

Company Registration Number: 08146330 (England and Wales)



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

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

The Park Federation Academy Trust

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The Park Federation Academy Trust Reference and Administrative Details

Members	Linda Day	
	Peter Dollimore	
	Adrian Ingham	
	Kuldeep Lakhmana	
	Muralee Nair	
	Obaid Siddique	
Directors/Trustees	Dr Martin Young	Chief Executive Officer and Federation Principal
	Mr Muralee Nair	Chair of the Board
	Dr Adel Rouz	Oversight of Operations
	Mr Anoop Ghai	Oversight of Finance, Vice Chair
	Mrs Ravinder Chander	Chair of Cranford Park Academy Council (Resigned 31/08/2015)
	Mr Jon Reekie	Chair of James Elliman Academy Council (Resigned 04/05/2015)
	Mrs Margaret Inniss	Chair of Montem Academy Council
	Ms Dawn Tagg	Chair of Western House Academy (Resigned 15/10/2015)
	Mr Deepaman Prabhakar	Chair of Wood End Park Academy Council
	Mr Adrian Ingham	Chair of Lake Farm Park Academy Council (Appointed 01/09/2015)
	Ms Ranisha Dhamu	Chair of Cranford Park Academy Council (Appointed 01/09/2015)
Mr Jeetender Singh Bains	Chair of Western House Academy Council (Appointed 01/11/2015)	
Cranford Park Academy Council	Ravinder Chander	Chair and Parent Governor
	Sarah Evans	Academy Principal
	Ranisha Dhamu	Community Governor
	Tasneem Sattar	Parent Governor
	Mohammed Ali	Parent Governor
	Kevin Biggs	Community Governor
	Saeed Khan	Community Governor
	Deborah Coles	Staff Governor
	Peter Palmer	Staff Governor
	Kay Lathey	Clerk

The Park Federation Academy Trust Reference and Administrative Details (continued)

James Elliman Academy Council	Jon Reekie	Chair and Community Governor (Resigned 04/05/2015)
	Liz Herod	Academy Principal (Retired 30/08/2015)
	Rashid Arbi	Parent Governor
	Khalida Khan	Parent Governor
	Samir Damle	Parent Governor
	Yvette Sylvain	Parent Governor (Resigned 25/02/2015)
	Mandy Wilcox	Staff Governor
	Stephanie Weber	Staff Governor
	Sandie Hopkinson	Community Governor
	Adrian Patrick	Community Governor
	Kay Lathey	Clerk
Lake Farm Park Academy Council	Adrian Ingham	Chair and Community Governor
	Craig Horsman	Academy Principal
	Tarsem Chana	Parent Governor
	Daljeet Dokal - Sharma	Parent Governor
	Hemangini Bhatia	Parent Governor
	Carla Austin	Parent Governor
	Mandy Patel	Staff Governor
	Margaret O'Donovan	Staff Governor (Resigned 04/06/2015)
	Dr Husein Salem	Community Governor
		Kay Lathey
Montem Academy Council	Margaret Inniss	Chair and Community Governor
	Ann Probert	Academy Principal
	Shuhab Hamid	Community Governor
	Zaheer Abbas	Parent Governor
	Malik Asad Ali Noon	Parent Governor
	Adam Martin	Parent Governor
	Jane Nicholls	Staff Governor (Resigned 01/10/2014)
	Lynda Bussley	Staff Governor
	Pauline Simon	Community Governor
		Kay Lathey

The Park Federation Academy Trust Reference and Administrative Details (continued)

Western House Academy Council	Dawn Tagg	Chair and Community Governor
	Surjeet Johra	Executive Principal (Resigned 31/03/2015)
	Helen Badcock	Principal (Appointed 01/04/2015)
	Suki Ranu	Parent Governor
	Jeetinder Bains	Parent Governor
	Anjali Singhal	Parent Governor
	Dawn Morris	Staff Governor
	Coral Snowdown	Staff Governor
	John Mules	Community Governor
	Kay Lathey	Clerk
Wood End Park Academy Council	Deepaman Prabhakar	Chair and Community Governor
	Surjeet Johra	Academy Principal Parent Governor (Resigned 20/01/2015)
	Paul Carpenter	Parent Governor
	Rick Wilms	Parent Governor
	Maryama Warsama	Parent Governor
	Zainab Hersi	Parent Governor
	Karen Bridges	Staff Governor
	Avril Littlechild	Staff Governor
	Yasmin Noor	Community Governor
	Anne Helm	Community Governor
Executive Management Team	Kay Lathey	Clerk
	Dr. Martin Young	Chief Executive Officer and Federation Principal
	Mr Jas Sohal	Chief Operating Officer
	Mrs Sarah Evans	Academy Principal
	Mr Craig Horsman	Academy Principal
	Ms Surjeet Johra	Academy Principal
	Mrs Ann Probert	Academy Principal
	Mrs Liz Herod	Academy Principal
	Mrs Helen Badcock	Academy Principal

