- Recruitment of specialist teachers to effectively support the needs of all children.
- Further improve initiatives to ensure pupils' learning is sometimes child led and initiated, while at other times it is teacher-directed and is challenging enough to meet individual needs, including high attaining pupils.
- Set up a variety of extra-curricular opportunities for all groups of children.
- Specialised professional development for Newly Qualified Teachers.
- Specialised professional development for teachers at different stages of their leadership development.
- Devolvement of authority and resources to geographical hub level (e.g. Hillingdon Hub and Slough Hub) to support the Trust's drive to further improve performance in the curriculum beyond Reading, Writing and Mathematics.
- Further develop the assessment, tracking and monitoring processes to ensure data is used to inform planning, target interventions and support differentiation, including regular internal and Senior Leadership Team meetings to review progress and impact of interventions for different groups of pupils, supported by regular, focused and robust Pupil Progress Meetings.
- Implement a Trust-designed database for tracking and reporting academic performance.
- Refining Teacher Performance Management processes for effective monitoring of performance – including performance-related pay for teachers - aligned to priorities and professional development areas.
- Comparing results from the Trust's schools with national and local authority data, monitoring quality of teaching and learning in each school and across the Trust, and reviewing levels of expenditure for particular areas.
- Preparation for the introduction of the new Ofsted inspection framework on 1st September 2019.

THE PARK FEDERATION ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of Value for Money (continued)

Improving procurement and service:

We continue to actively endeavour to maximise the “buying power” of a Multi-Academy Trust to demonstrate value for money for the Trust and for taxpayers. Examples of steps taken to ensure value for money when purchasing include:

- We have procured energy centrally
- We have strengthened financial understanding at Academy Council level
- We have started to work with suppliers to help improve understanding and compliance with Modern Slavery
- The Chief Operating Officer and his team have been influential in maintaining or driving down costs through better procurement and negotiation throughout 2018/19 including property management and an IT support contract. This has ensured that the School Condition Funding money is used efficiently

All contracts are reviewed on an annual basis to ensure they are fit for purpose and best value. For example maintenance, and support service contracts.

Greater Income Generation:

Examples of steps to maximize income include:

Enabling sports coaches to work within academies, to ensure that buildings were used out of hours.

Reviewing any letting opportunities, providing accommodation to Key workers.

Reviewing Controls and Managing Risks:

The Trust has prepared a risk register which is updated regularly and reviewed by the Audit Committee.

The Finance and Operations Committee meets and reviews budgets, income and expenditure and cash flow forecasts. They also provide advice on the levels of reserves to be maintained.

With changes to the Data Protection Bill, The Chief Operating Officer continues to oversee compliance across the Trust and in line with data management post Brexit.

Monthly financial reports are circulated to all Directors inclusive of the Chair.

Lessons Learned:

Our HR Department conduct exit interviews for staff to ensure we are able to monitor retention levels and focus future recruitment. We continue to review whenever a resignation is accepted, an analysis is done to determine whether or not to replace. At times this has resulted in grade changes without compromise on service. This resulted in staff leaving at various points throughout the year and not being automatically replaced. We continue to monitor curriculum spend to ensure it is in accord with the business plan. The Principal remains able to tailor spending to the needs of the children and the overall academy. This aligns spending to strategic need. We have worked with our Trade Union partners to adapt policies ensuring they meet our obligations.

THE PARK FEDERATION ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The Purpose of the System of Internal Control

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

Capacity to handle risk

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

The risk and control framework

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors;

- regular reviews by the Finance and Operations Committee of reports which indicate financial performance; against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties and identification and management of risks;

The Trust undertakes internal checks that are supported by an external competent party, this supports to ensure compliance with published guidance. This role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems on a quarterly basis. A report is produced which is presented to the Finance and Operations Committee as well as the Audit Committee and Board of Directors on the operation of the systems of control and on the discharge of the Directors' financial responsibilities.

