

Registered number: 08146330

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

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

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

Directors

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
Mrs Nicky Tranter, 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
Ravinder Chander/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
Khalida Khan/Samir Damle, Parent Governors
Nagaswetha Maralavadi-Nagaaj/Stephanie Weber, Staff Governors
Sandie Hopkinson, Community Governor
Kausar Latif, Clerk

Lake Farm Park Academy Council

Adrian Ingham, Chair and Community Governor
Fathia Adams/Carla Jorsling-Thomas, Staff Governors
Tarsem Chana/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
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Directors (continued)

Western House Academy Council

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

The Godolphin Junior Academy

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

Wood End Park Academy Council

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

West Drayton Academy Council

Nicky Tranter, 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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS DIRECTORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Company secretary

Mrs Elaine Armstrong

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

Independent auditors

Landau Baker Limited, 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

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Directors present their annual report together with the financial statements and auditor's reports of the charitable company for the year 1 September 2017 to 31 August 2018. 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.

Principal 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.

Employment Policy

The Academy Trust depends on the skills and commitments of its employees to perform well. Selection and

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

development procedures are designed to ensure equal opportunities exist for all applicants and employees regardless of gender, marital status, race, age or disability, decisions being based on an individual's aptitude and ability. Employees are kept well informed and encouraged to discuss matters of concern.

Disabled Persons

The Academy Trust's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Employees who become disabled are retained in existing posts where possible.

Procedures relating to training, career development and promotion are adapted to ensure that the employment policies outlined below are fully available equally for disabled and non-disabled employees.

Policies and Procedures Adopted for the Induction and Training of Trustees

All Members, Directors and Academy Council members are provided with copies of procedures, minutes, accounts, budget plans and other documents that they will need to undertake their respective roles. They have access to a range of training programmes coordinated by the Clerk to the Board of Directors.

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

Senior Management Teams report to the Board of Directors, its sub committees and the Academy Councils.

The aim of the structure is to devolve responsibility and encourage involvement in decision making at all levels. The Board of Directors are responsible for setting strategic policy, adopting an annual plan and budget, monitoring the Trust's performance by use of budgets and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments (e.g. Chief Executive Officer, Chief Operating Officer and Principals).

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

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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	3,284
Total pay bill	21,872,488
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100 %
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Related Parties and other Connected Charities and Organisations

The Park Federation Academy Trust has established a Central Office that negotiates core services including: legal, HR, Payroll, Insurance, financial systems and accountancy services.

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.

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DIRECTORS' REPORT (continued)
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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.

Objectives, Strategies and Activities

The main objectives of the Academy during the period ended 31st August 2018 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

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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.

Strategic report

Achievements and performance

a. Overview and key performance indicators

There are eight academies in The Park Federation Academy Trust. Six of them have Ofsted inspection gradings, all at "Good" or "Outstanding", and two are "fresh start" academies and have not had inspections as of 31st August 2018. 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".

James Elliman Academy joined the Trust on 1st April 2013. It is graded "Good".

Montem Academy joined the Trust on 1st December 2013. It is graded "Outstanding".

Western House Academy joined the Trust on 1st August 2014. It is graded "Good".

Lake Farm Park Academy was opened as a new academy on 1st September 2014. It is graded "Good".

The Godolphin Junior Academy joined the Trust as a "fresh start" academy on 1st September 2016, and West Drayton Academy joined as a "fresh start" academy on 1st September 2017. Neither academy has had an Ofsted inspection as of 31st August 2018.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Academy	Date Joined MAT	Sponsored/ Converter/ New Provision	Level 4+				Level 5+				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	68%	84%	75%	63%	28%	20%	33%	13%	Yes
Wood End Park Academy	01/09/2012	Academy Converter	69%	81%	72%	57%	21%	22%	22%	8%	Yes
James Elliman Academy	01/04/2013	Academy sponsored	80%	80%	87%	73%	29%	18%	30%	10%	Yes
Montem Academy	01/12/2013	New provision	64%	90%	86%	62%	18%	31%	27%	12%	Yes
Western House Academy	01/08/2014	New provision	66%	76%	74%	56%	21%	17%	22%	10%	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	N/A
The Godolphin Junior Academy	01/09/2016	Fresh Start	71%	89%	81%	64%	22%	32%	26%	14%	Yes
West Drayton Academy	01/09/2017	Fresh Start	72%	81%	74%	57%	13%	20%	20%	7%	Yes