The Park Federation Academy Trust Reference and Administrative Details (continued)

Registered Office
Cranford Park Academy
Phelps Way
Hayes
Middlesex
UB3 4LQ

Company registered number 08146330

Accounting Officer Dr. Martin Young

Company Secretary Mr Jasjit Sohal

Independent Auditor
Kingston Smith LLP
Middlesex House
800 Uxbridge Road
Hayes, Middlesex
UB4 0RS

Bankers
Lloyds Bank
21-22 High St
Uxbridge, Middlesex

Actuary
Hyman Robertson LLP
One London Wall
London
EC2Y 5EA

Barnett Waddingham LLP
Cheapside House
138 Cheapside
London
EC2V 6BW

Solicitor
Browne Jacobson LLP
3 Piccadilly Place
Manchester
N1 3BN

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

The Park Federation Academy Trust Trustees' Report

The Directors present their annual report together with the financial statements and auditor's reports of the charitable company for the year 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, Governance and Management

Constitution

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

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

Members' Liability

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

Trustees' Indemnities

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

Principal Activities

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

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

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

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

Employment Policy

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

The Park Federation Academy Trust Trustees' Report (continued)

Disabled Persons

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

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

Policies and Procedures Adopted for the Induction and Training of Trustees

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

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

Organisational Structure

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

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

- Members
- Board of Directors / Trustees
- Academy Councils

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

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

The Board of Directors are responsible for setting strategic policy, adopting an annual plan and budget, monitoring the Trust's performance by use of budgets and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments (e.g. Chief Executive Officer, Chief Operating Officer and Principals).

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

The Park Federation Academy Trust Trustees' Report (continued)

Objectives and Activities

Objects and Aims

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

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

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

Our Vision:

The Park Federation is here to serve the whole community and wants all children to enjoy and benefit from a first-class education. Our academies are safe, happy and creative places where excellent behaviour, hard work and ambitious academic standards are prized and nurtured. Every family is welcome, respected and encouraged to play an active part in their children's learning. All children have opportunities to grow in self-belief, express their individuality, and develop the confidence to take the next step in life and their next step in learning. We aim to be a springboard to success!

Our ethos is

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

Objectives, Strategies and Activities

The main objectives of the Academy during the period ended 31st August 2015 are summarised below

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

Public Benefit

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

The Park Federation Academy Trust Trustees' Report (continued)

Strategic Report

Achievements and Performance

Overview and key performance indicators

Three of the Trust's academies have Ofsted inspection gradings and three are deemed new academies that have not had their first inspections. Its three academies with Ofsted grades are all graded "Good".

Cranford Park Academy was a founder academy in the Trust when the Trust was created on 1st September 2012. It is graded "Good".

Wood End Park Academy was a founder academy in the Trust when the Trust was created on 1st September 2012. It is graded "Good".

James Elliman Academy joined the Trust on 1st April 2013. In January 2015 it was graded "Good".

Montem Academy in Slough joined the Trust on 1st December 2013. There has been a demonstrable improvement in attainment at the end of Key Stage One and Key Stage Two in 2014/15.

Western House Academy joined the Trust on 1st August 2014. It is a three-form-entry primary academy with a Nursery. Significant improvements have been made in end of Key Stage Two results in 2014/15.

Lake Farm Park Academy joined the Trust on 1st September 2014. It is a brand new three-form-entry primary academy in Hayes with a Nursery and a special resource provision for children with Autism. In the first year of operation (2014/15) it only had children in its Nursery and Reception classes. In 2015/16 it will have classes in Nursery, Reception and Year One.

Pupil Premium

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

Pupil Premium Allocation

Cranford Park Academy	£364,820
James Elliman Academy	£217,336
Lake Farm Park Academy	£15,417
Montem Academy	£340,859
Wood End Park Academy	£435,804
Western House Academy	£153,604
Trust Total	£1,527,840

Going Concern

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

The Park Federation Academy Trust

Trustees' Report (continued)

Financial Review

The majority of the Trust's Income is obtained from the Department for Education in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2015 and the associated expenditure are shown as restricted funds (non-fixed assets) in the statement of financial activities.