Review of effectiveness

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

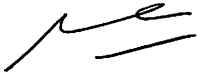
- The work of the Responsible Officer;
- The work of the external auditor;
- The work of the Chief Operating Officer, Senior Finance Manager and the team of Finance Managers employed by the Trust;
- The work of the Senior Management Teams within the academies who have responsibility for the development 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 Operations Committee and a plan to address weaknesses and ensure continuous improvement of the systems in place.

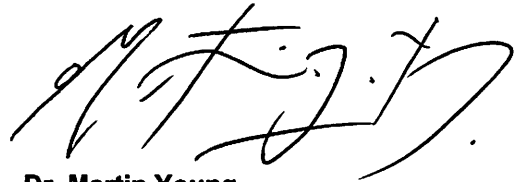
THE PARK FEDERATION ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Board of Directors on 7 December 2019 and signed on their behalf by:



Mr Muralee Nair
Chair of Board of Directors



Dr. Martin Young
Accounting Officer

THE PARK FEDERATION ACADEMY TRUST
(A company limited by guarantee)

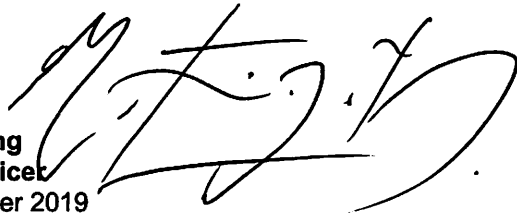
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

Dr. Martin Young
Accounting Officer
Date: 7 December 2019



THE PARK FEDERATION ACADEMY TRUST
(A company limited by guarantee)

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

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

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors 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 Directors are required to:

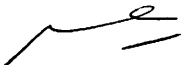
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

The Directors 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 Directors 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 Directors 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 Directors on 7 December 2019 and signed on its behalf by:



Mr Muralee Nair
Chair of Board of Directors

THE PARK FEDERATION ACADEMY TRUST
(A company limited by guarantee)

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

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

THE PARK FEDERATION ACADEMY TRUST
(A company limited by guarantee)

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy 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'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 or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

 FOR LANDAU BAKER LIMITED

Carly Pinkus (Senior statutory auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

7 December 2019

THE PARK FEDERATION ACADEMY TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 21 March 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Park Federation Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Park Federation Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Park Federation Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Park Federation Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Park Federation Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Park Federation Academy Trust's funding agreement with the Secretary of State for Education dated 31 August 2012 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

THE PARK FEDERATION ACADEMY TRUST
(A company limited by guarantee)

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

Conclusion

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

Landau Baker Limited

Reporting Accountant

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: 7 December 2019

THE PARK FEDERATION ACADEMY TRUST
(A company limited by guarantee)

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

	Note	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Income from:						
Donations and capital grants	3	72	-	899	971	6,811
Charitable activities		-	29,283	-	29,283	28,511
Other trading activities		490	-	-	490	511
Investments	6	5	-	-	5	4
Total income		567	29,283	899	30,749	35,837
Expenditure on:						
Raising funds		61	-	-	61	36
Charitable activities	8	-	30,634	1,591	32,225	31,681
Total expenditure		61	30,634	1,591	32,286	31,717
Net income/(expenditure)		506	(1,351)	(692)	(1,537)	4,120
Transfers between funds	19	386	(449)	63	-	-
Net movement in funds before other recognised gains/(losses)		892	(1,800)	(629)	(1,537)	4,120
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(3,382)	-	(3,382)	2,239
Net movement in funds		892	(5,182)	(629)	(4,919)	6,359
Reconciliation of funds:						
Total funds brought forward		3,752	(9,857)	68,736	62,631	56,272
Net movement in funds		892	(5,182)	(629)	(4,919)	6,359
Total funds carried forward		4,644	(15,039)	68,107	57,712	62,631

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

The notes on pages 30 to 55 form part of these financial statements.