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	£307
James Elliman Academy	£156
Lake Farm Park Academy	£101
Montem Academy	£305
The Godolphin Junior Academy	£218
Wood End Park Academy	£355
Western House Academy	£169
West Drayton Academy	£178
Trust Total	£1,789

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DIRECTORS' REPORT (continued)
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Going Concern

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

Financial Review

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 2018 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 2018 of £62,631,000 comprising of an unrestricted fund of £3,752,000, restricted fixed asset funds of £68,736,000, restricted general funds of £(63,000) and a pension reserve deficit of £9,794,000.

During the year ended 31 August 2018, total expenditure of £30,103,000 (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 was £29,833,000. This excludes the assets and liabilities transferred over on conversion of West Drayton Academy on 1 September 2017 of £6,004,000 as shown in note 23 below.

The excess of expenditure over income for the year was £270,000.

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.

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The combined deficit in the Local Government Pension Scheme (LGPS) is recognised on the balance sheet in accordance with FRS17. At 31st August 2018 the deficit stood at £9,794,000. 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 Educations 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 buildings, age of heating systems, 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.

The Trust reserves are shown in note 17 in the financial statements.

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.

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

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 2018/19:

- 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 2018/19 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.

Trust Expansion:

There are no imminent plans for expansion. However, 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.

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DIRECTORS' REPORT (continued)
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Auditor

Insofar as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- Directors have taken all the steps that they ought to have taken as to make themselves aware of any relevant audit information and to establish that the auditor is 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 trustees, as the company directors, on 8 December 2018 and signed on the board's behalf by:



Mr Muralee Nair
Chair 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 Director 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 Director 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 Statement of Directors' responsibilities. The Board of Director has formally met seven times during the year. Attendance during the year at meetings of the Board of Director was as follows:

Director	Meetings attended	Out of a possible
Mr Muralee Nair, Chair	7	7
Dr Martin Young, CEO	7	7
Dr Adel Rouz	6	7
Mr Anoop Ghai	5	7
Ms Ranisha Dhamu	6	7
Mrs Nicky Tranter	5	7
Mr Shuhab Hamid	4	7
Mr Peter Dollimore	6	7
Mrs Penelope Meredith	4	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.

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

Review of Value for Money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during

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GOVERNANCE STATEMENT (continued)

each academic year, and reports to the Board of Director where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by:

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 music 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 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 new 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.

The effectiveness of these strategies can be seen in improved pupil outcomes, and improved teaching.

Financial Governance and Oversight:

Our governance arrangements include regular monitoring by the Board of Directors and its committees, including the Finance and Operations Committee and the Audit Committee. They receive regular 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.

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 continued to build on an IT shared server, where staff can work across the Trust, sharing best practice and information.

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GOVERNANCE STATEMENT (continued)

- Refining budget reporting to ensure greater visibility to senior leaders and Academy Councils who alongside the Finance and Operations Committee monitor monthly expenditure.
- In some areas we extended our supplier base to reduce costs and in others we contracted the procurement base to remove those that were less cost effective.
- The Chief Operating Officer and his team have been influential in maintaining or driving down costs through better procurement and negotiation throughout 2017/18 including property management and an IT support contract.

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 Academy 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.

They also monitor major purchases alongside Academy Council Chairs who represent each academy.

With changes to the Data Protection Bill, The Chief Operating Officer has overseen compliance across the Trust.

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.

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 ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Park Federation Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Director 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 Director is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant

THE PARK FEDERATION ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Director.

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:

- 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;

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 year 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 system is in place.

Approved by order of the members of the Board of Director on 8 December 2018 and signed on their behalf, by:


Mr Muralee Nair
Chair of Directors

Dr Martin Young
Accounting Officer 

THE PARK FEDERATION ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Park Federation Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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: 8 December 2018

THE PARK FEDERATION ACADEMY TRUST
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STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The Directors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' report and the financial statements in accordance with the Annual Accounts Direction issued 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:

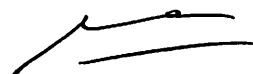
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 Director on 8 December 2018 and signed on its behalf by:



Mr Muralee Nair
Chair of Directors

THE PARK FEDERATION ACADEMY TRUST
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**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 2018 which comprise the Statement of financial activities incorporating income and expenditure account, 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 2017 to 2018 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 2018 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 2017 to 2018 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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors 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.

