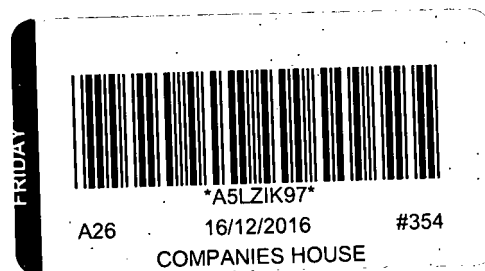


**THE PARK ACADEMIES TRUST
(FORMERLY THE LYDIARD PARK ACADEMY)
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**



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

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY
FOR THE YEAR ENDED 31 AUGUST 2016**

Trustees

Dave Allen^{1,2}
Tracy Barker¹
Louise Bouteiller^{1,3,4}
Nicola Cox¹
David Davison, Chair^{1,4,5}
Alastair Dixon-Patterson^{2,3}
David Fuller (resigned 15 January 2016)
Toni Gillespie³
Mark Godley (appointed 1 November 2015)²
Jane Gourley¹
Crispin Hawes^{1,2}
Matthew Lodge, Acting Chair^{2,3}
Nick Martin (resigned 20 September 2016)^{2,4,5}
Corinna Mazzotta^{1,2}
Chris Shepherd^{3,4,5}
Beth Stubbs (resigned 31 October 2015)³
Clive Zimmerman, Principal^{2,3}

¹ Curriculum and Student Committee

² Finance and Premises Committee

³ Personnel Committee

⁴ Performance Management Committee

⁵ Trustee and Director

**Company registered
number**

07694023

Company name

The Park Academies Trust (formerly The Lydiard Park Academy)

**Principal and registered
office**

Grange Park Way
Grange Park
Swindon
SN5 6HN

Senior leadership team

Clive Zimmerman, Principal
Jonathan Young, Vice Principal
Gary Pearson, Vice Principal
Gail Davies, Assistant Principal
Christian Dobbs, Assistant Principal
Sophie Hesten, Assistant Principal
Laura Patterson, Assistant Principal
Alastair Dixon-Patterson, Business Manager (Lay Deputy)
Dermot McLaughlin, Acting Vice Principal

Independent auditors

Bishop Fleming Bath Limited
Chartered Accountants
Statutory Auditors
Minerva House
Lower Bristol Road
Bath
BA2 9ER

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Advisers (continued)

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

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2016. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 11 to 18 in Swindon. It has a pupil capacity of 1,350 and had a roll of 1,084 in the school census on 7 April 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust was incorporated on 5th July 2011 and opened as an Academy on 1 September 2012, 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. Three of The Trustees of The Park Academies Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Park Academies Trust.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1-2.

Members' Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy'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, 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.

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.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 7 Trustees who are appointed by members (Community Trustees);
- a minimum of 6 Parent Trustees;
- up to 1 Support Staff Trustees;
- up to 2 Teaching Staff Trustees; and,
- the Principal who is treated for all purposes as being an ex officio Trustee.

Trustees are appointed for a four year period, except that this time limit does not apply to the Principal. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

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 Academy and a chance to meet staff and pupils. 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. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

The Board of Trustees normally meets at least five times over the Academic year. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are four sub committees as follows;

- Finance and Premises Committee - this meets at least four times per year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial and premises management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee;
- Curriculum Committee - this meets at least four times a year to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues;
- Personnel Committee – this meets once per term to monitor staffing matters, review pay and performance and assist with appropriate guidance on HR, recruitment and other staffing matters, reviewing pay and other staffing related policies; and,
- Performance Management Committee - This committee, comprising of the Chair of Trustees and the Chairs of the other committees, meet at least twice a year to monitor and evaluate the Principals performance.

The following decisions are reserved to the Board of Trustees; to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Principal and Clerk to the Trustees, to approve the Annual Development Plan and budget.

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

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Principal and Senior Leadership Team (SLT). The SLT implements the policies laid down by the Trustees and reports back to them on performance.

The Academy has a leadership structure which consists of the Trustees, The Senior Leadership Team and Team Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Principal is the Accounting Officer.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees and the Senior Leadership Team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration for being a Trustee in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually. Any increase is linked to performance management and any nationally agreed rates.

Connected Organisations, including Related Party Relationships

The Academy, as a community school, has strong collaborative links with local feeder primary schools which form part of the Lydiard Park Academy Learning Community.

There are no related parties which either control or significantly influence the decisions and operations of The Park Academies Trust. There are no sponsors or formal Parent Teacher Associations associated with the Academy.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities, with a strong emphasis on Maths, ICT and Sport for Health.

The principal object and activity of the Charitable Company is the operation of The Park Academies Trust to provide free education and care for pupils of different abilities.