THE PARK FEDERATION ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08146330

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	15	67,420	68,381
		<u>67,420</u>	<u>68,381</u>
Current assets			
Debtors	16	769	725
Cash at bank and in hand		6,136	5,357
		<u>6,905</u>	<u>6,082</u>
Creditors: amounts falling due within one year	17	(2,007)	(2,038)
Net current assets		<u>4,898</u>	<u>4,044</u>
Total assets less current liabilities		<u>72,318</u>	<u>72,425</u>
Net assets excluding pension liability		<u>72,318</u>	<u>72,425</u>
Defined benefit pension scheme liability	24	(14,606)	(9,794)
Total net assets		<u><u>57,712</u></u>	<u><u>62,631</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	19	68,107	68,736
Restricted income funds	19	(433)	(63)
Restricted funds excluding pension asset	19	<u>67,674</u>	<u>68,673</u>
Pension reserve	19	(14,606)	(9,794)
Total restricted funds	19	<u>53,068</u>	<u>58,879</u>
Unrestricted income funds	19	<u>4,644</u>	<u>3,752</u>
Total funds		<u><u>57,712</u></u>	<u><u>62,631</u></u>

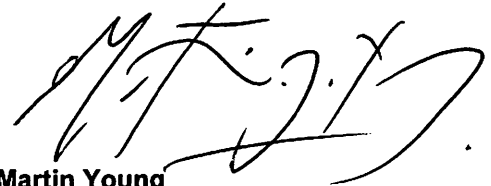
THE PARK FEDERATION ACADEMY TRUST
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

The financial statements on pages 26 to 55 were approved by the Trustees, and authorised for issue on 07 December 2019 and are signed on their behalf, by:



Mr Muralee Nair
Chair of Board of Directors



Dr Martin Young
Accounting Officer

The notes on pages 30 to 55 form part of these financial statements.

THE PARK FEDERATION ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Net cash provided by operating activities	21	506	1,323
Cash flows from investing activities	22	273	(22)
Change in cash and cash equivalents in the year		779	1,301
Cash and cash equivalents at the beginning of the year		5,357	4,056
Cash and cash equivalents at the end of the year	23	<u>6,136</u>	<u>5,357</u>

The notes on pages 30 to 55 form part of these financial statements

THE PARK FEDERATION ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

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

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy'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 academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the academy has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the academy, can be reliably measured.

• **Grants**

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

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

THE PARK FEDERATION ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.3 Income (continued)

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

- **Donations**

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

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.

- **Expenditure on raising funds**

This includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

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FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.5 Tangible fixed assets (continued)

Leasehold property	- 5 - 50 years
Furniture and fixtures	- 5 - 25 years
Plant and equipment	- 5 - 25 years
Computer equipment	- 3- 5 years

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

1.7 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.

1.8 Liabilities

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

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

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

1. Accounting policies (continued)

1.10 Pensions

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

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

1.11 Fund accounting

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

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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

3. Income from donations and capital grants

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Donations	72	-	-	72	81
Capital Grants	-	-	899	899	726
	-	-	-	-	6,004
	<u>72</u>	<u>-</u>	<u>899</u>	<u>971</u>	<u>6,811</u>
<i>Total 2018</i>	<u>81</u>	<u>(747)</u>	<u>7,477</u>	<u>6,811</u>	

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4. Funding for the academy's educational activities

	Restricted funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
DfE/ESFA grants			
General Annual Grant	23,363	23,363	22,783
Other DfE/ESFA Grants	2,783	2,783	2,557
	<u>26,146</u>	<u>26,146</u>	<u>25,340</u>
Other government grants			
Other Government Grants	-	-	1
Local Authority Grants	3,027	3,027	3,097
	<u>3,027</u>	<u>3,027</u>	<u>3,098</u>
Other funding			
Other Income	110	110	73
	<u>110</u>	<u>110</u>	<u>73</u>
	<u><u>29,283</u></u>	<u><u>29,283</u></u>	<u><u>28,511</u></u>

5. Income from other trading activities

	Unrestricted funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Lettings Income	116	116	101
Trip Income	120	120	135
Other Income	254	254	275
	<u>490</u>	<u>490</u>	<u>511</u>
	<u><u>490</u></u>	<u><u>490</u></u>	<u><u>511</u></u>

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

6. Investment income

	Unrestricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Investment Income	5	5	4

