

Company Registration Number 08146330 (England and Wales)

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

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

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The Park Federation Academy Trust

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The Park Federation Academy Trust Reference and Administrative Details

Members	Linda Day	Appointed 17 July 2012
	Peter Dollimore	Appointed 17 July 2012
	Adrian Ingham	Appointed 17 July 2012
	Kuldeep Lakhmana	Appointed 17 July 2012
	Jon Reekie	Appointed 17 July 2012
	Obaid Siddique	Appointed 17 July 2012
Directors/Trustees	Mr Peter Dollimore	Chair of the Board Appointed 17 July 2012
	Mr Muralee Nair	Vice Chair/Chair of Wood End Park Academy Council Parent Director Appointed 17 July 2012
	Dr Martin Young	Chief Executive Officer Appointed 17 July 2012
	Dr Adel Rouz	Oversight of Operations Appointed 17 July 2012
	Mr Anoop Ghai	Oversight of Finance Appointed 17 July 2012
	Mrs Ravinder Chander	Chair of Cranford Park Academy Council Parent Director Appointed 17 July 2012
	Mr Julian King-Harris	Chair of James Elliman Academy Council Appointed 1 April 2013
	Ms Surjeet Johra	Appointed 17 July 2012 Resigned 31 March 2013
Cranford Park Academy Council	Ravinder Chander	Chair and Parent Governor
	Sarah Evans	Principal
	Raji Nair	Staff Governor
	Evelyn McCarthy	Staff Governor
	Tasneem Sattar	Parent Governor
	Vacancy	Parent Governor - while Muralee Nair supports Wood End Park Academy
	Kully Singh	Community Governor
	Saeed Khan	Community Governor
	Ranisha Dhamu	Community Governor
	Kay Lathey	Clerk
James Elliman Academy Council	Julian King-Harris	Chair and Community Governor
	Liz Herod	Principal
	Mandy Wilcox	Staff Governor
	Stephanie Weber	Staff Governor
	Yvette Sylvan	Parent Governor
	Rani Kaur	Parent Governor
	Rashid Arbi	Parent Governor
	Wendy Skelton	Community Governor
	Jon Reekie	Community Governor
	Mary Acland	Clerk

The Park Federation Academy Trust Reference and Administrative Details

Wood End Park Academy Council	Muralee Nair Surjeet Johra Karen Bridges Avril Littlechild Paul Carpenter Rick Wilms Maryama Warsama Yasmin Noor Anne Helm Kay Lathey	Chair and Parent Governor Principal Staff Governor Staff Governor Parent Governor Parent Governor Parent Governor Community Governor Community Governor Clerk
Executive Management Team	Dr Martin Young Mr Jas Sohal Mrs Sarah Evans Mrs Liz Herod Ms Surjeet Johra	Chief Executive Officer and Federation Principal Chief Operating Officer Academy Principal Academy Principal Academy Principal Cranford Park Academy Phelps Way Hayes Middlesex UB3 4LQ
Registered Office		
Company registered number		08146330
Accounting Officer		Dr Martin Young
Company Secretary		Mr Jasjit Sohal Appointed 17 July 2012
Independent Auditors		Kingston Smith LLP Middlesex House 800 Uxbridge Road Hayes Middlesex UB4 0RS
Bankers		Lloyds Bank 21-22 High St Uxbridge, Middlesex
Actuary		Hyman Robertson LLP One London Wall London EC2Y 5EA
Solicitor		Browne Jacobson LLP 3 Piccadilly Place Manchester N1 3BN

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

The Park Federation Academy Trust

Governance Statement

The Directors present their annual report together with the financial statements and auditor's reports of the charitable company for the period 17 July 2012 to 31 August 2013

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company was incorporated on 17 July 2012 and commenced its activities on 1 September 2012. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Directors of the Park Federation Academy Trust are Directors of the charitable company for the purposes of company law.

Details of the Directors who served during the year are included in the Reference and Administrative Details on page 2.

Members' Liability

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

Trustees' Indemnities

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

Principal Activities

The main activity of the Trust is to provide education and care to pupils aged between 3 - 11. The trust has a funding arrangement with the Secretary of State for Education to achieve the above. Amongst other things, the Trust will provide a broad, balanced and relevant curriculum for its pupils. It will, moreover, provide teaching that meets the needs of a range of children, including those with special educational needs.