The aims of the Academy during the year ended 31 August 2016 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils;
- to provide a broad and balanced curriculum, including extra curricular activities;
- to develop students as more effective learners;
- to develop the Academy site so that it enables students to achieve their full potential;
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to maximise the number of students who achieve 5 A* - C GCSE grades including English and Maths;
- to provide value for money for the funds expended;
- to develop greater coherence, clarity and effectiveness in school systems;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with our local community;
- to develop the Academy's capacity to manage change; and,
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

At The Park Academies Trust we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Objectives, Strategies and Activities

Key activities and targets were identified in the Academy Development Plan and were influenced by the significant challenges and opportunities arising from national changes in education policy and funding, including the conversion to multi-academy trust status. The activities included the following:

- Completing the pilot year for the introduction of Year 13 courses;
- Further developing staff skill levels through implementing the TEEP (Teacher Effectiveness Enhancement Programme) training programme;
- Improving the new Key Stage 3 assessment model, and undertaking further staff development work on assessment and feedback in general; and,
- Implementing key government reforms in Key Stage 4 and Key Stage 5 qualifications.

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 Commission'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 Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

We work closely with our feeder primary schools as well as contributing to the wider educational community with SME's supporting working groups.

STRATEGIC REPORT

Achievements and Performance

The Academy is in its fourth year of full operation. The Academy is full in two year groups and has a waiting list in operation. The Academy is heavily oversubscribed - there were 265 applicants for the 224 places available in year 7 for September 2015.

At Key Stage 4, a particularly challenging year 11 group achieved good results for its cohort and the results were slightly higher than the previous year on the outgoing 5+A*-C (including English and maths) figure (68.5% as opposed to 67% the previous year). All other main measures, including progress showed a slight rise and, in general, results are high compared to national averages and in the context of our catchment area. This demonstrates the excellent teaching of the staff at the Academy. We were particularly impressed with the results of Year 11 pupils on the 'new' main performance measure called 'basics' (the percentage of pupils gaining a higher grade pass in both maths and English), which rose to a record 71% despite the challenging nature of the year group.

The Academy has managed to maintain relatively small class sizes, although the relatively low level of funding available to Swindon schools has forced us to allow the average size to grow from 27 to 28 pupils.

The year ended with our first ever set of full A level results. The Academy achieved a 96% pass rate in A2 exams, which is a creditable first set of results.

Over 80% of students gained pass grades in 3 or more A levels (or an equivalent vocational course) placing the school in the top half of schools and colleges nationally.

To ensure that standards are continually assessed, the Academy operates a programme of lesson observations, work scrutiny and lesson plan checks which are undertaken by the Department Heads and the Senior Leadership Team within a rigorous performance management framework.

The Academy was last inspected by OFSTED in January 2014 and was judged to be Good.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

The Academy completed the refurbishment of a block to serve as additional Sixth Form accommodation in time for a September 2015 opening. This now completes the new sixth form facilities.

Continuing professional development for staff has been very successful with all teaching staff continuing to develop their skills through the Teacher Effectiveness and Enhancement Programme (TEEP). The Academy is now a TEEP ambassador school and held an open day for prospective new school members during the year.

As a result of a very strong record of improvement and high achievement, the Academy was awarded a performance award for outstanding pupil progress by the SSAT (Specialist Schools and Academies Trust) during the year and has been inducted into the trust's Leading Edge Programme for 'beacon' schools.

During the year, the Academy's house fundraising activities for local charities raised over £4,400.

The Academy was approved as an Academy Sponsor and is now looking to support neighbouring schools within a formal multi-academy trust arrangement in the near future.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In the year under review the available GAG was fully utilised. A short term drop in the GAG funding is anticipated in 2016-2017. This drop is due to the fact that GAG funding in any year is based on pupil numbers in the previous academic year. Hence the low point of the school roll detailed in the next paragraph will cause a low point in GAG income during the 2016-2017 funding year. The Trustees are confident that the Academy has sufficient restricted and unrestricted funds carried forward to meet any short term short falls.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2016 were 1,084 plus income for 80 sixth formers. It is anticipated that this number will rise quickly towards the projected maximum of 1,350 pupils (including sixth form) over the next five years. Expected pupil numbers for 2016-2017, including sixth form are 1,085 (including 14 pupils in the SRP).

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2016 this was 93.3% compared to 89.0% in 2015.

We continuously monitor financial performance against budget and forecast. A key KPI is forecast to budget on a monthly basis.

Cashflow is equally important and we aim to hold sufficient cash in the bank to allow for a single month of payroll without income.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy 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 Going Concern policy.

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the EFA 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 2016 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.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

During the year ended 31 August 2016, total expenditure of £6,150,946 was covered by recurrent grant funding from the DfE, together with other incoming resources of £6,279,889. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £128,943.

At 31 August 2016 the net book value of fixed assets was £10,935,763 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.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued on 31 August 2012 at £11,873,522. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

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 24 to the financial statements.

Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be approximately £450,000. The reason for this is to provide sufficient funding to cover the projected deficit between income and expenditure over the next two years as the funding dip due to lagged funding and the introduction of the sixth form work through. It is expected that reserves will reduce over the coming two years as the deficit is funded.