7. Expenditure

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000	Total 2018 £000
Expenditure on raising funds:					
Direct costs	-	-	61	61	36
Educational Activities:					
Direct costs	21,008	-	1,902	22,910	22,132
Allocated support costs	4,695	1,237	3,383	9,315	9,549
	<u>25,703</u>	<u>1,237</u>	<u>5,346</u>	<u>32,286</u>	<u>31,717</u>
<i>Total 2018</i>	<u>25,000</u>	<u>1,277</u>	<u>5,440</u>	<u>31,717</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Educational Activities	32,225	32,225	31,681

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

9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £000	Support costs 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Educational Activities	22,910	9,315	32,225	31,681
<i>Total 2018</i>	22,132	9,549	31,681	

Analysis of direct costs

	Educational Activities 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Staff costs	18,896	18,896	18,688
Educational supplies	897	897	784
Educational consultancy	369	369	352
Technology costs	269	269	196
Agency teaching staff	2,112	2,112	1,708
Staff development	147	147	155
Other direct costs	220	220	249
	22,910	22,910	22,132

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

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Activities 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Pension finance costs	265	265	268
Staff costs	4,691	4,691	4,592
Depreciation	1,591	1,591	1,614
Rent and rates	180	180	179
Maintenance of premises and equipment	489	489	655
Energy costs	316	316	331
Indirect employee expenses	217	217	311
Other support costs	369	369	384
Catering costs	806	806	719
Insurance	132	132	121
Other occupancy costs	114	114	127
Other support supply costs	4	4	12
Governance costs	141	141	236
	9,315	9,315	9,549
	9,315	9,315	9,549

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £000	<i>2018 £000</i>
Operating lease rentals	22	23
Depreciation of tangible fixed assets	1,591	1,614
Fees paid to auditors for:		
- audit	20	21
- other services	3	3
	1,636	1,661

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

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019	2018
	£000	£000
Wages and salaries	17,838	17,478
Social security costs	1,628	1,600
Pension costs	4,121	4,202
	<u>23,587</u>	<u>23,280</u>
Agency staff costs	2,112	1,708
Support staff agency costs	4	12
	<u>25,703</u>	<u>25,000</u>

b. Staff numbers

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

	2019	2018
	No.	No.
Teachers	243	250
Administration and support	565	581
Management	49	52
	<u>857</u>	<u>883</u>

The average headcount expressed as full-time equivalents was:

	2019	2018
	No.	No.
Teachers	221	229
Administration and support	312	333
Management	48	48
	<u>581</u>	<u>610</u>

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

c. Higher paid staff

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	3	5
In the band £70,001 - £80,000	3	3
In the band £80,001 - £90,000	4	2
In the band £90,001 - £100,000	-	1
In the band £170,001 - £180,000	1	1

d. Key management personnel

The key management personnel of the academy comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy was £3,173,000 (2018: £3,162,000).

12. Central services

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

- management services;
- financial services;
- legal services;
- computer support

The academy charges for these services on the following basis:

3.25% of the school budget share GAG income and Local Authority Grants

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NOTES TO THE FINANCIAL STATEMENTS
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12. Central services (continued)

The actual amounts charged during the year were as follows:

	2019	2018
	£000	£000
Cranford Park Academy	133	129
Wood End Park Academy	141	142
James Elliman Academy	103	108
Montem Academy	128	127
Lake Farm Park Academy	79	64
Western House Academy	89	87
Godolphin Junior Academy	69	68
West Drayton Academy	89	81
Total	831	806

13. Related Party Transactions- Trustees' remuneration and expenses

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

		2019	2018
		£000	£000
Dr Martin Young	Remuneration	170 - 175	170 - 175
	Pension contributions paid	25 - 30	25 - 30

