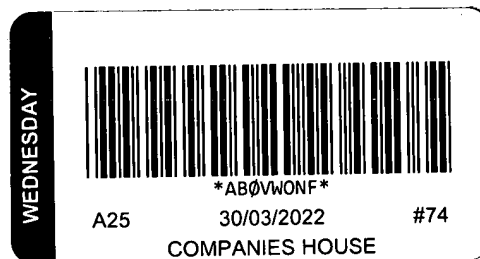


Company Registration Number: 07694023

THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021



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

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THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Chris Shepherd David Davison Antonia Gillespie Philip Harland Fred Child
Trustees and Directors	Fred Child, Chair of Trustees Mark Edwards, Co-Vice Chair of Trustees Matthew Dixon, Co-Vice Chair of Trustees Anthony Purser, Trustee Catherine Dampney, Trustee (appointed 5 May 2021) Caroline Henham, Trustee (appointed 11 October 2021) Amy Fedrick, Trustee (Resigned 31 July 2021) Hannah Dukes, Trustee (appointed 8 March 2021, resigned 23 August 2021) Louise Bouteiller, Trustee (Resigned 31 December 2020) Corinna Mazzotta, Trustee (Resigned 31 December 2020) Clive Zimmerman (resigned 31 December 2020)
Company registered number	07694023
Company name	The Park Academies Trust
Principal and registered office	The Lydiard Park Academy Grange Park Way Grange Park Swindon SN5 6HN
Company secretary	Joanne Brown
Accounting Officer	Clive Zimmerman (Resigned 31/12/2020) Benedick Ashmore-Short (Appointed 01/01/2021)
Senior leadership team	Benedick Ashmore-Short, Chief Executive Officer Alastair Dixon-Patterson, Director of Finance & Operations Ruth Lee, Principal (Orchid Vale) Gary Pearson, Principal (Lydiard Park) Emily Maxfield, Principal (Red Oaks) Rachel Surch, Primary Executive Principal Jonathan Young, Principal (Abbey Park) David Williams, Director of Inclusion
Independent auditors	Bishop Fleming Bath Limited Chartered Accountants Statutory Auditors Minerva House Lower Bristol Road Bath BA2 9ER

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

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Bankers	National Westminster 84 Commercial Road Swindon Wiltshire SN1 5NW
Solicitors	Veale, Wasburch, Vizards Narrow Quay House Narrow Quay Bristol BS1 4QA

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

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2021. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 4 schools, two primary and two secondary including nursery and sixth form across Swindon. Its academies have a combined pupil capacity of 3,490 plus nursery and had a roll of 3,312 including nursery in the school census on 8 October 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust was incorporated on 29 July 2011 and opened as an Academy on 1 August 2011. On 27 August 2016 the Trust became a MAT. The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of The Park Academies Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as; Abbey Park School, Lydiard Park Academy, Orchid Vale Primary School and Red Oaks Primary School.

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

Trustees' Liability

Each Trustee 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 Trustee, or within one year after he/she ceases to be a Trustee, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they cease to be a Trustee.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £5,000,000.

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

Method of recruitment and appointment or election of Trustees

Trustee recruitment takes a variety of forms and is directed via skills audit to identify gaps in the skill set. Potential Trustees are interviewed by the board and attend at least one meeting as an observer allowing both parties to understand the activities of the board and the position of the Trust.

The Articles set out the following for trustee numbers and appointment:

The number of Trustees shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum and the board should normally comprise:

- up to 10 Trustees, appointed by the members;
- the Chief Executive Officer as an ex-officio trustee (it should be noted that the current CEO has declined to act as a Trustee); and
- The Trustees may also Co-opted Trustees should the need arise.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Parental and staff representation is managed at local level with parents and staff elected to local advisory boards (LAB's).

The total number of Trustees including the Chief Executive Officer who are employees of the Academy Trust shall not exceed one third of the total number of Trustees.

The term of office for any Trustee shall be four years. Any Trustee may be re-appointed or re-elected and may serve a maximum of 12 years consecutively.

Policies and Procedures adopted for the Induction and Training of Trustees

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

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academies and a chance to meet Senior leaders.

All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees through a log in to Governor Hub. All Trustees and local Governors have access to The Key and NGA training resources as part of a training strategy. Induction tends to be done informally and is tailored specifically to the individual.

Organisational Structure

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Trust by the use of budgets and other data, and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

The Trustees have devolved responsibility for day to day management of the Trust to the CEO and Executive team alongside the Academy Leadership (Principals and SLT within each Academy).

Trustees have taken a pragmatic and effective approach to governance and their structure over the past year. A standing COVID 19 committee was constituted to support the Trust leadership when quick decisions were required.

Trustees adopted virtual meetings as the norm.

Given the impact of the pandemic on both finance and education alongside the changing requirements around examinations and curriculum delivery, for a part of the year, the two committees (Education and Finance) were rolled back into full board responsibilities with the full board meeting to consider all aspects on a more regular basis. LAB responsibilities remained at local level.

For the coming year, the Trust will have three constituted sub committees;

- Finance, Risk and Audit – Board members with responsibility for finance, oversight of risk and managing compliance and audit including instructing and receiving internal scrutiny
- Education, Performance and Standards – Board members and responsibility for curriculum, education outcomes and performance including working with LAB's
- Admissions – The admissions committee is made up of LAB representatives to manage admissions and make recommendations to the board.