It is expected that the reserves will fund the estimated two years of deficit and leave approximately £150,000 of reserves for AY18/19.

Total reserves of the academy amount to £10,241,985, although £9,728,072 of this is invested in fixed assets or represents non GAG restricted funds. The remaining £513,913 (representing £459,035 unrestricted funds, £33,549 unspent MAT income and £21,329 unspent GAG) is the balance that the Trustees monitor in accordance with the Board's reserves policy.

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

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Academy Business Manager.

Trustees are clear that in the current funding climate, any deposit should be low risk and should allow for a strong positive cashflow.

There has been debate around using current cash surpluses to repay the equal pay loan however trustees do not believe that to be appropriate at this time but are keeping this under review.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major 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 principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding, either directly through the EFA or indirectly via the Local Authority. In the last year 96% of the Academy's incoming resources were ultimately Government funded. Government Policy does not suggest that funding will increase whilst the cost base continues to increase. Payroll accounts for 93% of expenditure (excluding depreciation) and with Pensions costs increasing and an annual pay review, additional income streams are required.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's 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.

Reputational - the continuing success of the Academy 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 Academy is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and staff training as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed FS4S to perform internal assurance checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Academy. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy 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.

Whilst the Academy is over-subscribed, risks to revenue funding from a falling roll are small. However, the local authority continues to reduce per pupil funding factors to support high needs funding and this impacts on the finances of the Academy.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 24 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.

PLANS FOR FUTURE PERIODS

Lydiard Park Academy has been approved as Sponsor Academy by the DfE and converted to become a Multi Academy Trust (MAT) called The Park Academies Trust on 1 September 2016.

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

The MAT will be working to identify relationships with local schools, both Primary and Secondary, that it can work with to enhance educational outcomes for pupils in Swindon. This will include options such as Free Schools and working with mainstream schools to convert to Academy status.

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.

TRUSTEES INDEMNITIES

There are no third party indemnity provisions for Trustees.

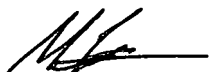
AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are 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 company directors, on 5 December 2016 and signed on the board's behalf by:



Matthew Lodge
Acting Chair of Trustees

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

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the 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 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 7 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Dave Allen	4	7
Tracy Barker	5	7
Louise Bouteiller	5	7
Nicola Cox	6	7
David Davison	7	7
Alastair Dixon-Patterson	5	7
David Fuller	0	3
Toni Gillespie	5	7
Mark Godley	5	5
Jane Gourley	6	7
Crispin Hawes	0	7
Matthew Lodge	6	7
Nick Martin	6	7
Corinna Mazzotta	7	7
Chris Shepherd	7	7
Beth Stubbs	1	2
Clive Zimmerman, Principal	7	7

There have been changes to the composition of the board over the year:

- Dave Fuller resigned with effect from 15th January 2016;
- Beth Stubbs' tenure ended on 31st October 2015; and
- Mark Godley joined the board of Trustees with effect from 1st November 2015.

Governance reviews

The Board of Trustees have undertaken considerable work on conversion to a Multi-Academy Trust and as part of that process has continued to review its skills and the most appropriate roles for Trustees within the new structure.

As part of the work, the following has been achieved:

- Terms of Reference have been created for the Main Trust Board and in particular a detailed Scheme of Delegation; and
- Terms of Reference have been created for a Local Advisory Board to provide local governance to schools within the MAT.

The aim of these two pieces of work is to facilitate strategic leadership and be clear how the Executives of the MAT are to be managed/supported and allowed to deliver their core responsibilities.

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

GOVERNANCE STATEMENT (continued)

The Finance and Premises Committee is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity. To make appropriate comments and recommendation on such matters to the Governing Body on a regular basis. Major issues will be referred to the full Governing Body for ratification.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Matt Lodge	3	5
Clive Zimmerman	5	5
Alastair Dixon-Patterson	5	5
Crispin Hawes	0	5
Nick Martin	5	5
Mark Godley	2	4
Dave Allen	4	5
Corinna Mazzotta	4	5

REVIEW OF VALUE FOR MONEY

As Accounting Officer the Principal 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 education and wider societal outcomes achieved in return for the tax payers resources received.

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available.

The Academy Trust has delivered improved value for money during the year in the following ways:

- Supply chain arrangements have been reviewed to ensure value for money is maximised and the Academy has entered into a range of fixed price, short and medium term contracts to deliver certainty and value;
- Staffing levels have been considered and pay rates reviewed in light of national agreements;
- The Academy has, as is its right, applied its own pay review and arrangements to ensure the level of staffing required to deliver an LPA education can be sustainably maintained;
- Performance management has been applied to pay reviews for teaching staff; and
- Results have continued to improve under difficult financial conditions and a tough economic climate.