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

14. Trustees' and Officers' insurance

The academy has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

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

15. Tangible fixed assets

	Long-term leasehold property £000	Assets under construction £000	Furniture and equipment £000	Plant and machinery £000	Computer equipment £000	Total £000
Cost or valuation						
At 1 September 2018	69,116	-	1,625	2,068	1,160	73,969
Additions	81	25	354	20	151	631
Disposals	-	-	-	-	(10)	(10)
At 31 August 2019	<u>69,197</u>	<u>25</u>	<u>1,979</u>	<u>2,088</u>	<u>1,301</u>	<u>74,590</u>
Depreciation						
At 1 September 2018	3,650	-	587	410	941	5,588
Charge for the year	1,054	-	226	149	163	1,592
On disposals	-	-	-	-	(10)	(10)
At 31 August 2019	<u>4,704</u>	<u>-</u>	<u>813</u>	<u>559</u>	<u>1,094</u>	<u>7,170</u>
Net book value						
At 31 August 2019	<u><u>64,493</u></u>	<u><u>25</u></u>	<u><u>1,166</u></u>	<u><u>1,529</u></u>	<u><u>207</u></u>	<u><u>67,420</u></u>
At 31 August 2018	<u><u>65,466</u></u>	<u><u>-</u></u>	<u><u>1,038</u></u>	<u><u>1,658</u></u>	<u><u>219</u></u>	<u><u>68,381</u></u>

16. Debtors

	2019 £000	2018 £000
Due within one year		
Trade debtors	34	23
Other debtors	224	246
Prepayments and accrued income	511	456
	<u>769</u>	<u>725</u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. Creditors: Amounts falling due within one year

	2019	2018
	£000	£000
Trade creditors	681	819
Other taxation and social security	387	384
Other creditors	215	206
Accruals and deferred income	724	629
	<u>2,007</u>	<u>2,038</u>
	<u><u>2,007</u></u>	<u><u>2,038</u></u>
	2019	2018
	£000	£000
Deferred income at 1 September 2018	377	316
Resources deferred during the year	418	377
Amounts released from previous periods	(377)	(316)
	<u>418</u>	<u>377</u>
	<u><u>418</u></u>	<u><u>377</u></u>

At the balance sheet date, the academy trust was holding funds received in advance for the period relating to 2019/20.

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

18. Financial instruments

	2019	<i>2018</i>
	£000	<i>£000</i>
Financial assets		
Financial assets measured at fair value through income and expenditure	6,136	<i>5,357</i>
Financial assets that are debt instruments measured at amortised cost	326	<i>331</i>
	<u>6,462</u>	<u><i>5,688</i></u>
	2019	<i>2018</i>
	£000	<i>£000</i>
Financial liabilities		
Financial liabilities measured at amortised cost	(1,202)	<i>(1,278)</i>
	<u>(1,202)</u>	<u><i>(1,278)</i></u>

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

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

Financial liabilities measured at amortised cost comprise trade creditors, accruals and other creditors.

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

19. Statement of funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
General Funds - all funds	3,752	567	(61)	386	-	4,644
Restricted general funds						
GAG	(63)	23,363	(23,284)	(449)	-	(433)
Pupil premium	-	1,727	(1,727)	-	-	-
PE & sports funding	-	177	(177)	-	-	-
Other ESFA funding	-	879	(879)	-	-	-
SEN funding (LA)	-	866	(866)	-	-	-
Early years funding	-	1,746	(1,746)	-	-	-
Other LA funding	-	415	(415)	-	-	-
General funds	-	110	(110)	-	-	-
Pension reserve	(9,794)	-	(1,430)	-	(3,382)	(14,606)
	<u>(9,857)</u>	<u>29,283</u>	<u>(30,634)</u>	<u>(449)</u>	<u>(3,382)</u>	<u>(15,039)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	68,736	-	(1,591)	63	-	67,208
Devolved Formula Capital	-	296	-	-	-	296
Condition Improvement Fund	-	603	-	-	-	603
	<u>68,736</u>	<u>899</u>	<u>(1,591)</u>	<u>63</u>	<u>-</u>	<u>68,107</u>
Total Restricted funds	<u>58,879</u>	<u>30,182</u>	<u>(32,225)</u>	<u>(386)</u>	<u>(3,382)</u>	<u>53,068</u>
Total funds	<u>62,631</u>	<u>30,749</u>	<u>(32,286)</u>	<u>-</u>	<u>(3,382)</u>	<u>57,712</u>

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

19. Statement of funds (continued)

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

Restricted fixed asset funds have been increased by capital grants provided by the DfE and reduced by depreciation charges.