The Chief Executive Officer is the Accounting Officer.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Arrangements for setting pay and remuneration of key management personnel

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

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

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

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

Trade union facility time

There were no relevant union officials for the year ended 31 August 2021.

Related Parties and other Connected Charities and Organisations

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

There are Parent Teacher Associations associated with Abbey Park School, Orchid Vale Primary School and Red Oaks Primary school which contribute funds on a charitable basis specific to their school.

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

Engagement with employees (including disabled persons)

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

- Consulting with employees on key matters, including engaging the relevant union officials;
- Have staff representatives on LAB's;
- Regular updates to all staff via INSET and school meetings;
- Presentations from the CEO; and
- Letters from the Board.

Trustees have recently chosen to engage GEC to support work on inclusion.

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

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

During the COVID19 situation, the Trust has considered the guidance in PPN 02/20 and 04/20 and its moral responsibility as a publicly funded organisation. On that basis, we have continued to work with suppliers under the terms and spirit of the guidance where there has been service interruption.

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

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

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

OBJECTIVES AND ACTIVITIES

Objects and Aims

We intend to be the leading Multi-Academy Trust for all through education in the South West.

To achieve this our schools will:

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

The Trust will support its schools by:

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

Objectives, Strategies and Activities

The Trustees have agreed four key strategic strands for the Trust for the 2021-2026 Strategy:

- Driving strategic growth;
- Educational Excellence;
- Effective Quality and Assurance; and
- Cultivating a family and unifying our culture.

Driving Strategic Growth will see the Trust grow in a managed, sustainable fashion within its capacity and capability. It will facilitate clear career pathways and succession planning within an all through model. Growth will be managed within robust financial frameworks.

Educational Excellence will see all schools as Good or on an upward trajectory of improvement with Secondary schools achieving P8 of at least +0.5 and Primary schools averaging a combined RWM at +85% and 40% Greater Depth. All schools will ensure equality of educational outcomes and experience regardless of background or need.

Effective Quality and Assurance will see the Trust operating within a strengthened governance model supported by robust quality assurance mechanisms alongside improved efficiency, effectiveness and understanding of the Trust operating model.

Cultivating a family and unifying our culture is underpinned by a clear organisational language and consistent messaging around 'One TPAT/One Trust/One family of schools underpinned by an investment in a high quality CPD offering, equality of development and opportunity and a commitment to a diverse and inclusive environment.

Public Benefit

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

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

For the second year running, External Public Examinations have been replaced, this year by Teacher Assessed Grades as a result of the coronavirus pandemic. This makes comparisons with previous year's results invalid. However, across the board, our pupils have achieved well at GCSE and Post 16 and very much in line with our previous outcomes and trajectory of improved outcomes year on year.

Staff across the Trust have risen to the challenges and delivered an exceptional level of support for our pupils with a mix of remote learning, virtual learning platforms and face to face lessons underpinned by robust pastoral and safeguarding support.

Staff recruitment, despite the difficulties has remained solid including recruiting a new CEO within the restrictions of lockdown.

Our ITT partnership (STTP) grows from strength to strength and is working extremely well alongside our professional tutoring team in supporting recruitment of high quality teachers – The Trust has 12 ECT's for the 2021-2022 academic year..

The Board, LAB members, alongside the CEO and the leadership teams have devised a new Strategy for the coming 5 years underpinned by a refreshed vision and values.

We have introduced a brand new payroll system to deliver payroll services to over 400 employees in house and successfully added over 400 additional devices to the IT network to support remote learning.

Roofing works totalling over £850,000 have been completed at Lydiard Park Academy funded by Trust reserves as opposed to capital funding.

Pupil numbers are strong in each of the schools with the intake at Red Oaks, Abbey Park and Lydiard Park oversubscribed with substantial waiting lists. Sixth form numbers at Lydiard Park Academy are holding up despite competition from new providers and outcomes continue to improve.

Orchid Vale Primary School has now joined the Trust and has made rapid progress to ensure that all the concerns raised in the previous OFSTED report have been actioned. The school has a Trust Interim Board at present.

Key Performance Indicators

Trustees have determined that they will review performance against the government benchmarks and have completed the associated financial reporting and monitoring at Finance, Risk and Audit Committee level. The executive have been tasked with working towards the KPI's set out below however the board recognises the challenges set by COVID 19.

KPI	Target
1. Spending on teaching staff as a % of Total Expenditure	75%
2. In-year balance as a percentage of Total Income	2%
3. Teacher Contact Ratio	0.78
4. Progress 8 Score (secondary only)	Positive and improved given the application of TAG's

Following the Strategy review, Trustees are now considering more robust and longer term measures aligned to Strategy and Executive performance management.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Going Concern

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

FINANCIAL REVIEW

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

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2020 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2021, the Academy received total income of £19,345,771 and incurred total expenditure of £18,791,694 (excluding the restricted fixed asset fund). The excess of income over expenditure for the year was £554,077.

At 31 August 2021 the net book value of fixed assets was £11,029,439 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

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

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

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Principal, managers, budget holders and other staff, as well as delegated authority for spending.