The financial performance of the Academy Trust is challenging and there still uncertainties in the funding position with the local authority reducing per pupil funding in both mainstream and high needs areas.

No posts are automatically replaced without a clear view as to need and a review of the job description to identify opportunities to increase value or deliver more value for money.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 at The Park Academies Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

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

GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy 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's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 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 RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees; and
- regular reviews by the Finance and Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes; and
- setting targets to measure financial and other performance; and
- clearly defined purchasing (asset purchase or capital investment) guidelines; and
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed The Finance and Premises Committee Chair, a Trustee, to oversee FS4S, an external organisation, to perform additional checks.

The appointee's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a semi-annual basis, the appointee reports to the Board of Trustees on the operation of the systems of control. In particular the checks carried out in the current period included:

- A review of Voluntary Fund arrangements; and
- Checking of payroll procedures and payments; and
- Checking of invoice processing and purchase order systems; and
- Checking of bank reconciliations; and
- Checks against procedures set out in the Academies Financial Handbook.

Twice per year, FS4S provide a detailed report to the Finance and Premises Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

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

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

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

GOVERNANCE STATEMENT (continued)

Approved by order of the members of the Board of Trustees on 5 December 2016 and signed on their behalf, by:


Matthew Lodge
Acting Chair of Trustees


Clive Zimmerman
Accounting Officer


**THE PARK ACADEMIES TRUST (FORMERLY THE LYDIARD PARK ACADEMY)
(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 Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



Clive Zimmerman
Accounting Officer

Date: 5 December 2016

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees of The Park Academies Trust (who are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction 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 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 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 the EFA/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:



Matthew Lodge
Acting Chair of Trustees

Date: 5 December 2016

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES
OF THE PARK ACADEMIES TRUST (FORMERLY THE LYDIARD PARK ACADEMY)**

We have audited the financial statements of The Park Academies Trust (formerly The Lydiard Park Academy) for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. 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 FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 Academy'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 Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES
OF THE PARK ACADEMIES TRUST (FORMERLY THE LYDIARD PARK ACADEMY)**

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:

- 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.



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: 9/12/2016

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

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE PARK
ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 5 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, 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 2015 to 31 August 2016 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 EFA 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 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 Academies Trust and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE PARK ACADEMY TRUST'S ACCOUNTING OFFICER AND THE
REPORTING AUDITOR**

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 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by 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'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 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 (FORMERLY THE LYDIARD PARK ACADEMY)
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE PARK
ACADEMIES 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 year 1 September 2015 to 31 August 2016 have 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: 9/12/2016

THE PARK ACADEMIES TRUST (FORMERLY THE LYDIARD PARK ACADEMY)
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME AND ENDOWMENTS FROM:						
Donations and capital grants	3	20,999	1,274	-	22,273	25,335
Charitable activities	4	17,152	6,122,849	-	6,140,001	5,839,783
Other trading activities	5	116,555	-	-	116,555	124,081
Investments	6	1,060	-	-	1,060	877
TOTAL INCOME AND ENDOWMENTS		155,766	6,124,123	-	6,279,889	5,990,076
EXPENDITURE ON:						
Charitable activities		54,587	6,142,359	465,226	6,662,172	6,337,072
TOTAL EXPENDITURE	7	54,587	6,142,359	465,226	6,662,172	6,337,072
NET INCOME / (EXPENDITURE)		101,179	(18,236)	(465,226)	(382,283)	(346,996)
Transfers between Funds	19	-	(31,862)	31,862	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES		101,179	(50,098)	(433,364)	(382,283)	(346,996)
Actuarial losses on defined benefit pension schemes	24	-	(801,000)	-	(801,000)	(49,000)
NET MOVEMENT IN FUNDS		101,179	(851,098)	(433,364)	(1,183,283)	(395,996)
RECONCILIATION OF FUNDS:						
Total funds brought forward		357,856	(1,055,317)	11,293,115	10,595,654	10,991,650
TOTAL FUNDS CARRIED FORWARD		459,035	(1,906,415)	10,859,751	9,412,371	10,595,654

The notes on pages 24 to 44 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	14		10,935,763		11,380,238
CURRENT ASSETS					
Debtors	15	108,553		109,717	
Cash at bank and in hand		636,565		492,653	
		<u>745,118</u>		<u>602,370</u>	
CREDITORS: amounts falling due within one year	16	<u>(313,837)</u>		<u>(274,920)</u>	
NET CURRENT ASSETS			<u>431,281</u>		<u>327,450</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>11,367,044</u>		<u>11,707,688</u>
CREDITORS: amounts falling due after more than one year	17		<u>(92,673)</u>		<u>(97,034)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>11,274,371</u>		<u>11,610,654</u>
Defined benefit pension scheme liability	24	(1,862,000)		(1,015,000)	
TOTAL NET ASSETS			<u><u>9,412,371</u></u>		<u><u>10,595,654</u></u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	19	(44,415)		(40,317)	
Fixed asset funds	19	10,859,751		11,293,115	
Restricted funds excluding pension liability		<u>10,815,336</u>		<u>11,252,798</u>	
Pension reserve		<u>(1,862,000)</u>		<u>(1,015,000)</u>	
Total restricted funds			<u>8,953,336</u>		<u>10,237,798</u>
Unrestricted funds	19		<u>459,035</u>		<u>357,856</u>
TOTAL FUNDS			<u><u>9,412,371</u></u>		<u><u>10,595,654</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 5 December 2016 and are signed on their behalf, by:



Matthew Lodge
Acting Chair of Trustees



Clive Zimmerman
Accounting Officer

The notes on pages 24 to 44 form part of these financial statements.