OTHER INFORMATION

The Directors 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. 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

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

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' 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 Directors' 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Directors' responsibilities, the Directors (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 Directors 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 Directors 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 Directors either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

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

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.

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
8 December 2018

THE PARK FEDERATION ACADEMY TRUST
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INDEPENDENT REPORTING ACCOUNTANTS' 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 2017 to 2018, 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 2017 to 31 August 2018 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 the 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 the 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the 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 work undertaken to draw to our conclusion includes:

- Review and verification of evidence supporting the Accounting Officer's statement on regularity, propriety and compliance.
- Review of the Academy Trust's internal control procedures, specifically in respect to regularity, propriety and compliance.
- Focused testing, driven by our audit of the financial statements, principally checking that:
 - o Grant income received has been expensed on prescribed expenditure; and

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

o Expenditure has been appropriately authorised in accordance with the procedures outlined in the Academy Trust's financial procedures manual.
- Discussions and written representations from the Accounting Officer and other key management personnel (where applicable).

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

8 December 2018

THE PARK FEDERATION ACADEMY TRUST
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
INCOME FROM:						
Donations and capital grants	2	81	(747)	7,477	6,811	10,875
Charitable activities	3	-	28,511	-	28,511	24,736
Other trading activities	4	511	-	-	511	441
Investments	5	4	-	-	4	3
TOTAL INCOME		596	27,764	7,477	35,837	36,055
EXPENDITURE ON:						
Raising funds		36	-	-	36	28
Charitable activities		-	29,889	1,792	31,681	28,011
TOTAL EXPENDITURE	6	36	29,889	1,792	31,717	28,039
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	19	560	(2,125)	5,685	4,120	8,016
		-	(82)	82	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		560	(2,207)	5,767	4,120	8,016
Actuarial gains on defined benefit pension schemes	24	-	2,239	-	2,239	2,090
NET MOVEMENT IN FUNDS		560	32	5,767	6,359	10,106
RECONCILIATION OF FUNDS:						
Total funds brought forward		3,192	(9,889)	62,969	56,272	46,166
TOTAL FUNDS CARRIED FORWARD		3,752	(9,857)	68,736	62,631	56,272

THE PARK FEDERATION ACADEMY TRUST
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REGISTERED NUMBER: 08146330

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£000	2018 £000	2017 £000
FIXED ASSETS				
Tangible assets	16		68,381	62,491
CURRENT ASSETS				
Debtors	17	725		727
Cash at bank and in hand		5,357		4,056
		<u>6,082</u>		<u>4,783</u>
CREDITORS: amounts falling due within one year	18	(2,038)		(1,644)
NET CURRENT ASSETS			4,044	3,139
TOTAL ASSETS LESS CURRENT LIABILITIES				
Defined benefit pension scheme liability	24		(9,794)	(9,358)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			62,631	56,272
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	19	(63)		(531)
Restricted fixed asset funds	19	68,736		62,969
Restricted income funds excluding pension liability		<u>68,673</u>		<u>62,438</u>
Pension reserve		<u>(9,794)</u>		<u>(9,358)</u>
Total restricted income funds			58,879	53,080
Unrestricted income funds	19		3,752	3,192
TOTAL FUNDS			62,631	56,272

The financial statements on pages 25 to 51 were approved by the Directors, and authorised for issue, on 8 December 2018 and are signed on their behalf, by:



Mr Muralee Nair
Chair of Trustees

THE PARK FEDERATION ACADEMY TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by operating activities	21	<u>1,323</u>	<u>685</u>
Cash flows from investing activities:			
Interest receivable		5	3
Purchase of tangible fixed assets		(753)	(6,645)
Capital grants from DfE and other capital income		<u>726</u>	<u>6,773</u>
Net cash (used in)/provided by investing activities		<u>(22)</u>	<u>131</u>
Change in cash and cash equivalents in the year		1,301	816
Cash and cash equivalents brought forward		<u>4,056</u>	<u>3,240</u>
Cash and cash equivalents carried forward	22	<u><u>5,357</u></u>	<u><u>4,056</u></u>

THE PARK FEDERATION ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Park Federation Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Directors 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 Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

THE PARK FEDERATION ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

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

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

1.4 Expenditure

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

Expenditure on raising funds 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.