Reserves Policy

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

- The Trust, and Trust schools, should set balanced in-year revenue budgets every year;
- The Trust's reserves balance should only decrease due to capital investment and/or other organisational needs which shall at all times be approved by the Finance, Risk and Audit Committee;
- All reserves are Trust reserves, however individual school reserves balances will be recorded in order to facilitate administrative requirements and for the purposes of accounting;
- The Trust's general reserves balance may be comprised of restricted or unrestricted reserves;
- The use of reserves is at all times at the absolute discretion of the Trustees;
 - The principal of 'a loan from reserves' will be applied to ensure that where reserves are allocated, they are repaid; and
- There is a requirement to submit a robust business case to support use of reserves and reserves should not be used to support revenue budgets except in exceptional circumstances.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Trust general reserves balance

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

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

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

Trustees have approved investment of:

- £100,000 of reserves to support the set up of AP support in school for vulnerable pupils in line with its strategy;
- £88,000 of reserves to fund central team capacity, software purchase and change management for 2021-2022 in line with its strategy around growth.

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

Investment Policy

Investment principles

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

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

By:

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

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

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

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Procedures

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

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Trust are as follows:

Financial - the Trust has considerable reliance on continued Government funding through the ESFA. In the last year 97% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks. Trustees have instigated an ERG to support governance and the recruitment of a Head of Governance and Policy to assist with managing this risk and aligning procedures and policies across the Trust.

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

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

Staffing - the success of the Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning. The STTP and growth in the recruitment of ECT's supports development and recruitment

Fraud and mismanagement of funds - The Trust has appointed an external provider to deliver External Scrutiny support and to carry out checks on financial systems and records as required by the Academy Trust Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Cyber security and data vulnerability – trustees have commissioned work to test the strength of the protections in place for the Trust ICT network and systems. They have also tasked the ICT team with BCP planning and working up system reinstatement form back up and resilience cross trust.

COVID-19 - The current circumstances continue to put a range of pressures on the Trust. Staff wellbeing, attendance and resilience is a key concern and trustees are mindful of the impact that this may have on each of the schools being able to deliver a quality education to its pupils.

This also creates short term financial issues with some revenue streams reduced and expenditure in some budget lines being impacted. Trustees are clear that costs must be met from budgets set but maintain a close watching brief to ensure that, in exceptional circumstances, reserves can be released to protect provision.

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

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

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

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 27 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

FUNDRAISING

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

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

PLANS FOR FUTURE PERIODS

Future plans are determined by the agreed strategy.

At all times, educational excellence and the equality of educational provision are paramount.

The trust aims to grow sustainably, integrating new schools into the TPAT family effectively. It is hoped that a number of local schools will join the trust in the coming year.

The trust will develop, trial and review a new internal Alternative Provision to support its most vulnerable children and support them with their access to mainstream education.

Central teams will continue to develop to ensure greater capacity and impact, maximising the resources available for educational provision.

There will be investment in technology, hardware and software, to support effective educational and support service provision. This will include asset management software, HR management tools and risk management software.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

The Board, new CEO, Executive and leadership teams are working together to develop the TPAT culture and manage change.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

AUDITOR

In so far as the Trustees are aware:

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

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

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors and signed on the board's behalf by:

Fred Child
Chair of Trustees

Date:

29/11/2021

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

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

The Board of Trustees has formally met ten times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Louise Bouteiller	6	6
Fred Child	10	10
Catherine Dampney	1	2
Matthew Dixon	10	10
Hannah Dukes	2	3
Mark Edwards	10	10
Amy Fedrick	9	10
Caroline Henham	N/A	N/A
Corinna Mazzotta	6	6
Anthony Purser	9	10
Clive Zimmerman	5	5

- Louise Bouteiller was appointed from 1st September 2020- 1st January 2021 to specifically support the Trust Board during a time of transition;
- Corinna Mazzotta was appointed from 1st September 2020- 1st January 2021 to specifically support the Trust Board during a time of transition;
- Hannah Dukes was appointed on 8 March 2020 and resigned from the Trust Board with effect from 23 August 2021;
- Amy Fedrick resigned from the Trust Board with effect from 31 July 2021;
- Clive Zimmerman ceased to be the CEO of the Park Academies Trust and therefore ceased to be a Trustee with effect from 1 January 2021;
- Catherine Dampney was appointed to the Trust Board with effect from 5 May 2021; and
- Caroline Henham was appointed to the Trust Board with effect from 11 October 2021.

During summer and autumn 2021 the Trust Board completed a robust CEO recruitment process, which required applicants to submit video presentations, complete virtual desk-top exercises and meet with senior trust staff and stakeholders. It also included an in-person interview with key members of the Trust board. Following this, with effect from 1st January 2021, the board of Trustees were delighted to appoint Benedick Ashmore-Short as CEO to succeed Clive Zimmerman.

The Trust Board have, together with the CEO and stakeholders, reviewed and refreshed the Trust's vision and values and have agreed a new five-year strategic plan.

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

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

To reflect the Trusts growth and its strategy, the Trust Board have reviewed and approved a new Scheme of Delegation and Terms of Reference for its Local Advisory Boards. The new documents give greater clarity on those accountable, responsible, and those supporting Governance.

To ensure the board reflects on its own performance, Trustees have commissioned an external review of governance (ERG) to take place within 2021-2022 academic year working with CST. The board took part in training provided by an external provider to provide clarity around their own roles and responsibilities.

All those involved within Governance, including Members and sub-committees have fully embraced the challenge presented to them during the pandemic by moving meetings online. The Trust Board will continue to use a hybrid approach to meetings, with some remaining as virtual meetings and some in person. Meeting attendance across all layers of governance has increased due to online meetings and it will enable the board to recruit Trustees that are further afield who may not be able to attend meetings too often in-person.