THE PARK ACADEMIES TRUST (FORMERLY THE LYDIARD PARK ACADEMY)
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	21	<u>178,924</u>	<u>242,213</u>
Cash flows from investing activities:			
Interest received		1,060	877
Purchase of tangible fixed assets		<u>(31,862)</u>	<u>(52,508)</u>
Net cash used in investing activities		<u>(30,802)</u>	<u>(51,631)</u>
Cash flows from financing activities:			
Repayments of borrowings		<u>(4,210)</u>	<u>(14,281)</u>
Net cash used in financing activities		<u>(4,210)</u>	<u>(14,281)</u>
Change in cash and cash equivalents in the year		143,912	176,301
Cash and cash equivalents brought forward		<u>492,653</u>	<u>316,352</u>
Cash and cash equivalents carried forward	22	<u><u>636,565</u></u>	<u><u>492,653</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

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 historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Park Academies Trust (formerly The Lydiard Park Academy) constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of The Park Academies Trust (formerly The Lydiard Park Academy) prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of The Park Academies Trust (formerly The Lydiard Park Academy) for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 30.

1.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy 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 (FORMERLY THE LYDIARD PARK ACADEMY)
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

Grants are included in the Statement of Financial Activities 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 period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the Academy 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 are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

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

1.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

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. 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.

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.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

1.6 OPERATING LEASES

Rentals under operating leases are charged on a straight line basis over the lease term.

1.7 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the Bank.

1.8 TAXATION

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

1.9 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.

THE PARK ACADEMIES TRUST (FORMERLY THE LYDIARD PARK ACADEMY)
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.10 CASH AT BANK AND IN HAND

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

1.11 LIABILITIES AND PROVISIONS

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

Provisions are measured at the best estimate of the amounts required to settle the obligation.

1.12 FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Financial instruments includes cash at bank, trade debtors, accrued income from financial instruments (comprising dividends and interest due from investments), trade creditors and accrued expenditure.

1.13 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.14 FUND ACCOUNTING

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 and include grants from the Department for Education.

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

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

1.15 AGENCY ARRANGEMENTS

The Academy acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy does not have control over the charitable application of the funds. The Academy 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 23.

1.16 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

THE PARK ACADEMIES TRUST (FORMERLY THE LYDIARD PARK ACADEMY)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

2. 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.

3. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	20,999	1,274	-	22,273	25,335

In 2015, of the total income from donations and capital grants all of it was attributable to unrestricted funds.

4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant	-	5,356,592	5,356,592	5,157,014
Other DfE/EFA grants	-	133,701	133,701	48,524
Pupil Premium	-	248,881	248,881	262,402
	-	5,739,174	5,739,174	5,467,940
Other government grants				
High Needs	-	254,499	254,499	267,660
Other Government grants: non capital	-	6,692	6,692	1,428
	-	261,191	261,191	269,088
Other funding				
School Games Organiser	-	24,618	24,618	24,818
PGCE Income	-	21,927	21,927	10,479
Health and Wellbeing	-	4,500	4,500	12,670
Pupil transport	-	28,089	28,089	17,334
Other income	17,152	43,350	60,502	35,202
Intel Grants	-	-	-	2,252
	17,152	122,484	139,636	102,755
	17,152	6,122,849	6,140,001	5,839,783

In 2015, of the total income from charitable activities, £24,648 was unrestricted and £5,815,135 was restricted.

THE PARK ACADEMIES TRUST (FORMERLY THE LYDIARD PARK ACADEMY)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

5. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings	116,555	-	116,555	124,081

In 2015, of the total income from other trading activities, the entire balance was attributable to unrestricted funds.

6. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	1,060	-	1,060	877
	1,060	-	1,060	877

In 2015, of the total investment income, £877 was unrestricted and £8,000 was restricted.

7. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Academy's educational operations:					
Direct costs	3,714,278	241,647	727,384	4,683,309	4,443,215
Support costs	1,337,452	283,312	358,099	1,978,863	1,859,857
	5,051,730	524,959	1,085,483	6,662,172	6,303,072

In 2016, of the total expenditure, £54,587 (2015: £75,614) was to unrestricted funds, £6,096,359 (2015: £5,693,160) was to restricted funds and £482,612 (2015: £534,298) was to restricted fixed asset funds.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

8. DIRECT COSTS

	Total funds 2016 £	Total funds 2015 £
Pension finance costs	38,000	34,000
Educational supplies	158,319	229,217
Examination fees	83,454	87,962
Staff development	33,695	28,018
Other costs	159,769	146,707
Supply teachers	54,300	84,603
Recruitment and support	12,875	11,013
Technology costs	3,582	4,235
Wages and salaries	2,915,429	2,696,221
National insurance	267,357	221,227
Pension cost	480,192	388,603
Depreciation	476,337	545,409
	4,683,309	4,477,215

9. SUPPORT COSTS

	Total funds 2016 £	Total funds 2015 £
Educational supplies	14,390	22,018
Other costs	58,061	46,934
Maintenance of premises and equipment	105,419	83,356
Cleaning	26,314	31,325
Rent and rates	45,382	39,962
Energy costs	88,332	98,936
Insurance	34,013	41,469
Security and transport	17,865	13,207
Catering	48,660	47,356
Technology costs	38,193	33,161
Office overheads	21,426	25,177
Legal and professional	83,090	67,617
Interest and bank charges	3,021	2,448
Governance	52,245	24,795
Wages and salaries	1,025,543	994,133
National insurance	52,607	44,868
Pension cost	264,302	243,095
	1,978,863	1,859,857

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

10. NET INCOME/(EXPENDITURE) FOR THE YEAR

This is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	476,337	545,409
Fees payable to auditor for:		
- audit	7,125	6,900
- other services	2,000	2,000
Operating lease rentals	9,321	10,683
	<u>494,783</u>	<u>564,992</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

11. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	3,940,972	3,690,354
Social security costs	319,964	266,095
Operating costs of defined benefit pension schemes	744,494	631,698
	<u>5,005,430</u>	<u>4,588,147</u>
Supply teacher costs	54,300	84,603
	<u>5,059,730</u>	<u>4,672,750</u>

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

	2016 No.	2015 No.
Teachers	81	85
Education support	61	64
Administration	11	8
Management	9	8
	<u>162</u>	<u>165</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Teachers	67	59
Education Support	42	46
Administration	9	7
Management	9	7
	<u>127</u>	<u>119</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	2	2
In the band £90,001 - £100,000	1	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016 pension contributions for these staff amounted to £38,771 (2015: £32,816).

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) received by key management personnel for their services to the Academy Trust was £587,229 (2015: £559,615).

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NOTES TO THE FINANCIAL STATEMENTS
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12. TRUSTEES

During the year retirement benefits were accruing to 4 Trustees (2015: 4) in respect of defined benefit pension schemes.

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal 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 role as Trustees. The value of Trustees' remuneration and other benefits was as follows: C Zimmerman, Remuneration £95,000 - £100,000 (2015: £90,000 - £95,000), Employer's Pension Contributions £15,000 - £20,000 (2015: £10,000 - £15,000); A Dixon-Patterson, Remuneration £55,000 - £60,000 (2015: £50,000 - £55,000), Employer's Pension Contributions £15,000 - £20,000 (2015: £15,000 - £20,000); T Barker, Remuneration £45,000 - £50,000 (2015: £45,000 - £50,000), Employer's Pension Contributions £5,000 - £10,000 (2015: £5,000 - £10,000); M Godley, Remuneration £35,000 - £40,000 (2015: £Nil), Employer's Pension Contributions £5,000 - £10,000 (2015: £Nil); B Stubbs, Remuneration £0 - £5,000 (2015: £10,000 - £15,000), Employers Pension Contributions £0 - £5,000 (2015: £0 - £5,000).

During the year, no Trustees received any reimbursement of expenses (2015: £NIL).

13. 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 £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was £898 (2015: £898).

14. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
COST				
At 1 September 2015	12,059,438	1,188,781	248,105	13,496,324
Additions	10,814	13,857	7,191	31,862
At 31 August 2016	12,070,252	1,202,638	255,296	13,528,186
DEPRECIATION				
At 1 September 2015	933,027	950,209	232,850	2,116,086
Charge for the year	241,405	221,505	13,427	476,337
At 31 August 2016	1,174,432	1,171,714	246,277	2,592,423
NET BOOK VALUE				
At 31 August 2016	10,895,820	30,924	9,019	10,935,763
At 31 August 2015	11,126,411	238,572	15,255	11,380,238

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15. DEBTORS

	2016 £	2015 £
Trade debtors	4,411	4,012
VAT recoverable	12,589	22,060
Prepayments and accrued income	91,553	83,645
	<u>108,553</u>	<u>109,717</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Other loans	6,620	6,469
Other taxation and social security	96,592	81,817
Other creditors	92,634	25,173
Accruals and deferred income	117,991	161,461
	<u>313,837</u>	<u>274,920</u>

	2016 £	2015 £
DEFERRED INCOME		
Deferred income at 1 September 2015	89,363	36,354
Resources deferred during the year	69,803	89,363
Amounts released from previous years	(89,363)	(36,354)
Deferred income at 31 August 2016	<u>69,803</u>	<u>89,363</u>

At the balance sheet date the Academy Trust was holding funds received in advance for trips booked for the autumn term 2016 and for pupil transport purchased in advance.