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

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

The Park Federation Academy Trust

Governance Statement (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

All Members, Directors and Academy Council members are provided with copies of procedures, minutes, accounts, budget plans and other documents that they will need to undertake their respective roles

They have access to a range of training programmes coordinated by the Clerk to the Board of Directors

Organisational Structure

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

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

Members

Board of Directors/Trustees

Academy Councils

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

The aim of the structure is to devolve responsibility and encourage involvement in decision making at all levels

The Board of Directors are responsible for setting strategic policy, adopting an annual plan and budget, monitoring the Trust's performance by use of budgets and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments

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

Risk Management

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

The Trust has an effective system of internal financial controls

The Park Federation Academy Trust

Governance Statement (continued)

Objectives and Activities

Objects and Aims

The Academy Trust's principle objectives are - to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools (the academies) offering a broad and balanced curriculum

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

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

Objectives, Strategies and Activities

The main objectives of the Academy during the period ended 31 August 2013 are summarised below

- To ensure that every pupil enjoys the same high quality education in terms of resourcing, tuition and care
- To raise the standard of educational achievement of all students
- To improve the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review
- To provide value for money for the funds expended
- To comply with all appropriate statutory and curriculum requirements
- To conduct the Trust's business in accordance with the highest standards of integrity, probity and openness

Public Benefit

The Directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's objectives and aims and in planning future activities. The Directors consider that the Trust's aims are demonstrably to the public benefit.

The Park Federation Academy Trust

Governance Statement (continued)

Achievements and Performance

Overview

Two of the Trust's academies – Cranford Park Academy and Wood End Park Academy – were inspected by Ofsted this year and were judged as "good" schools

Cranford Park Academy's Ofsted report states

"This is a good school. The school is well led and managed and the morale in the school is high. The strong team of leaders and managers work effectively to bring about improvements." (June 2013)

Wood End Park Academy's Ofsted report states

"The majority of pupils learn well and make good progress and sometimes outstanding progress in reading, writing and mathematics. Pupils have an exemplary attitude towards learning, along with positive relationships between staff and pupils." (May 2013)

A third academy – James Elliman Academy – joined the Trust on 1 April 2013 and at the end of the academic year achieved strong attainment at Key Stage One and Two, with particularly impressive progress in Key Stage Two.

As this is the first year of operation no key performance indicators need to be reviewed.

Pupil Premium

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

Pupil Premium Allocation

Cranford Park Academy	£157,200
James Elliman Academy	£71,248
Wood End Park Academy	£219,950
Trust Total	£448,398

Going Concern

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

Financial Review

Most of the Trust's income is obtained from the Department for Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2013 and the associated expenditure are shown as restricted funds (non-fixed assets) in the statement of financial activities.

The Park Federation Academy Trust

Governance Statement (continued)

Each academy also received grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The Trust held total fund balances at 31 August 2013 of £25,498,000 comprising of an unrestricted fund of £1,404,000, restricted fixed asset funds of £26,540,000, restricted funds of £225,000 and a pension reserve deficit of £2,671,000.

During the period ended 31 August 2013, total expenditure of £9,394,000 was met by recurrent grant funding from the DfE and other government bodies together with other incoming resources. Total incoming resources for the year of £34,962,000 included the transfer of net assets from the London Borough of Hillingdon and Slough Borough Council of £25,204,000.

The excess of income over expenditure for the year, excluding the fixed assets fund and pension reserve, was £1,629,000.

The combined deficit in the Local Government Pension Scheme (LGPS) is recognised on the balance sheet in accordance with FRS17. At 31st August 2013 the deficit stood at £2,671,000. The existence of the pension scheme deficit does not mean an immediate liability crystallises and is addressed over a series of years through pension contributions recommended by the pension scheme actuaries during subsequent valuations of the scheme.

Financial and Risk Management Objectives and Policies

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

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

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

Principal Risks and Uncertainties

Reserves Policy

Subject to Education Funding Agency's constraints on permitted balances, the Trust's policy is to carry forward a prudent level of resources. The Trust aims for a 5% - 12% reserve. It believes this is a prudent figure for a number of reasons, including the structural age of the buildings, age of heating systems, capital investment plans, and pension liabilities.

The reserves of the Trust are reviewed regularly and are considered to be sufficient for the Trust's requirements.

Investment Policy

Under the Articles of Association, the Trust has the power to invest any funds not immediately required for the furtherance of its objects while ensuring that due regard is made to ensure that any investments are prudent and suitable to its needs.