Restricted general funds have been increased by revenue grants provided by the DfE and reduced by expenditure incurred in the operation of the academy.

The restricted funds can only be used in terms of limitations imposed in the Funding Agreement with the DfE and the terms of any specific grant.

Unrestricted funds have been increased by other trading activities and reduced by expenditure incurred in the operation of these trading activities.

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

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019	2018
	£000	£000
Cranford Park Academy	236	201
Wood End Park Academy	521	682
James Elliman Academy	404	351
Montem Academy	692	616
Western House Academy	488	529
Lake Farm Park Academy	515	154
Godolphin Junior Academy	791	676
West Drayton Academy	237	290
Central services	327	190
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	4,211	3,689
Restricted fixed asset fund	68,107	68,736
Pension reserve	(14,606)	(9,794)
	<hr/>	<hr/>
Total	57,712	62,631
	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
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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 £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2019 £000	<i>Total 2018 £000</i>
Cranford Park Academy	3,566	701	185	562	5,014	4,794
Wood End Park Academy	3,692	649	187	863	5,391	4,918
James Elliman Academy	2,502	693	119	322	3,636	3,784
Montem Academy	3,047	704	213	538	4,502	4,505
Western House Academy	2,325	439	144	304	3,212	3,188
Lake Farm Park Academy	1,643	494	114	376	2,627	2,403
Godolphin Junior Academy	1,171	781	151	272	2,375	2,459
West Drayton Academy	2,263	413	153	386	3,215	3,017
Central services	249	371	-	103	723	857
Academy	20,458	5,245	1,266	3,726	30,695	29,925

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19. Statement of funds (continued)

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

	<i>Balance at 1 September 2017 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2018 £000</i>
Unrestricted funds						
General Funds - all funds	3,192	596	(36)	-	-	3,752
Restricted general funds						
GAG	(531)	22,783	(22,233)	(82)	-	(63)
Pupil premium	-	1,769	(1,769)	-	-	-
PE & sports funding	-	169	(169)	-	-	-
Other ESFA funding	-	619	(619)	-	-	-
SEN funding (LA)	-	879	(879)	-	-	-
Early years funding	-	1,649	(1,649)	-	-	-
Other LA funding	-	569	(569)	-	-	-
General funds	-	73	(73)	-	-	-
Pension reserve	(9,358)	(1,072)	(1,603)	-	2,239	(9,794)
	<u>(9,889)</u>	<u>27,438</u>	<u>(29,563)</u>	<u>(82)</u>	<u>2,239</u>	<u>(9,857)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	62,969	-	(1,066)	82	-	61,985
Devolved Formula Capital	-	110	(110)	-	-	-
Condition Improvement Fund	-	616	(616)	-	-	-

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19. Statement of funds (continued)

	<i>Balance at 1 September 2017 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2018 £000</i>
Amounts Transferred from Local Authority	-	6,751	-	-	-	6,751
	<u>62,969</u>	<u>7,477</u>	<u>(1,792)</u>	<u>82</u>	<u>-</u>	<u>68,736</u>
Total Restricted funds	<u>53,080</u>	<u>34,915</u>	<u>(31,355)</u>	<u>-</u>	<u>2,239</u>	<u>58,879</u>
Total funds	<u><u>56,272</u></u>	<u><u>35,511</u></u>	<u><u>(31,391)</u></u>	<u><u>-</u></u>	<u><u>2,239</u></u>	<u><u>62,631</u></u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	67,420	67,420
Current assets	4,644	1,574	687	6,905
Creditors due within one year	-	(2,007)	-	(2,007)
Provisions for liabilities and charges	-	(14,606)	-	(14,606)
Total	<u><u>4,644</u></u>	<u><u>(15,039)</u></u>	<u><u>68,107</u></u>	<u><u>57,712</u></u>