Trustee recruitment has been challenging during the pandemic and continues to be an area of focus for the board.

Trustees are reviewing the use of Technology across the Trust as a whole to ensure it is being utilised to its maximum benefit to support learning gains and reduced workload.

The Full Trust Board held ten meetings over the year as they absorbed the work of scrutinising education performance and standards, however this shall now resume as a separate committee within the new academic year. The Full Trust Board regularly review the minutes and summary forms produced from the Local Advisory Boards and ensure that they are meeting their delegated responsibilities.

Trustees meet with the Chairs of the Local Advisory Boards regularly to ensure there is a two-way flow of information to and from the board. They have identified that the flow of communication from the board to all stakeholders requires more structure and they will be focusing on improvements in late 2021.

Trustees have approved the purchase of software to strengthen the monitoring of risk within the Trust. The Finance and Audit Committee was renamed as the Finance, Risk and Audit committee. New reporting templates are being successfully used within Trust Board meetings, which allows Trustees to be fully informed of the risks when making decisions. The Board considered the need for a specific internal audit function and decided to appoint an external company, Juniper, to provide additional scrutiny to financial controls. This is in addition to and separate from the annual audited accounts.

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

Attendance at this years committee meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mark Edwards	4	4
Anthony Purser	4	4
Matthew Dixon	4	4
Hannah Dukes	2	2

The board has three Local Advisory Board sub-committees at school level and one Trust Interim Board (TIB) at school level. All four committees are well populated, and meetings are excellently attended.

The board has invested in suitable training packages for all those involved in Governance to ensure they are well skilled and informed.

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

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

REVIEW OF VALUE FOR MONEY

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

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

- Robust financial governance and budget management;
- Value for money purchasing including single supplier solutions;
 - Use of DfE approved frameworks;
- Reviewing controls and managing risk;
- Considering allocation/targeting/use of resources;
- Making effective decisions early to mitigate the loss of income or changes in operation due to Covid - 19;
- Making comparisons with similar Academies using data provided by the ESFA and the Government;
 - ICFP methodology;
- Challenging proposals and examining their effectiveness and efficiency;
- Deploying staff effectively;
- Reviewing quality of curriculum provision and quality of teaching;
- Reviewing quality of children's learning to enable children to achieve nationally expected progress; and
- Robust management of the PFI provider across the North Swindon Schools.

In particular, effective tendering of MFP provision has saved over £10,000 per annum across the Primary phase.

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 the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Park Academies Trust for the period from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

THE RISK AND CONTROL FRAMEWORK

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Juniper Education as internal auditor to deliver internal scrutiny services. The internal auditor's role for the 2020-2021 financial year includes performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- Procurement; and
- Payroll.

In addition, Trustees have commissioned external validation of network security through an ongoing testing regime including penetration testing and auditing.

The Finance Risk and Audit Committee receives a regular report from the Director of Finance and Operations showing the management accounts position, cashflow forecast and expected financial outturn. This is challenged with detailed commentary supplied.

REVIEW OF EFFECTIVENESS

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

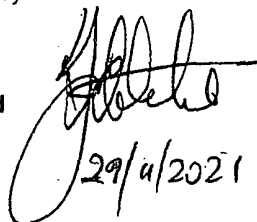
- The 2019-2020 Statutory Audit and Management letter;
- Internal Scrutiny reports produced by the Board appointed external provider; and
- Regular reviews of the management accounts and cashflow forecasts with the Finance Manager alongside the Director of Finance and Operations.

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

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

Fred Child
Trustee

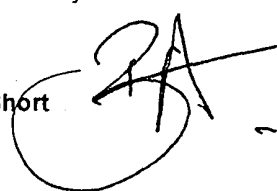
Date:



29/11/2021

Benedick Ashmore-Short
Accounting Officer

Date: 30.11.21



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

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

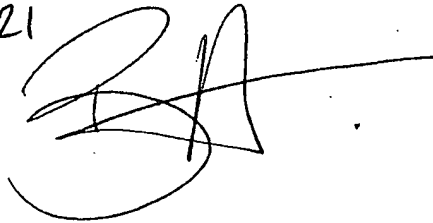
As Accounting Officer of The Park Academies Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of all funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2021.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2021.

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.

Benedick Ashmore-Short
Accounting Officer

Date: 30.11.21

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

Fred Child
Chair of Trustees

Date:

29/4/2021

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

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

OPINION

We have audited the financial statements of The Park Academies Trust (the 'Academy Trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

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

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Academy Trust's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Academy Trust's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy Trust's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations; and assessment of the impact of schools joining the Academy Trust in relation to these areas;
- how the Academy Trust ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Academy Trust will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Academy Trust ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal Academy specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Academy Trust operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Financial Handbook, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Academy Trust's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

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

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

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

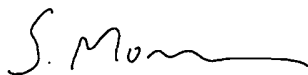
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

USE OF OUR REPORT

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Morrison FCA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming Bath Limited
Chartered Accountants
Statutory Auditors
Minerva House
Lower Bristol Road
Bath
BA2 9ER

Date: 16/12/2021

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

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

In accordance with the terms of our engagement letter and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Park Academies Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of The Park Academies Trust's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

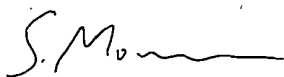
We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