The Park Federation Academy Trust

Governance Statement (continued)

Plans for the Future

Key Performance Indicators for 2013/14

- Improvement in attainment for the children in Trust academies at the end of Key Stage One and Two,
- Improvement in the percentage of children across the Trust achieving the required standard in the Year 1 Phonics Check,
- Any academy inspected by Ofsted during the academic year 2013/14 graded at least "good",
- Pupil attendance at least 95% in each Trust academy

Trust Expansion

- In line with the Trust strategy, Montem Primary School to join the Trust as Montem Academy in autumn term 2013

Auditor

In so far as the Directors are aware

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

Kingston Smith LLP were appointed auditors to the charitable company and in accordance with section 485 of the Companies Act 2006, a resolution that they be reappointed will be passed at a General Meeting

This report was approved by order of the Board of Directors on 7 December 2013 and signed on its behalf by



Mr Peter Dollimore
Chair of Directors

The Park Federation Academy Trust

Governance Statement

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Directors' report and in the Directors' responsibilities statement. The Board of Directors have formally met 10 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Directors/Trustees	Meetings attended	Out of a possible
Mr P Dollimore Chair since July 2012	9	10
Mr M Nair Vice Chair since July 2012	7	10
Dr M Young Chief Executive Officer	10	10
Mrs R Chander	6	10
Mr A Ghai	7	10
Ms S Johra (resigned 31 March 2013)	5	7
Mr Julian King-Harris (appointed 1 April 2013)	2	4
Dr A Rouz	9	10

The Finance Committee is a sub-committee of the main Board of Directors. Its purpose is to carry out its role under the Trust's scheme of delegation. The main areas of work in the period have been the issues under its remit in the conversion to Academy status, ensuring we are compliant with the Academy Financial Handbook.

Finance Committee attendance during the year

Directors	Meetings attended	Out of a possible
Mr A Ghai Chair	3	3
Mr M Nair Vice Chair since 19 January 2013	3	3
Dr M Young Chief Executive Officer	3	3

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the period ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

The Park Federation Academy Trust

Governance Statement (continued)

Capacity to Handle Risk

The Board of Directors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

The Risk and Control Framework

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

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

Mr Peter Dollimore was appointed Responsible Officer and was supported by Kingston Smith LLP (Auditors) to ensure compliance with published guidance. This role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems on a quarterly basis. A report is produced which is presented to the Board of Directors on the operation of the systems of control and on the discharge of the Directors' financial responsibilities.

Review of Effectiveness

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

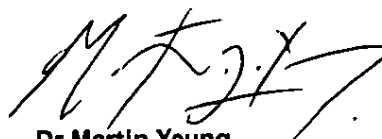
- The work of the Responsible Officer
- The work of the external auditor
- The work of the Senior Management Teams within the academies who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the Board of Directors on 7 December 2013 and signed on its behalf by



Mr Peter Dollimore
Chair of Board of Directors
7 December 2013



Dr Martin Young
Accounting Officer
7 December 2013

The Park Federation Academy Trust

Statement on Regularity, Propriety and Compliance

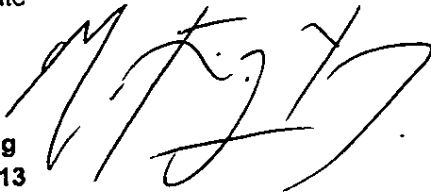
As accounting officer of The Park Federation Academy Trust I have considered my responsibility to notify the Board of Directors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State

As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date

Dr Martin Young
7 December 2013

A handwritten signature in black ink, appearing to be 'M. Young', written over the printed name and date.

The Park Federation Academy Trust

Statement of Directors' Responsibilities

The Directors (who act as trustees for charitable activities of The Park Federation Academy Trust and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles of the Charities SORP,
- 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 operation

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

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

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

Approved by order of the members of the Board of Directors on 7 December 2013 and signed on its behalf by



Mr Peter Dollimore
Director
7 December 2013

THE PARK FEDERATION ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PARK FEDERATION ACADEMY TRUST

We have audited the financial statements of The Park Federation Academy Trust for the period ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company'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 charitable company's members and trustees those matters which 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 any party other than the charitable company and charitable company's members as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Directors' Responsibilities, the Governors (who are also the directors of the charitable company 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended, and
- 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

THE PARK FEDERATION ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE PARK FEDERATION ACADEMY TRUST

(continued)

Matters on which we are required to report by exception

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

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

Kingston Smith LLP

Date 16th December 2013

Anjali Kothari (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

Middlesex House
800 Uxbridge Road
Hayes
Middlesex
UB4 0RS

THE PARK FEDERATION ACADEMY TRUST

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REGULARITY TO THE PARK FEDERATION ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 20 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Park Federation Academy Trust during the period 17 July 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

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

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

The accounting officer is responsible, under the requirements of The Park Federation Academy Trust's funding agreement with the Secretary of State for Education dated 31 August 2012 and the Academies Financial Handbook, extant from 1 September 2012, 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 2013. 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 period 17 July 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. 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.