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

All expenditure is inclusive of irrecoverable VAT.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £2,500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account 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 incorporating income and expenditure account. 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:

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 incorporating income and expenditure account.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.8 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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 basis 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 17. 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 costs as detailed in note 18. 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 instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.10 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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1. ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account 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.

1.12 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 Directors.

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

1.13 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 (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 August 2018 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

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2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Donations	81	-	-	81	5,897
Capital Grants	-	-	726	726	923
Amounts transferred from local authority	-	(747)	6,751	6,004	4,055
	<u>81</u>	<u>(747)</u>	<u>7,477</u>	<u>6,811</u>	<u>10,875</u>
<i>Total 2017</i>	<u>47</u>	<u>(294)</u>	<u>11,122</u>	<u>10,875</u>	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

The Park Federation Academy Trust

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
DfE/ESFA grants				
General Annual Grant	-	22,783	22,783	19,906
Pupil Premium	-	1,789	1,789	1,626
Other ESFA Grants	-	768	768	709
	<u>-</u>	<u>25,340</u>	<u>25,340</u>	<u>22,241</u>
Other government grants				
Other Government Grants	-	1	1	5
Local Authority Grants	-	2,218	2,218	1,816
SEN Income	-	879	879	619
	<u>-</u>	<u>3,098</u>	<u>3,098</u>	<u>2,440</u>
Other funding				
Other Income	-	73	73	55
	<u>-</u>	<u>73</u>	<u>73</u>	<u>55</u>
	<u>-</u>	<u>28,511</u>	<u>28,511</u>	<u>24,736</u>
<i>Total 2017</i>	<u>-</u>	<u>24,736</u>	<u>24,736</u>	

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4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	<i>Total funds 2017 £000</i>
Lettings Income	101	-	101	69
Catering Income	-	-	-	13
Trips Income	135	-	135	127
Other Income	275	-	275	232
	<u>511</u>	<u>-</u>	<u>511</u>	<u>441</u>
<i>Total 2017</i>	<u>441</u>	<u>-</u>	<u>441</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	<i>Total funds 2017 £000</i>
Investment income	4	-	4	3
	<u>4</u>	<u>-</u>	<u>4</u>	<u>3</u>
<i>Total 2017</i>	<u>3</u>	<u>-</u>	<u>3</u>	

6. EXPENDITURE

	Staff costs 2018 £000	Premises 2018 £000	Other costs 2018 £000	Total 2018 £000	<i>Total 2017 £000</i>
Raising funds					
Direct costs	-	-	36	36	28
Support costs	-	-	-	-	-
Educational Activities:					
Direct costs	20,396	-	1,736	22,132	19,962
Support costs	4,604	1,277	3,668	9,549	8,049
	<u>25,000</u>	<u>1,277</u>	<u>5,440</u>	<u>31,717</u>	<u>28,039</u>
<i>Total 2017</i>	<u>22,265</u>	<u>1,252</u>	<u>4,522</u>	<u>28,039</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 £000	Support costs 2018 £000	Total 2018 £000	<i>Total 2017 £000</i>
Educational Activities	22,132	9,549	31,681	28,011
<i>Total 2017</i>	<u>19,962</u>	<u>8,049</u>	<u>28,011</u>	

8. DIRECT COSTS

	Educational Activities £000	Total 2018 £000	<i>Total 2017 £000</i>
Educational supplies	784	784	676
Educational consultancy	352	352	333
Technology costs	196	196	179
Agency teaching staff	1,708	1,708	1,332
Staff development	155	155	107
Other direct costs	249	249	228
Wages and salaries	14,857	14,857	13,732
National insurance	1,435	1,435	1,250
Pension cost	2,396	2,396	2,125
	<u>22,132</u>	<u>22,132</u>	<u>19,962</u>
<i>Total 2017</i>	<u>19,962</u>	<u>19,962</u>	