See note 17 for details on other loans.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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

	2016 £	2015 £
Other loans	92,673	97,034

Included within the above are amounts falling due as follows:

	2016 £	2015 £
BETWEEN TWO AND FIVE YEARS		
Other loans	26,478	25,875
OVER FIVE YEARS		
Other loans	66,195	71,159

Creditors include amounts not wholly repayable within 5 years as follows:

	2016 £	2015 £
Repayable by instalments	66,195	71,159

To ensure all staff within Swindon school's were on equal pay the local authority performed a pre-conversion pay review. This review established that certain staff in the School were owed additional pay, which was settled by the local authority on behalf of the School. The Academy is required to repay this debt, however the local authority have the right to reconsider the amount owed. A loan of £105,208 was transferred to the Academy on conversion. At the year end £99,293 (2015: £103,503) remains outstanding. The loan is unsecured and is being repaid by installments with 17 years remaining, at an interest rate of 4.93%.

18. FINANCIAL INSTRUMENTS

	2016 £	2015 £
Financial assets measured at fair value through income and expenditure	636,565	492,653
Financial assets measured at amortised cost	45,792	43,414
	682,357	536,067
Financial liabilities measured at amortised cost	147,481	175,601

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

Financial assets measured at amortised cost comprise trade debtors and accrued income.

Financial liabilities measured at amortised cost comprise accruals and the equal pay loan.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

19. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	357,856	155,766	(54,587)	-	-	459,035
RESTRICTED FUNDS						
	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General Annual Grant (GAG)	63,186	5,106,717	(5,133,731)	(14,843)	-	21,329
High needs funding	-	483,395	(483,395)	-	-	-
Pupil premium	-	248,881	(248,881)	-	-	-
Devolved formula capital	-	21,229	-	(21,229)	-	-
Rates relief	-	31,411	(31,411)	-	-	-
Other DFE/EFA Grants	-	36,665	(36,665)	-	-	-
Loan transferred from LA on conversion	(103,503)	-	-	4,210	-	(99,293)
Health and Wellbeing Project	-	3,750	(3,750)	-	-	-
School Games Organiser	-	24,618	(24,618)	-	-	-
PGCE Income	-	21,927	(21,927)	-	-	-
MAT Income	-	65,375	(31,826)	-	-	33,549
Other restricted income	-	80,155	(80,155)	-	-	-
Pension reserve	(1,015,000)	-	(46,000)	-	(801,000)	(1,862,000)
	<u>(1,055,317)</u>	<u>6,124,123</u>	<u>(6,142,359)</u>	<u>(31,862)</u>	<u>(801,000)</u>	<u>(1,906,415)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

19. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Fixed assets transferred on conversion	11,165,877	-	(459,571)	-	-	10,706,306
Fixed assets purchased from GAG and devolved formula capital	127,238	-	(5,655)	31,862	-	153,445
	<u>11,293,115</u>	<u>-</u>	<u>(465,226)</u>	<u>31,862</u>	<u>-</u>	<u>10,859,751</u>
Total restricted funds	<u>10,237,798</u>	<u>6,124,123</u>	<u>(6,607,585)</u>	<u>-</u>	<u>(801,000)</u>	<u>8,953,336</u>
Total of funds	<u>10,595,654</u>	<u>6,279,889</u>	<u>(6,662,172)</u>	<u>-</u>	<u>(801,000)</u>	<u>9,412,371</u>

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

RESTRICTED FUNDS

The General Annual Grant (GAG) represents funding received from the EFA during the period in order to fund the continuing activities of the school.

Higher Needs funding is funding received to support pupils with learning difficulties and other disabilities.

Pupil premium funding represents amounts received from the EFA to cater for disadvantaged pupils.

Rates relief and Insurance grants are received from the EFA to contribute towards the Academy's rates and insurance expenditure.

Other DFE/EFA grants include Y7 Catch up funding of £16,000, Summer School funding of £3,500 and Post 16 Bursary funding of £17,165.

The loan transferred from the LA on conversion consists of an Equal Pay Loan transferred from Swindon Borough Council. £99,293 of this loan is still outstanding at the year end.

The School Games Organiser income is jointly funded by the Department of Health and Sport England to increase participation, competition and progression for young people in sport.

The PGCE income is received for hosting Post Graduate trainee teachers during the period.

The MAT income has been received for the conversion of the Academy Trust into a Multi Academy Trust.

The General Annual Grant (GAG) represents funding received from the Education Funding Agency (EFA) during the year in order to fund the continuing activities of the school. During the year £14,843 (2015: £52,508) was transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG.