The work undertaken to draw to our conclusion includes

- Enquiry
- Inspection and review
- Observation and reperformance

THE PARK FEDERATION ACADEMY TRUST

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON REGULARITY TO THE PARK FEDERATION ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 17 July 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

Kingston Smith LLP

Date: 16th December 2013

Anjali Kothari (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

Middlesex House
800 Uxbridge Road
Hayes
Middlesex
UB4 0RS

THE PARK FEDERATION ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 AUGUST 2013

(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2013 £000
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	14	-	-	14
Voluntary income - transfer from Local Authority on conversion	26	1,235	(2,548)	26,517	25,204
Activities for generating funds	3	218	-	-	218
Investment income	4	1	-	-	1
<i>Incoming resources from charitable activities</i>					
Funding for the academy trust's educational operations	5	-	9,481	44	9,525
Total incoming resources		1,468	6,933	26,561	34,962
Resources expended					
<i>Cost of generating funds</i>					
Costs of generating voluntary income		2	-	-	2
Fundraising trading		62	-	-	62
<i>Charitable activities</i>					
Academy trust educational operations	7	-	8,934	210	9,144
Governance costs	8	-	186	-	186
Total resources expended	6	64	9,120	210	9,394
Net incoming / (outgoing) resources before transfers		1,404	(2,187)	26,351	25,568
Gross transfers between funds	16	-	(189)	189	-
Net income/(expenditure) for the year		1,404	(2,376)	26,540	25,568
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	23	-	(70)	-	(70)
Net movement in funds		1,404	(2,446)	26,540	25,498
Reconciliation of funds					
Total funds brought forward at 1 September 2012	16	-	-	-	-
Total funds carried forward at 31 August 2013	16	1,404	(2,446)	26,540	25,498

All of the academy's activities derive from continuing operations during the financial period

All of the academy trust's activities derive from acquisitions in the current financial period


A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

THE PARK FEDERATION ACADEMY TRUST

BALANCE SHEET AS AT 31 AUGUST 2013

	Notes	2013 £000	2013 £000
Fixed assets			
Tangible assets	13		26,540
Current assets			
Debtors	14	357	
Cash at bank and in hand		<u>1,632</u>	
		1,989	
Liabilities			
Creditors amounts falling due within one year	15	<u>(360)</u>	
Net current assets			<u>1,629</u>
Total assets less current liabilities			28,169
Pension scheme liability			(2,671)
Net assets including pension liability			<u>25,498</u>
Funds of the academy trust			
Restricted income funds			
Fixed asset fund	16	26,540	
General fund	16	225	
Pension reserve	16	<u>(2,671)</u>	
Total restricted funds			24,094
Unrestricted income funds			
General fund	16	<u>1,404</u>	
Total unrestricted funds			1,404
Total funds			<u>25,498</u>

The financial statements on pages 18 to 37 were approved by the trustees, and authorised for issue on behalf by:



Mr Peter Dollimore

Chair of Board of Directors

Company registration no 08146330 (England & Wales)

7th December 2013

and are signed on their

THE PARK FEDERATION ACADEMY TRUST

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 AUGUST 2013

	Notes	2013 £000
Net cash inflow from operating activities	18	507
Returns on investments and servicing of finance	19	1
Capital expenditure	20	(189)
Cash transferred on conversion to an academy trust		1,313
Increase in cash in the year	21	<u>1,632</u>
Reconciliation of net cash flow to movement in net funds		
Net funds at 1 September 2012		-
Net funds at 31 August 2013		<u>1,632</u>

THE PARK FEDERATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2013

1 Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charities Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming Resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants Receivable

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 year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship Income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Donations

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

Other Income

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

Donated Services and Gifts in Kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with academy trust's policies.