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9. SUPPORT COSTS

	Educational Activities £000	Total 2018 £000	<i>Total 2017 £000</i>
Pension finance costs	268	268	215
Rent and Rates	179	179	144
Maintenance of premises and equipment	655	655	597
Energy costs	331	331	274
Indirect employee expenses	311	311	252
Other support costs	384	384	375
Catering costs	719	719	609
Insurance	121	121	99
Other occupancy costs	127	127	161
Other support supply costs	12	12	8
Governance costs	236	236	184
Wages and salaries	2,621	2,621	2,260
National insurance	165	165	144
Pension cost	1,806	1,806	1,414
Depreciation	1,614	1,614	1,313
	<u>9,549</u>	<u>9,549</u>	<u>8,049</u>
<i>Total 2017</i>	<u>8,049</u>	<u>8,049</u>	

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £000	<i>2017 £000</i>
Depreciation of tangible fixed assets:		
- owned by the charity	1,614	1,314
Auditors' remuneration - audit	21	16
Auditors' remuneration - other services	3	-
Operating lease rentals	23	10
	<u>1,661</u>	<u>1,340</u>

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11. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £000	2017 £000
Wages and salaries	17,478	15,991
Social security costs	1,600	1,394
Operating costs of defined benefit pension schemes	4,202	3,540
	<u>23,280</u>	<u>20,925</u>
Agency staff costs	1,708	1,332
Support staff agency costs	12	8
	<u>25,000</u>	<u>22,265</u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	250	232
Administration and support	581	520
Management	52	46
	<u>883</u>	<u>798</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	229	209
Administration and support	372	307
Management	48	44
	<u>649</u>	<u>560</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	5	5
In the band £70,001 - £80,000	3	2
In the band £80,001 - £90,000	2	0
In the band £90,001 - £100,000	1	0
In the band £170,001 - £180,000	1	1

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11. STAFF COSTS (continued)

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 £3,162,000 (2017: £3,200,000).

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

The actual amounts charged during the year were as follows:

	2018	2017
	£000	£000
Cranford Park Academy	129	132
Wood End Park Academy	142	141
James Elliman Academy	108	100
Montem Academy	127	128
Lake Farm Park Academy	64	51
Western House Academy	87	85
Godolphin Junior Academy	68	65
West Drayton Academy	81	-
	<u>806</u>	<u>702</u>
Total	<u><u>806</u></u>	<u><u>702</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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13. RELATED PARTY TRANSACTIONS- TRUSTEE'S REMUNERATION AND EXPENSES

One or more Directors has been paid remuneration or has received other benefits from an employment with the academy. The Principal and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Directors. The value of Directors' remuneration and other benefits was as follows:

		2018	2017
		£000	£000
Dr Martin Young	Remuneration	175-180	170-175
	Pension contributions paid	25-30	25-30

During the year ended 31 August 2018, no Directors received any reimbursement of expenses (2017 - £NIL).

14. DIRECTORS' AND OFFICERS' INSURANCE

The academy trust has opted into the Department for 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 Directors and officers indemnity element from the overall cost of the RPA scheme.

15. PENSION FINANCE COST

	2018	2017
	£000	£000
Interest income on pension scheme assets	244	153
Interest on pension scheme liabilities	(512)	(368)
	(268)	(215)

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NOTES TO THE FINANCIAL STATEMENTS
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16. TANGIBLE FIXED ASSETS

	Assets under construction £000	Leasehold property £000	Furniture and fixtures £000	Plant and equipment £000	Computer equipment £000	Total £000
Cost						
At 1 September 2017	36	63,025	1,213	1,110	1,081	66,465
Additions	-	6,055	412	958	79	7,504
Transfer between classes	(36)	36	-	-	-	-
At 31 August 2018	-	69,116	1,625	2,068	1,160	73,969
Depreciation						
At 1 September 2017	-	2,600	389	267	718	3,974
Charge for the year	-	1,050	198	143	223	1,614
At 31 August 2018	-	3,650	587	410	941	5,588
Net book value						
At 31 August 2018	-	65,466	1,038	1,658	219	68,381
At 31 August 2017	36	60,425	824	843	363	62,491