Date: 16/12/2021

THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	375,007	(325,000)	19,627	69,634	76,905
Other trading activities	5	297,503	-	-	297,503	241,101
Investments	6	3,649	-	-	3,649	8,194
Charitable activities	4	339,513	18,655,099	-	18,994,612	16,188,297
Total income		1,015,672	18,330,099	19,627	19,365,398	16,514,497
Expenditure on:						
Charitable activities	8	792,367	17,999,327	325,572	19,117,266	16,199,196
Total expenditure		792,367	17,999,327	325,572	19,117,266	16,199,196
NET INCOME/ (EXPENDITURE)		223,305	330,772	(305,945)	248,132	315,301
Transfers between funds	18	-	(822,785)	822,785	-	-
Net movement in funds before other recognised gains/(losses)		223,305	(492,013)	516,840	248,132	315,301
Actuarial losses on defined benefit pension schemes	27	-	(1,368,000)	-	(1,368,000)	(324,000)
Net movement in funds		223,305	(1,860,013)	516,840	(1,119,868)	(8,699)
Reconciliation of funds:						
Total funds brought forward		1,254,597	(1,980,599)	10,512,599	9,786,597	9,795,296
Net movement in funds		223,305	(1,860,013)	516,840	(1,119,868)	(8,699)
Total funds carried forward		1,477,902	(3,840,612)	11,029,439	8,666,729	9,786,597

The notes on pages 28 to 54 form part of these financial statements.

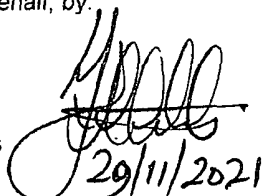
THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07694023

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	11,029,439	10,512,599
		<u>11,029,439</u>	<u>10,512,599</u>
Current assets			
Debtors	15	500,427	448,030
Cash at bank and in hand		4,272,192	2,814,426
		<u>4,772,619</u>	<u>3,262,456</u>
Creditors: amounts falling due within one year	16	(1,822,329)	(1,082,458)
Net current assets		<u>2,950,290</u>	<u>2,179,998</u>
Net assets excluding pension liability		<u>13,979,729</u>	<u>12,692,597</u>
Defined benefit pension scheme liability	27	(5,313,000)	(2,906,000)
Total net assets		<u><u>8,666,729</u></u>	<u><u>9,786,597</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	11,029,439	10,512,599
Restricted income funds	18	1,472,388	925,401
		<u>12,501,827</u>	<u>11,438,000</u>
Restricted funds excluding pension asset	18	12,501,827	11,438,000
Pension reserve	18	(5,313,000)	(2,906,000)
Total restricted funds	18	<u>7,188,827</u>	<u>8,532,000</u>
Unrestricted income funds	18	<u>1,477,902</u>	<u>1,254,597</u>
Total funds		<u><u>8,666,729</u></u>	<u><u>9,786,597</u></u>

The financial statements on pages 25 to 54 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

Fred Child
Chair of Trustees
Date:


29/11/2021

The notes on pages 28 to 54 form part of these financial statements.

THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	20	1,929,828	1,692,289
Cash flows from investing activities	22	(472,062)	(206,372)
Cash flows from financing activities	21	-	(117,690)
Change in cash and cash equivalents in the year		1,457,766	1,368,227
Cash and cash equivalents at the beginning of the year		2,814,426	1,446,199
Cash and cash equivalents at the end of the year	23, 24	4,272,192	2,814,426

The notes on pages 28 to 54 form part of these financial statements

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

• **Transfer on conversion**

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

1.4 EXPENDITURE

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

• **Charitable activities**

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. ACCOUNTING POLICIES (continued)

1.5 TANGIBLE FIXED ASSETS

Tangible fixed assets costing £1,000 or more are capitalised and carried at cost, net of depreciation and any provision for impairment.

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

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

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

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

1.6 DEBTORS

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

1.7 CASH AT BANK AND IN HAND

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

1.9 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

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

See note 18 for a summary of the financial instruments at 31 August 2021.

1.10 TAXATION

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

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

1.11 OPERATING LEASES

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

THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES (continued)

1.12 PENSIONS

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

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

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

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

1.13 AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 100% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in Note 26.

1.14 FUND ACCOUNTING

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

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

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

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

THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	375,007	(325,000)	1,000	51,007	12,263
Capital Grants	-	-	18,627	18,627	64,642
	<u>375,007</u>	<u>(325,000)</u>	<u>19,627</u>	<u>69,634</u>	<u>76,905</u>
Total 2020	<u>12,263</u>	<u>-</u>	<u>64,642</u>	<u>76,905</u>	

Unrestricted donations received in 2021 include balances received on the conversion of Orchid Vale Primary School of £348,074.

Restricted donations in 2021 include the deficit relating to the Local Government Pension Scheme received on the conversion of Orchid Vale Primary School of £325,000.

THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. FUNDING FROM THE ACADEMY TRUST' EDUCATIONAL OPERATIONS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DFE/ESFA GRANTS				
General Annual Grant	-	15,585,305	15,585,305	12,890,397
OTHER DFE/ESFA GRANTS				
Rates relief	-	102,010	102,010	72,507
Pupil premium	-	621,473	621,473	543,460
Other DfE/EFSA grants	-	66,944	66,944	77,644
COVID catch-up premium	-	241,150	241,150	-
Free school meal grants	-	165,338	165,338	18,480
Teacher's pay & pension grants	-	726,816	726,816	673,908
	-	17,509,036	17,509,036	14,276,396
OTHER GOVERNMENT GRANTS				
High needs	-	1,011,690	1,011,690	1,063,035
Other government grants	-	47,010	47,010	59,006
	-	1,058,700	1,058,700	1,122,041
OTHER FUNDING				
Other income	-	87,363	87,363	68,745
PFI income	92,120	-	92,120	408,948
Pupil transport	247,393	-	247,393	288,367
School games organiser	-	-	-	23,800
	339,513	87,363	426,876	789,860
	339,513	18,655,099	18,994,612	16,188,297
TOTAL 2020	715,394	15,472,903	16,188,297	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

THE PARK ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Lettings	67,836	67,836	56,302
Educational support	120,556	120,556	65,527
Nursery income	109,111	109,111	119,272
	<u>297,503</u>	<u>297,503</u>	<u>241,101</u>
Total 2020	<u>241,101</u>	<u>241,101</u>	

6. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	3,649	3,649	8,194
	<u>8,194</u>	<u>8,194</u>	
Total 2020	<u>8,194</u>	<u>8,194</u>	

All prior year amounts relate to unrestricted funds.

7. EXPENDITURE

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Direct costs	10,649,805	325,572	1,551,966	12,527,343	11,024,809
Allocated support costs	3,798,054	1,627,936	1,163,933	6,589,923	5,174,387
	<u>14,447,859</u>	<u>1,953,508</u>	<u>2,715,899</u>	<u>19,117,266</u>	<u>16,199,196</u>
Total 2020	<u>12,917,891</u>	<u>1,593,292</u>	<u>1,688,013</u>	<u>16,199,196</u>	

**THE PARK ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Education	12,527,343	6,589,923	19,117,266	16,199,196
Total 2020	11,024,809	5,174,387	16,199,196	

ANALYSIS OF DIRECT COSTS

	Total funds 2021 £	Total funds 2020 £
Pension costs	60,000	41,000
Staff costs	10,999,805	9,567,728
Depreciation	325,572	292,731
Educational supplies	339,603	217,984
Examination fees	123,856	189,578
Staff development	35,574	36,121
Other costs	420,228	484,500
Supply teachers	203,878	184,404
Recruitment and support	18,827	10,763
	12,527,343	11,024,809

THE PARK ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2021 £	Total funds 2020 £
Staff costs	4,102,054	3,165,759
Educational supplies	14,436	21,810
Other costs	61,101	58,163
Recruitment and support	13,513	12,373
Maintenance of premises and equipment	798,695	550,338
Cleaning	33,751	28,475
Rent and rates	666,806	630,205
Energy costs	99,984	91,543
Insurance	40,119	45,208
Security and transport	28,700	15,626
Catering	235,302	170,008
Technology costs	135,133	67,454
Office overheads	47,223	49,096
Legal and professional	299,630	251,959
Interest and bank charges	4,476	4,370
Governance	9,000	12,000
	<u>6,589,923</u>	<u>5,174,387</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Depreciation of tangible fixed assets	325,572	292,731
Fees payable to Auditor - Audit	13,500	12,500
Fees payable to Auditor - Other services	2,000	2,000
Operating lease rentals	<u>16,835</u>	<u>16,835</u>

THE PARK ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	11,048,792	9,269,934
Social security costs	994,789	872,126
Pension costs	3,058,278	2,591,427
	<u>15,101,859</u>	<u>12,733,487</u>
Agency staff costs	203,878	184,404
	<u>15,305,737</u>	<u>12,917,891</u>

b. STAFF NUMBERS

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

	2021 No.	2020 No.
Teachers	194	172
Education support	182	124
Administration	25	31
Management	7	8
	<u>408</u>	<u>335</u>

**THE PARK ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

10. STAFF (CONTINUED)

c. HIGHER PAID STAFF

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	4	1
In the band £70,001 - £80,000	3	3
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	2	2
In the band £130,001 - £140,000	1	1
In the band £140,001 - £150,001	1	-

The above employees participated in the Teachers' Pension Scheme and Local Government Pension Scheme. During the year ended 31 August 2021 pension contributions for these staff amounted to £187,309 (2020: £158,129).

It should be noted that there was a change in the Chief Executive Officer in the year, therefore two individuals held that role in the current year. The current Chief Executive Officer takes salary in lieu of pension contributions.

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £842,188 (2020: £652,040).

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

**THE PARK ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

11. CENTRAL SERVICES

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

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

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

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

The actual amounts charged during the year were as follows:

	2021 £	2020 £
Lydiard Park School	320,326	304,262
Abbey Park School	319,956	319,956
Red Oaks Primary School	77,179	58,613
Orchid Vale Primary School	39,650	-
TOTAL	757,111	682,831

THE PARK ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

12. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Chief Executive Officer and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their roles as Trustees. The value of Trustee's remuneration and other benefits was as follows: C Zimmerman (resigned as a Trustee on 31 December 2020), Remuneration £50,000 - £55,000 (2020: £130,000 - £135,000), Employer's Pension Contributions £10,000 - £15,000 (2020: £30,000 - £35,000).

During the year ended 31 August 2021, expenses totalling £Nil (2020: £87) was reimbursed to no Trustees (2020: 1 Trustee).

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2021 was £876 (2020: £1,290). The cost of this insurance is included in the total insurance cost.

14. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
COST OR VALUATION					
At 1 September 2020	12,769,948	1,306,303	373,194	16,095	14,465,540
Additions	681,612	82,556	58,149	20,095	842,412
At 31 August 2021	13,451,560	1,388,859	431,343	36,190	15,307,952
DEPRECIATION					
At 1 September 2020	2,391,314	1,260,926	296,677	4,024	3,952,941
Charge for the year	251,020	33,996	37,337	3,219	325,572
At 31 August 2021	2,642,334	1,294,922	334,014	7,243	4,278,513
NET BOOK VALUE					
At 31 August 2021	10,809,226	93,937	97,329	28,947	11,029,439
At 31 August 2020	10,378,634	45,377	76,517	12,071	10,512,599

THE PARK ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

15. DEBTORS

	2021 £	2020 £
Trade debtors	5,575	6,651
Other debtors	57,909	90,703
Prepayments and accrued income	436,943	350,676
	<u>500,427</u>	<u>448,030</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	54,165	47,809
Other taxation and social security	247,156	219,811
Other creditors	289,979	249,973
Accruals and deferred income	1,231,029	564,865
	<u>1,822,329</u>	<u>1,082,458</u>

	2021 £	2020 £
Deferred income at 1 September 2020	322,544	230,050
Resources deferred during the year	697,068	322,544
Amounts released from previous periods	(322,544)	(230,050)
	<u>697,068</u>	<u>322,544</u>

At the balance sheet date the Academy Trust was holding funds received in advance for trips booked for the autumn term 2021, sports games services, pupil transport and PFI and Universal Infant Free School Meal income received in advance.

17. FINANCIAL INSTRUMENTS

	2021 £	2020 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	<u>4,272,192</u>	<u>2,814,426</u>

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

THE PARK ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. STATEMENT OF FUNDS

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
UNRESTRICTED FUNDS						
General funds	1,254,597	1,015,672	(792,367)	-	-	1,477,902
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	858,833	15,585,305	(14,828,232)	(822,785)	-	793,121
High needs funding	-	1,011,690	(521,256)	-	-	490,434
Pupil premium	-	621,473	(621,473)	-	-	-
Rates relief	-	102,010	(102,010)	-	-	-
Sports and PE Premium	-	42,105	(42,105)	-	-	-
COVID catch up premium	-	241,150	(52,317)	-	-	188,833
Free school meals	-	165,338	(165,338)	-	-	-
MAT income	66,568	-	(66,568)	-	-	-
Teacher's pay and pension grants	-	726,816	(726,816)	-	-	-
Other DfE/ESFA funding	-	66,944	(66,944)	-	-	-
Other restricted income	-	92,268	(92,268)	-	-	-
Pension reserve	(2,906,000)	(325,000)	(714,000)	-	(1,368,000)	(5,313,000)
	(1,980,599)	18,330,099	(17,999,327)	(822,785)	(1,368,000)	(3,840,612)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets on conversion	9,752,222	-	(239,912)	-	-	9,512,310
Fixed assets purchased from GAG / restricted funds	760,377	19,627	(85,660)	822,785	-	1,517,129
	10,512,599	19,627	(325,572)	822,785	-	11,029,439

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

18. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
TOTAL RESTRICTED FUNDS	8,532,000	18,349,726	(18,324,899)	-	(1,368,000)	7,188,827
TOTAL FUNDS	9,786,597	19,365,398	(19,117,266)	-	(1,368,000)	8,666,729

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

RESTRICTED FUNDS

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs. During the year £822,785 (2020: £222,782) was transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG.

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

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

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

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

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

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

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

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

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

OTHER INFORMATION

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. STATEMENT OF FUNDS (CONTINUED)

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

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

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FOR THE YEAR ENDED 31 AUGUST 2021

18. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
TOTAL RESTRICTED FUNDS	8,742,813	15,556,114	(15,442,927)	-	(324,000)	8,532,000
TOTAL FUNDS	9,795,296	16,514,497	(16,199,196)	-	(324,000)	9,786,597

Total funds analysis by academy

Trust reserves at 31 August 2021 (excluding the restricted fixed asset fund and pension reserve) were £2,950,290 (2020: £2,179,998) and have notionally been allocated to the academies within the Trust as follows:

	2021 £	2020 £
Lydiard Park Academy	105,250	422,643
Abbey Park School	1,205,569	865,356
Red Oaks Primary School	1,123,459	855,445
Orchid Vale Primary School	495,354	-
Central Services	20,658	36,554
Total before fixed asset funds and pension reserve	2,950,290	2,179,998
Restricted fixed asset fund	11,029,439	10,512,599
Pension reserve	(5,313,000)	(2,906,000)
TOTAL	8,666,729	9,786,597

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. STATEMENT OF FUNDS (CONTINUED)

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Lydiard Park Academy	4,592,759	1,171,162	522,721	650,282	6,936,924	6,688,743
Abbey Park School	3,455,931	970,146	293,440	1,062,113	5,781,630	5,551,164
Red Oaks Primary School	1,450,525	767,008	89,666	443,975	2,751,174	2,898,202
Orchid Vale Primary School	859,120	524,804	110,760	317,497	1,812,181	-
Central Services	291,470	364,934	28,982	110,399	795,785	768,356
ACADEMY TRUST	10,649,805	3,798,054	1,045,569	2,584,266	18,077,694	15,906,465