THE PARK FEDERATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

1 Statement of Accounting Policies (continued)

Conversion to an academy trust

The conversion from state maintained schools to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the schools for £nil consideration and has been accounted for under the acquisition accounting method

The assets and liabilities transferred on conversion from Cranford Park Primary School and Wood End Park Community School on 1 September 2012, and from James Elliman Primary School on 1 April 2013 to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for The Park Federation Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds

On conversion, the land and buildings occupied by Cranford Park Primary School, Wood End Park Community School and James Elliman Primary School were assigned to the academy trust under 125 year leases. Land and buildings totalling £23,042k were recognised on a depreciated replacement cost basis in accordance with valuation reports dated 31 March 2013 prepared by Mouchel. An additional £3,400k of land and buildings has been recognised in accordance with depreciated cost supplied by Slough Borough Council as at 31 March 2013

Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs

Costs of Generating Funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds

Charitable Activities

These are costs incurred on the academy trust's educational operations

Governance Costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses

All resources expended are inclusive of irrecoverable VAT

Tangible Fixed Assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows

Long leasehold buildings	50 years
Fixtures, fittings and equipment	5 years / 10 years
Computer equipment	3 years

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

THE PARK FEDERATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

1 Statement of Accounting Policies (continued)

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 chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and Local Government Pension Schemes ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

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 quinquennial valuations using a prospective benefit method. As stated in Note 23, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS are funded schemes 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

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 Education Funding Agency and local authorities where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

THE PARK FEDERATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

2 Voluntary Income

	Unrestricted Funds £000	Restricted General Funds £000	Total 2013 £000
Donations	6	-	6
Other	8	-	8
	<u>14</u>	<u>-</u>	<u>14</u>

3 Activities for Generating Funds

	Unrestricted Funds £000	Restricted General Funds £000	Total 2013 £000
Hire of facilities	23	-	23
Consultancy income	49	-	49
Catering income	17	-	17
Club income	26	-	26
Trip income	45	-	45
Uniform sales	7	-	7
Other income	51	-	51
	<u>218</u>	<u>-</u>	<u>218</u>

4 Investment Income

	Unrestricted Funds £000	Restricted General Funds £000	Total 2013 £000
Interest received	1	-	1
	<u>1</u>	<u>-</u>	<u>1</u>

5 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted General Funds £000	Total 2013 £000
DfE / EFA grants			
General Annual Grant (GAG)	-	7,976	7,976
Start Up Grants	-	73	73
Capital Grants	-	37	37
Other DfE/EFA grants	-	612	612
	<u>-</u>	<u>8,698</u>	<u>8,698</u>
Other Government grants			
Local authority grants	-	579	579
Special educational projects	-	241	241
Capital Grants	-	7	7
	<u>-</u>	<u>827</u>	<u>827</u>
	<u>-</u>	<u>9,525</u>	<u>9,525</u>

THE PARK FEDERATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

6 Resources Expended

	Staff Costs £000	Non Pay Expenditure Premises £000	Other Costs £000	Total 2013 £000
Costs of generating voluntary income	-	-	2	2
Costs of activities for generating funds	-	-	62	62
Academy's educational operations				
Direct costs	6,514	-	285	6,799
Allocated support costs	920	505	920	2,345
	<u>7,434</u>	<u>505</u>	<u>1,205</u>	<u>9,144</u>
Governance costs including allocated support costs	-	-	186	186
	<u>7,434</u>	<u>505</u>	<u>1,455</u>	<u>9,394</u>

Incoming resources for the year include:

	2013 £000
Fees payable to auditor	
Audit	11
Accountancy	6
Responsible Officer services	4
Teachers Pension Scheme audit	1
Advisory services	3

7 Charitable Activities - Academy's Educational Operations

	Unrestricted Funds £000	Restricted General Funds £000	Total 2013 £000
Direct costs			
Teaching and educational support staff costs	-	6,514	6,514
Technology costs	-	2	2
Educational supplies	-	190	190
Educational consultancy	-	59	59
Staff development	-	34	34
	<u>-</u>	<u>6,799</u>	<u>6,799</u>
Allocated support costs			
Support staff costs	-	920	920
Depreciation	-	210	210
Technology costs	-	181	181
Recruitment and support	-	24	24
Maintenance of premises and equipment	-	275	275
Cleaning	-	45	45
Rent & rates	-	20	20
Energy costs	-	113	113
Insurance	-	96	96
Security and transport	-	47	47
Catering	-	171	171
Other support costs	-	243	243
	<u>-</u>	<u>2,345</u>	<u>2,345</u>
	<u>-</u>	<u>9,144</u>	<u>9,144</u>