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20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £000</i>	<i>Restricted funds 2018 £000</i>	<i>Restricted fixed asset funds 2018 £000</i>	<i>Total funds 2018 £000</i>
Tangible fixed assets	-	-	68,381	68,381
Current assets	3,752	1,975	355	6,082
Creditors due within one year	-	(2,038)	-	(2,038)
Provisions for liabilities and charges	-	(9,794)	-	(9,794)
Total	3,752	(9,857)	68,736	62,631

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

	2019 £000	2018 £000
Net (expenditure)/income for the year (as per Statement of financial activities)	(1,537)	4,120
Adjustments for:		
Assets transferred from existing academy joining trust	-	(6,751)
Depreciation	1,592	1,614
Capital grants from DfE and other capital income	(899)	(726)
Interest receivable	(5)	(5)
Defined benefit pension scheme obligation inherited	-	1,072
Defined benefit pension scheme cost less contributions payable	1,164	1,335
Defined benefit pension scheme finance cost	266	268
(Increase)/decrease in debtors	(44)	2
(Decrease)/increase in creditors	(31)	394
Net cash provided by operating activities	506	1,323

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22. Cash flows from investing activities

	2019	2018
	£000	£000
Dividends, interest and rents from investments	5	5
Purchase of tangible fixed assets	(631)	(753)
Capital grants from DfE and other capital income	899	726
Net cash provided by/(used in) investing activities	273	(22)

23. Analysis of cash and cash equivalents

	2019	2018
	£000	£000
Cash in hand	6,136	5,357
Total cash and cash equivalents	6,136	5,357

24. Pension commitments

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the Royal Borough of Windsor and Maidenhead for the Royal Borough of Berkshire Pension Fund and the London Borough of Hillingdon for the London Borough of Hillingdon Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2019.

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 or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members

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24. Pension commitments (continued)

contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

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

Valuation of the Teachers' Pension Scheme

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

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website- <https://www.teacherspensions.co.uk/public/login.aspx>.

Scheme Changes

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

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £1,825,000 (2018 - £1,747,000), of which employer's contributions totalled £1,429,000 (2018 - £1,372,000) and employees' contributions totalled £ 396,000 (2018 - £375,000). The agreed contribution rates for future years for both employees and employers LGPS range is from 17.6% to 24.8%.

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

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24. Pension commitments (continued)

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	2.70	2.80
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	1.90	2.80
Inflation assumption (CPI)	2.30	2.40

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	21.7	22.6
Females	23.7	24.6
<i>Retiring in 20 years</i>		
Males	22.4	24.0
Females	25.0	26.5

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

	At 31	<i>At 31 August</i>
	August 2019	2018
	£000	£000
Equities	6,694	5,201
Debt Instruments	3,479	2,428
Property	1,544	1,377
Cash	972	1,365
Other	523	445
Total market value of assets	13,212	10,816

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24. Pension commitments (continued)

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

	2019 £000	2018 £000
Current service cost	(2,345)	(2,703)
Past service cost	(244)	-
Interest income	318	244
Interest cost	(583)	(512)
Administrative expenses	(5)	(4)
Total amount recognised in the Statement of Financial Activities	(2,859)	(2,975)

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

	2019 £000	2018 £000
At 1 September	20,610	17,919
Conversion of academy trusts	-	1,351
Current service cost	2,345	2,703
Interest cost	583	512
Employee contributions	396	375
Actuarial losses/(gains)	3,824	(2,087)
Benefits paid	(184)	(163)
Past service costs	244	-
At 31 August	27,818	20,610

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

	2019 £000	2018 £000
At 1 September	10,816	8,561
Conversion of academy trusts	-	279
Interest income	318	244
Actuarial gains	442	152
Employer contributions	1,429	1,372
Employee contributions	396	375
Benefits paid	(184)	(163)
Administrative expenses	(5)	(4)
At 31 August	13,212	10,816

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25. Operating lease commitments

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

	2019 £000	2018 £000
Not later than 1 year	27	24
Later than 1 year and not later than 5 years	37	25
	<u>64</u>	<u>49</u>

26. 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.

27. Related party transactions

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 13.