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

CURRENT YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	11,029,439	11,029,439
Current assets	1,477,902	3,294,717	-	4,772,619
Creditors due within one year	-	(1,822,329)	-	(1,822,329)
Provisions for liabilities and charges	-	(5,313,000)	-	(5,313,000)
TOTAL	1,477,902	(3,840,612)	11,029,439	8,666,729

**THE PARK ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

PRIOR YEAR

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

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

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	248,132	315,301
ADJUSTMENTS FOR:		
Depreciation	325,572	292,731
Interest receivable	(3,649)	(8,194)
(Increase)/decrease in debtors	(52,397)	568,568
Increase in creditors	739,871	61,525
Capital grants from DfE and other capital income	(18,627)	(64,642)
Donation on new Academies joining the Trust	(23,074)	-
Defined benefit pension scheme cost less contributions payable	654,000	486,000
Defined benefit pension scheme finance cost	60,000	41,000
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,929,828	1,692,289

21. CASH FLOWS FROM FINANCING ACTIVITIES

	2021 £	2020 £
Repayments of borrowing	-	(117,690)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES	-	(117,690)

THE PARK ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

22. CASH FLOWS FROM INVESTING ACTIVITIES

	2021 £	2020 £
Interest received	3,649	8,194
Purchase of tangible fixed assets	(842,412)	(279,208)
Capital grants from DfE Group	18,627	64,642
Cash received on Academies joining the Trust	348,074	-
NET CASH USED IN INVESTING ACTIVITIES	(472,062)	(206,372)

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash in hand and at bank	4,272,192	2,814,426
TOTAL CASH AND CASH EQUIVALENTS	4,272,192	2,814,426

24. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	2,814,426	1,457,766	4,272,192
	2,814,426	1,457,766	4,272,192

25. AGENCY ARRANGEMENTS

The Academy distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ended 31 August 2021 the Academy received £10,058 (2020: £13,410) and disbursed £954 (2020: £1,147) from the fund. An amount of £21,367 (2020: £12,263) is included in other creditors relating to undistributed funds.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

26. CAPITAL COMMITMENTS

	2021 £	2020 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS		
Costs for roofing project at Lydiard Park Academy	-	509,114
Costs for Fire Door replacement at Lydiard Park Academy	-	57,558
	<u>-</u>	<u>566,672</u>

27. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

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

TEACHERS' PENSION SCHEME

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

27. PENSION COMMITMENTS (CONTINUED)

VALUATION OF THE TEACHERS' PENSION SCHEME

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,370,594 (2020 - £1,245,164).

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

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £853,000 (2020 - £706,000), of which employer's contributions totalled £683,000 (2020 - £571,000) and employees' contributions totalled £ 170,000 (2020 - £135,000). The agreed contribution rates for future years are 15.4% for employers and 5.5 to 7.5% for employees.

As described in note 32 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

THE PARK ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

27. PENSION COMMITMENTS (CONTINUED)

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2021	2020
	%	%
Rate of increase in salaries	3.3	2.6
Rates of increase in pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.7	1.7

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

	2021	2020
	Years	Years
Retiring today		
Males	21.9	21.7
Females	24.4	24.0
Retiring in 20 years		
Males	22.9	22.5
Females	26.2	25.5

SHARE OF SCHEME ASSETS

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

	2021	2020
	£	£
Equities	5,638,000	4,316,000
Corporate bonds	3,383,000	2,364,000
Property	1,128,000	1,027,000
Cash	101,000	-
TOTAL MARKET VALUE OF ASSETS	10,250,000	7,707,000

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

	2021	2020
	£	£
Current service cost	(1,337,000)	(1,057,000)
Interest income	147,000	131,000
Interest cost	(207,000)	(172,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(1,397,000)	(1,098,000)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

27. PENSION COMMITMENTS (CONTINUED)

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

	2021 £	2020 £
AT 1 SEPTEMBER	10,613,000	8,992,000
Conversion of Academy Trusts	870,000	-
Current service cost	1,337,000	1,057,000
Interest cost	207,000	172,000
Employee contributions	170,000	135,000
Actuarial losses	2,359,000	352,000
Benefits paid	7,000	(95,000)
AT 31 AUGUST	15,563,000	10,613,000

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

	2021 £	2020 £
AT 1 SEPTEMBER	7,707,000	6,937,000
Conversion of Academy Trusts	545,000	-
Interest income	147,000	131,000
Actuarial gains	991,000	28,000
Employer contributions	683,000	571,000
Employee contributions	170,000	135,000
Benefits paid	7,000	(95,000)
AT 31 AUGUST	10,250,000	7,707,000

28. OPERATING LEASE COMMITMENTS

At 31 August 2021 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	15,563	16,835
Later than 1 year and not later than 5 years	22,822	22,501
	38,385	39,336

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

29. MEMBERS' LIABILITY

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

30. GENERAL INFORMATION

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

31. RELATED PARTY TRANSACTIONS

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

32. CONVERSION TO AN ACADEMY TRUST

On 1 October 2020 Orchid Vale Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Park Academies Trust from Swindon Borough Council for £Nil consideration.

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

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

	Unrestricted funds £	Total funds £
CURRENT ASSETS		
Cash - representing budget surplus on funds	348,074	348,074
PENSIONS		
Deficit on local government pension scheme	(325,000)	(325,000)
NET ASSETS	<u>23,074</u>	<u>23,074</u>