THE PARK FEDERATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

8 Governance Costs

	Unrestricted Funds £000	Restricted General Funds £000	Total 2013 £000
Legal and professional fees	-	161	161
Auditor's remuneration			
Audit	-	11	11
Accountancy	-	6	6
Responsible Officer services	-	4	4
Teachers Pension Scheme audit	-	1	1
Advisory services	-	3	3
	<u>-</u>	<u>186</u>	<u>186</u>

9 Staff Costs

	2013 £000
Staff costs during the period were	
Wages and salaries	6,017
Social security costs	397
Pension costs	<u>822</u>
	7,236
Supply teacher costs	183
Compensation payments	<u>15</u>
	7,434

The average number of persons (including senior management team) employed by the academy during the year expressed as full time equivalents was as follows

	2013 No
Charitable Activities	
Teachers	107
Administration and support	154
Management	<u>17</u>
	278

The number of employees whose emoluments fell within the following bands was

	2013 No
£60,001 - £70,000	2
£120,001 - £130,000	<u>1</u>
	3

All three of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £36,100

THE PARK FEDERATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

10 Central Services

The academy trust has provided the following central services to its academies during the year
management services,
financial services,
legal services,
computer support

The trust charges for these services on the following basis
3% of school budget share GAG income
100% of start up grant income

The actual amounts charged during the year were as follows

	2013 £000	2013 £000
Cranford Park Academy	114	
Wood End Park Academy	138	
James Elliman Academy	59	
		311
Trust generated income		
EFA insurance income	46	
Other EFA grant	96	
Consultancy income	49	
Other income	1	
		192
Total trust income		503

11 Related Party Transactions - Trustees' Remuneration & Expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. The value of trustees' remuneration was as follows

Dr Martin Young	£125,000 - £130,000
Ms Surjeet Johra	£35,000 - £40,000

No trustees claimed reimbursed expenses for their role as trustees

12 Trustees' and Officers' Insurance

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 £2,000,000 on any one claim and the cost for the year ended 31 August 2013 was £300

The cost of this insurance is included in the total insurance cost

13 Tangible Fixed Assets

	Long Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Equipment £000	Total £000
Cost				
Transfer on conversion	26,442	70	5	26,517
Additions	178	20	35	233
At 31 August 2013	26,620	90	40	26,750
Depreciation				
Charged in year	187	14	9	210
At 31 August 2013	187	14	9	210
Net book values				
At 31 August 2013	26,433	76	31	26,540

On conversion, the land and buildings occupied by Cranford Park Primary School, Wood End Park Community School and James Elliman Primary School were assigned to the academy trust under 125 year leases. Land and buildings totalling £23,042k were recognised on a depreciated replacement cost basis in accordance with valuation reports dated 31 March 2013 prepared by Mouchel. An additional £3,400k of land and buildings has been recognised in accordance with depreciated cost supplied by Slough Borough Council as at 31 March 2013.

THE PARK FEDERATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

14 Debtors

	2013 £000
Trade debtors	28
VAT recoverable	164
Prepayments and accrued income	165
	<u>357</u>

15 Creditors Amounts falling due within one year

	2013 £000
Trade creditors	156
Taxation and social security	141
Other creditors	1
Accruals and deferred income	62
	<u>360</u>

Deferred Income

	2013 £000
Resources deferred in the year	4
Deferred income at 31 August 2013	<u>4</u>

Deferred income held at 31 August 2013 represent amounts received in the period for use in future periods

THE PARK FEDERATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

16 Funds

	Balance at 1 September 2012 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses & Transfers £000	Balance at 31 August 2013 £000
Restricted general funds					
General Annual Grant (GAG)	-	7,976	(7,562)	(189)	225
Start Up Grant	-	73	(73)	-	-
Other DfE/EFA grants	-	612	(612)	-	-
Other restricted funds	-	820	(820)	-	-
Pension reserve	-	(2,548)	(53)	(70)	(2,671)
	-	6,933	(9,120)	(259)	(2,446)
Restricted fixed asset funds					
DfE/EFA capital grants	-	44	-	(44)	-
Capital expenditure from capital grants	-	-	(3)	44	41
Capital expenditure from GAG	-	-	(13)	189	176
Transfer from Local Authority on conversion	-	26,517	(194)	-	26,323
	-	26,561	(210)	189	26,540
Total restricted funds	-	33,494	(9,330)	(70)	24,094
Unrestricted funds					
Unrestricted funds	-	1,468	(64)	-	1,404
Total unrestricted funds	-	1,468	(64)	-	1,404
Total funds	-	34,962	(9,394)	(70)	25,498