17. DEBTORS

	2018 £000	2017 £000
Trade debtors	23	20
Other debtors	246	202
Prepayments and accrued income	456	505
	<u>725</u>	<u>727</u>

18. CREDITORS: Amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	819	578
Other taxation and social security	384	350
Other creditors	206	127
Accruals and deferred income	629	589
	<u>2,038</u>	<u>1,644</u>

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18. CREDITORS: Amounts falling due within one year (continued)

	2018 £000	2017 £000
Deferred income		
Deferred income at 1 September 2017	316	292
Resources deferred during the year	377	316
Amounts released from previous years	(316)	(292)
	377	316
Deferred income at 31 August 2018	377	316

At the balance sheet date, the academy trust was holding funds received in advance for the period relating to 2018/2019.

19. STATEMENT OF FUNDS

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
General Funds - all funds	3,192	596	(36)	-	-	3,752
	3,192	596	(36)	-	-	3,752
Restricted funds						
Restricted Funds - all funds	(531)	28,836	(28,286)	(82)	-	(63)
Pension reserve	(9,358)	(1,072)	(1,603)	-	2,239	(9,794)
	(9,889)	27,764	(29,889)	(82)	2,239	(9,857)
	(9,889)	27,764	(29,889)	(82)	2,239	(9,857)
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	62,969	7,477	(1,792)	82	-	68,736
Total restricted funds	53,080	35,241	(31,681)	-	2,239	58,879
Total of funds	56,272	35,837	(31,717)	-	2,239	62,631

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.

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19. STATEMENT OF FUNDS (continued)

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.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £000	Total 2017 £000
Cranford Park Academy	201	235
Wood End Park Academy	682	475
James Elliman Academy	351	274
Montem Academy	616	475
Western House Academy	529	434
Lake Farm Park Academy	154	8
Godolphin Junior Academy	676	518
West Drayton Academy	290	-
Central services	190	242
Total before fixed asset fund and pension reserve	<u>3,689</u>	<u>2,661</u>
Restricted fixed asset fund	68,736	62,969
Pension reserve	(9,794)	(9,358)
Total	<u><u>62,631</u></u>	<u><u>56,272</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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 2018 £000	<i>Total 2017 £000</i>
Cranford Park Academy	3,578	615	94	507	4,794	5,063
Wood End Park Academy	3,617	637	103	561	4,918	5,269
James Elliman Academy	2,590	584	123	487	3,784	3,601
Montem Academy	3,022	646	150	687	4,505	4,538
Western House Academy	2,165	473	96	454	3,188	3,056
Lake Farm Park Academy	1,544	405	66	388	2,403	2,031
Godolphin Junior Academy	1,514	471	82	392	2,459	2,406
West Drayton Academy	2,112	395	68	442	3,017	-
Central services	254	378	2	223	857	762
	<u>20,396</u>	<u>4,604</u>	<u>784</u>	<u>4,141</u>	<u>29,925</u>	<u>26,726</u>

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19. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2016 £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 2017 £000</i>
General funds						
General Funds - all funds	2,729	491	(28)	-	-	3,192
Restricted funds						
Restricted Funds - all funds	(216)	25,302	(25,447)	(170)	-	(531)
Pension reserve	(9,337)	(860)	(1,251)	-	2,090	(9,358)
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	52,990	11,122	(1,313)	170	-	62,969
Total of funds	46,166	36,055	(28,039)	-	2,090	56,272

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	<i>Balance at 1 September 2016 £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	2,729	1,087	(64)	-	-	3,752
Restricted funds						
Restricted Funds - all funds	(216)	54,138	(53,733)	(252)	-	(63)
Pension reserve	(9,337)	(1,932)	(2,854)	-	4,329	(9,794)
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	52,990	18,599	(3,105)	252	-	68,736
	43,437	70,805	(59,692)	-	4,329	58,879
Total of funds	46,166	71,892	(59,756)	-	4,329	62,631

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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
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)
	<u>3,752</u>	<u>(9,857)</u>	<u>68,736</u>	<u>62,631</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	62,491	62,491
Current assets	3,192	1,113	478	4,783
Creditors due within one year	-	(1,644)	-	(1,644)
Provisions for liabilities and charges	-	(9,358)	-	(9,358)
	<u>3,192</u>	<u>(9,889)</u>	<u>62,969</u>	<u>56,272</u>