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NOTES TO THE FINANCIAL STATEMENTS
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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	76,012	-	10,859,751	10,935,763	11,380,238
Current assets	383,023	362,095	-	745,118	602,369
Creditors due within one year	-	(313,837)	-	(313,837)	(274,919)
Creditors due in more than one year	-	(92,673)	-	(92,673)	(97,034)
Pension scheme liability	-	(1,862,000)	-	(1,862,000)	(1,015,000)
	<u>459,035</u>	<u>(1,906,415)</u>	<u>10,859,751</u>	<u>9,412,371</u>	<u>10,595,654</u>

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

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(382,283)	(346,996)
Adjusted for:		
Depreciation charges	476,337	545,409
Interest received	(1,060)	(877)
Decrease in debtors	1,164	25,214
Increase/(decrease) in creditors	38,766	(22,537)
Defined benefit pension scheme cost less contributions payable	8,000	8,000
Defined benefit pension scheme finance cost	38,000	34,000
Net cash provided by operating activities	<u>178,924</u>	<u>242,213</u>

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	636,565	492,653
Total	<u>636,565</u>	<u>492,653</u>

23. AGENCY ARRANGEMENTS

The Academy distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ended 31 August 2016 the Academy received £17,165 (2015: £9,671) and disbursed £17,165 (2015: £9,671) from the fund.

24. PENSION COMMITMENTS

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

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FOR THE YEAR ENDED 31 AUGUST 2016**

24. PENSION COMMITMENTS (continued)

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £90,564 were payable to the schemes at 31 August 2016 (2015: £25,173) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £477,192 (2015: £380,603).

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

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

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24. PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £312,000 (2015: £294,000) of which employer's contributions totalled £258,000 (2015: £243,000) and employees' contributions totalled £54,000 (2015: £51,000). The agreed contribution rates for future years are 15.4% for employers and 5.5% to 7.5% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.00 %	3.70 %
Rate of increase in salaries	4.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.10 %	2.60 %

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

	2016	2015
Retiring today		
Males	22.3 years	22.3 years
Females	24.5 years	24.5 years
Retiring in 20 years		
Males	24.1 years	24.1 years
Females	26.9 years	26.9 years

The Academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	2,154,000	1,710,000
Bonds	449,000	361,000
Property	358,000	289,000
Cash	30,000	48,000
Total market value of assets	<u>2,991,000</u>	<u>2,408,000</u>

The amounts recognised in the Statement of financial activities are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(266,000)	(251,000)
Net interest cost	(38,000)	(34,000)
Total	<u>(304,000)</u>	<u>(285,000)</u>

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24. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening defined benefit obligation	3,423,000	3,049,000
Current service cost	266,000	251,000
Interest cost	132,000	117,000
Contributions by employees	54,000	51,000
Actuarial losses	1,015,000	21,000
Benefits paid	(37,000)	(66,000)
	<u>4,853,000</u>	<u>3,423,000</u>
Closing defined benefit obligation	<u>4,853,000</u>	<u>3,423,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	2,408,000	2,125,000
Interest income on plan assets	94,000	83,000
Actuarial gains and (losses)	214,000	(28,000)
Contributions by employer	258,000	243,000
Contributions by employees	54,000	51,000
Benefits paid	(37,000)	(66,000)
	<u>2,991,000</u>	<u>2,408,000</u>
Closing fair value of scheme assets	<u>2,991,000</u>	<u>2,408,000</u>

25. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
AMOUNTS PAYABLE:		
Within 1 year	22,460	9,839
Between 1 and 5 years	63,265	69,435
After more than 5 years	-	15,250
	<u>85,725</u>	<u>94,524</u>
Total	<u>85,725</u>	<u>94,524</u>

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26. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the board of Trustees being drawn from local public and private sector organisation, it is likely that transactions will take place with organisations in which a member of the board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

No related party transactions occurred during the year ended 31 August 2016.

27. POST BALANCE SHEET EVENTS

On 1 September 2016, The Park Academies Trust (formerly The Lydiard Park Academy) became a Multi Academy Trust.

28. CONTROLLING PARTY

The company is under the joint control of the Trustees. There is no ultimate controlling party.

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.

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30. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014 £	31 August 2015 £
Total funds under previous UK GAAP		10,991,650	10,595,654
Total funds reported under FRS 102		<u>10,991,650</u>	<u>10,595,654</u>

Reconciliation of net income/(expenditure)	Notes	31 August 2015 £
Net (expenditure) previously reported under UK GAAP		(304,996)
Interest cost on pension liability		<u>(42,000)</u>
Net movement in funds reported under FRS 102		<u>(346,996)</u>

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest, based on the net defined benefit liability, is recognised in income/expense. There has been no change to the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expenses by £42,000 and reduce the debit in other recognised gains and losses in the SoFA by an equivalent amount.