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

General annual grant

This includes all monies received from the EFA to carry out the objectives of the academy. It includes the School Budget Share, LACSEG (Local Authority Central Spend Equivalent Grant), insurance and rates grants

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013

Start Up Grant

This represents the amount received on conversion to academy status for start up costs

Other DfE/EFA grants

This represents revenue grants received from the EFA for specific purposes, for example to support individual pupils with a SEN statement

Other restricted funds

This represents revenue grants received from the Local Education Authorities for specific purposes

Pension reserve

This represents the negative reserve in respect of the liability on the LGPS defined benefit pension scheme which was transferred to the academy on conversion

Fixed asset fund

The fund includes the value of the tangible fixed assets of the academy on conversion, and monies transferred from the GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets

Transfers between funds

Transfers from the General Annual Grant Fund to the fixed asset fund relate to fixed assets purchased from these funds

THE PARK FEDERATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

16 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2013 were allocated as follows

	Total £000
Cranford Park Academy	540
Wood End Park Academy	535
James Elliman Academy	497
Central services	57
Total before fixed assets and pension reserve	1,629
Restricted fixed asset fund	26,540
Pension reserve	(2,671)
Total	25,498

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding depreciation) £000	Total £000
Cranford Park Academy	2,678	302	66	491	3,537
Wood End Park Academy	2,847	342	99	651	3,939
James Elliman Academy	827	193	25	216	1,261
Central services	162	83	-	202	447
Academy Trust	6,514	920	190	1,560	9,184

17 Analysis of Net Assets between Funds

Fund balances at 31 August 2013 are represented by

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	26,540	26,540
Current assets	1,764	225	-	1,989
Current liabilities	(360)	-	-	(360)
Pension scheme liability	-	(2,671)	-	(2,671)
Total net assets	1,404	(2,446)	26,540	25,498

THE PARK FEDERATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

18 Reconciliation of Net Income to Net Cash Inflow from Operating Activities

	2013 £000
Net Income	25,568
Depreciation (note 13)	210
Capital grants from DfE and other capital income	(44)
Interest receivable (note 4)	(1)
FRS 17 pension cost less contributions payable (note 23)	(33)
FRS 17 pension finance income (note 23)	86
Cash transferred on conversion to an academy trust	(1,313)
Assets transferred on conversion	(26,517)
Liabilities transferred on conversion	2,548
(Increase)/decrease in debtors	(357)
Increase/(decrease) in creditors	360

Net Cash Inflow from Operating Activities

507

19 Returns on Investments and Servicing of Finance

Interest received

1

Net cash inflow from returns on investment and servicing of finance

1

20 Capital Expenditure and Financial Investment

Purchase of tangible fixed assets

233

Capital grants from DfE/EFA

(44)

Net cash outflow from capital expenditure and financial investment

189

21 Analysis of Changes in Net Funds

	As at 1 September 2012 £000	£000	As at 31 August 2013 £000
Cash in hand and at bank	-	1,632	1,632
	-	1,632	1,632

THE PARK FEDERATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

22 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

23 Pension and Similar Obligations

The academy's employees belong to three principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Schemes (LGPS) for non-teaching staff, consisting of the London Borough of Hillingdon Pension Fund managed by the London Borough of Hillingdon and the Royal County of Berkshire Pension Fund managed by the Royal Borough of Windsor and Maidenhead. These schemes are all defined-benefit schemes.

The LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained schools and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of both LGPS's 31 March 2010.

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

Teachers' Pension Scheme

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act.

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

THE PARK FEDERATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

23 Pension and Similar Obligations (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include a pension based on career average earnings, an accrual rate of 1/57th, and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Schemes

The LGPS are funded defined-benefit schemes, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £471,000 of which employer's contributions totalled £380,000 and employees' contributions totalled £91,000. The agreed contribution rates for future years are 29.1% for employers and 6.2% for employees for the London Borough of Hillingdon Pension Fund. The contribution rates have been agreed on the basis that the scheme deficit will be closed over a 20 year period. The agreed contribution rates for future years are 17.2% for employers for the Royal County of Berkshire Pension Fund.