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £000	2017 £000
Net income for the year (as per Statement of Financial Activities)	4,120	8,016
Adjustment for:		
Depreciation charges	1,614	1,313
Assets transferred from existing academy joining trust	(6,751)	(4,349)
Dividends, interest and rents from investments	(5)	(3)
Decrease in debtors	2	204
Increase in creditors	394	166
Capital grants from DfE and other capital income	(726)	(6,773)
Defined benefit pension scheme obligation inherited	1,072	860
Defined benefit pension scheme cost less contributions payable	1,335	1,036
Defined benefit pension scheme finance cost	268	215
Net cash provided by operating activities	<u>1,323</u>	<u>685</u>

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22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	2017
	£000	£000
Cash in hand	5,357	4,056
Total	5,357	4,056

23. CONVERSION TO AN ACADEMY TRUST

On 1 September 2017 West Drayton Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Park Federation Academy Trust from London Borough of Hillingdon for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Leasehold land and buildings	-	-	6,751	6,751
Budget surplus/(deficit) on LA funds	-	325	-	325
LGPS pension surplus/(deficit)	-	(1,072)	-	(1,072)
Net assets/(liabilities)	-	(747)	6,751	6,004

24. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's 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 pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2018.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by

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NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £1,506,000 (2017 - £1,366,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £1,747,000 (2017 - £1,389,000), of which employer's contributions totalled £1,372,000 (2017 - £1,094,000) and employees' contributions totalled £375,000 (2017 - £295,000). 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

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24. PENSION COMMITMENTS (continued)

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.
London Borough of Hillingdon Pension Fund

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.40 %
Rate of increase in salaries	2.80 %	2.80 %
Rate of increase for pensions in payment / inflation	2.40 %	2.50 %
Inflation assumption (CPI)	2.40 %	2.50 %

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

	2018	2017
Retiring today		
Males	22.6	22.6
Females	24.6	24.6
Retiring in 20 years		
Males	24.0	24.0
Females	26.5	26.5

Royal County of Berkshire

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %

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

	2018	2017
Retiring today		
Males	23.1	23.0
Females	25.2	25.1
Retiring in 20 years		
Males	25.3	25.2
Females	27.5	27.4

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24. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £000	<i>Fair value at 31 August 2017 £000</i>
Equities	5,201	4,842
Debt instruments	2,428	1,739
Property	1,377	1,093
Cash	1,365	534
Other	445	353
	<u>10,816</u>	<u>8,561</u>
Total market value of assets	<u>10,816</u>	<u>8,561</u>

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £000	<i>2017 £000</i>
Current service cost	(2,703)	(2,127)
Interest income	244	153
Interest cost	(512)	(368)
Admin expenses	(4)	(2)
	<u>(2,975)</u>	<u>(2,344)</u>
Total	<u>(2,975)</u>	<u>(2,344)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2018 £000	<i>2017 £000</i>
Opening defined benefit obligation	17,919	15,450
Upon conversion	1,351	-
Transferred in on existing academies joining the trust	-	1,439
Current service cost	2,703	2,127
Interest cost	512	368
Employee contributions	375	295
Actuarial gains	(2,087)	(1,695)
Benefits paid	(163)	(65)
	<u>20,610</u>	<u>17,919</u>
Closing defined benefit obligation	<u>20,610</u>	<u>17,919</u>

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FOR THE YEAR ENDED 31 AUGUST 2018

24. PENSION COMMITMENTS (continued)

Movements in the fair value of the academy's share of scheme assets:

	2018	2017
	£000	£000
Opening fair value of scheme assets	8,561	6,113
Upon conversion	279	-
Transferred in on existing academies joining the trust	-	579
Interest income	244	153
Actuarial gains/(losses)	152	395
Employer contributions	1,372	1,094
Employee contributions	375	295
Benefits paid	(163)	(65)
Administrative expenses	(4)	(3)
	10,816	8,561
Closing fair value of scheme assets	10,816	8,561

25. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018	2017
	£000	£000
Amounts payable:		
Within 1 year	24	8
Between 1 and 5 years	25	10
After more than 5 years	-	3
	49	21
Total	49	21

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.

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27. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Directors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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