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 FEDERATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

23 Pension and Similar Obligations (continued)

Local Government Pension Schemes (continued)

	London Borough of Hillingdon At 31 August 2013	Royal County of Berkshire At 31 August 2013
Principal Actuarial Assumptions		
Rate of increase in salaries	1.00%	4.85%
Rate of increase for pensions in payment/inflation	2.80%	2.90%
Discount rate for scheme liabilities	4.60%	4.70%
Inflation assumption (CPI)	2.90%	2.90%

Sensitivity Analysis - London Borough of Hillingdon

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below

	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
Change in assumptions at 31 August 2013,-		
0.5% decrease in Real Discount Rate	12.00%	380
1 year increase in member life expectancy	3.00%	96
0.5% increase in the Salary Increase Rate	5.00%	156
0.5% increase in the Pension Increase Rate	7.00%	214

Sensitivity Analysis - Royal County of Berkshire

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below

	Approximate monetary amount (£000)	Approximate monetary amount (£000)	Approximate monetary amount (£000)
Impact of change in assumptions at 31 August 2013,-			
Adjustment to discount rate	+0.1%	0.00%	-0.1%
Present value of total obligation	975	1,003	1,032
Projected service cost	165	171	177
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present value of total obligation	969	1,003	1,038
Projected service cost	164	171	178

THE PARK FEDERATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

23 Pension and Similar Obligations (continued)

Local Government Pension Schemes (continued)

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

	London Borough of Hillingdon At 31 August 2013	Royal County of Berkshire At 31 August 2013
<i>Retiring today</i>		
Males	20.8	23.1
Females	24.1	25.7
<i>Retiring in 20 years</i>		
Males	22.3	25.1
Females	25.7	27.6

The academy's share of the assets and liabilities in the scheme and the expected rates of return were

	London Borough of Hillingdon		Royal County of Berkshire	
	Expected return at 31 August 2013	Fair value at 31 August 2013 £000	Expected return at 31 August 2013	Fair value at 31 August 2013 £000
Equities	6.60%	814	6.30%	134
Gilts	0.00%	-	3.50%	3
Other bonds	4.00%	280	4.40%	67
Property	4.70%	85	4.30%	29
Cash	3.60%	36	0.50%	3
Alternative assets	0.00%	-	4.70%	83
Total market value of assets		1,215		319
Present value of scheme liabilities				
Funded		(3,202)		(1,003)
Deficit in the scheme		(1,987)		(684)

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period.

The actual return on scheme assets was £120,000.

Amounts recognised in the statement of financial activities

	2013 £000
Current service cost (net of employee contributions)	(347)
Total operating charge	(347)
Analysis of pension finance income/(costs)	
Expected return on pension scheme assets	47
Interest on pension liabilities	(133)
Pension finance costs	(86)

THE PARK FEDERATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

23 Pension and Similar Obligations (continued)

Local Government Pension Schemes (Continued)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £70,000 loss.

Movements in the present value of defined benefit obligations were as follows

	2013 £000
Transferred on conversion	3,479
Current service cost	347
Interest cost	133
Employee contributions	91
Actuarial loss	155
At 31 August	4,205

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

	2013 £000
Transferred on conversion	931
Expected return on assets	47
Actuarial gain	85
Employer contributions	380
Employee contributions	91
At 31 August	1,534

The five-year history of experience adjustments is as follows

	2013 £000
Present value of defined benefit obligations	4,205
Fair value of share of scheme assets	(1,534)
Deficit in the scheme	2,671
Experience adjustments on share of scheme assets	
Amount £000	85,000
Experience adjustments on scheme liabilities	
Amount £000	-

THE PARK FEDERATION ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

24 Related Party Transactions

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

No related party transactions took place in the period of account.

25 Events after the balance sheet date

On 1 December 2013 a new academy will be joining the Trust that was previously a local authority school Montem Primary School.

26 Conversion to an academy trust

On 1 September 2012 the Cranford Park Primary School and the Wood End Park Community School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Park Federation Academy Trust from the London Borough of Hillingdon Local authority for £nil consideration.

On 1 April 2013 the James Elliman 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 Federation Academy Trust from the Slough Local authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as the net income in the Statement of Financial Activities as voluntary income.

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

	Unrestricted Funds £000	Restricted General Fund £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
Leasehold land and buildings	-	-	26,442	26,442
Other tangible fixed assets	-	-	75	75
Budget surplus on LA funds	1,291	-	-	1,291
Budget surplus on other school funds	22	-	-	22
LGPS pension deficit	-	(2,548)	-	(2,548)
Other identified assets and liabilities	(78)	-	-	(78)
Net assets	<u>1,235</u>	<u>(2,548)</u>	<u>26,517</u>	<u>25,204</u>