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

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

The Trust held total fund balances at 31 August 2015 of £51,008,000 comprising of an unrestricted fund of £2,690,000, restricted fixed asset funds of £53,021,000, restricted general funds of £362,000 and a pension reserve deficit of £5,065,000.

During the year ended 31 August 2015, total expenditure of £21,700,000 was met by recurrent grant funding from the DfE and other government bodies together with other incoming resources. Total incoming resources for the year of £25,541,000 included gifted assets from the London Borough of Hillingdon of £3,662,000.

The excess of income over expenditure for the year was £3,723,000.

Financial and risk management objectives and policies

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

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

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

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

The combined deficit in the Local Government Pension Scheme (LGPS) is recognised on the balance sheet in accordance with FRS17. At 31st August 2015 the deficit stood at £5,065,000. The existence of the pension scheme deficit does not mean an immediate liability crystallises and is addressed over a series of years through pension contributions recommended by the pension scheme actuaries during subsequent valuations of the scheme.

The Park Federation Academy Trust

Trustees' Report (continued)

Reserves Policy

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

There is currently a deficit on the reserve for the Local Government Pension Scheme. The Trust is paying contributions at the rate recommended by the actuary and payments in respect of the deficit will occur over a number of years.

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

Investment Policy

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

Principal Risks and Uncertainties

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

The Trust has an effective system of internal financial controls.

Finance Risk

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

Reputation Risk

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

Staffing Risk

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

Asset Risk

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

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

The Park Federation Academy Trust Trustees' Report (continued)

Plans for the Future

Key Performance Indicators for 2015/16:

- Match national attainment for the children in Trust academies at the end of Key Stage One and Two;
- Better than expected progress by children in Trust academies;
- Further improvement in the percentage of children across the Trust achieving the required standard in the Year 1 Phonics Check;
- Further improvement in the standards achieved by children at the end of the Early Years;
- Any academy inspected by Ofsted during the academic year 2015/16 graded at least "good"; Pupil attendance at least 95% in each Trust academy.

Trust Expansion:

There are no plans for further Trust expansion in 2015/16.

Auditor

In so far as the Directors are aware:

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

The auditors, Kingston Smith LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 5 December 2015 and signed on the board's behalf by:



Mr Muralee Nair

Chair of Directors

05th December 2015

The Park Federation Academy Trust

Governance Statement

Scope of responsibility

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

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

Governance

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

Directors/Trustees attendance at Board meetings:	Meetings attended	Out of a possible
Mr M Nair Chair	7	7
Dr M Young CEO	7	7
Dr A Rouz	6	7
Mr A Ghai	5	7
Mrs R Chander	5	7
Mr D Prabhakar	6	7
Mrs D Tagg	6	7
Mrs Margaret Inniss	6	7

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

Finance Committee attendance during the year:

Directors	Meetings attended	Out of a possible
Dr M Young CEO	4	4
Dr A Rouz Chair	4	4
Mr A Ghai Vice Chair	4	4
Mr D Prabhakar	4	4
Mrs D Tagg	3	4

The Park Federation Academy Trust

Governance Statement (continued)

Review of Value for Money

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

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

Improving Educational Results:

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

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

- Implementation of special provision for pupils who attract Pupil Premium funding and at risk of underachieving.
- Recruitment of teaching resources responsible for the development of high quality sport and PE.
- Recruitment of specialist music teachers to effectively support the needs of all children.
- Implementing initiatives to ensure pupils' learning is sometimes child led and initiated, while at other times it is teacher-directed and is challenging enough to meet individual needs, including high attaining pupils.
- Setting up a variety of extra curricular opportunities for all groups of children.
- Specialised professional development for Newly Qualified Teachers.
- Key initiatives to accelerate the progress of all groups of children, with a focus on Reading, Writing and Mathematics, to ensure the Trust is prepared for the continued implementation of the new curriculum, including new ways of assessing pupil progress.
- Developing the assessment, tracking and monitoring processes to ensure data is used to inform planning, target interventions and support differentiation, including regular internal and Senior Leadership Team meetings to review progress and impact of interventions for different groups of pupils, supported by regular, focused and robust Pupil Progress Meetings.
- Refining Teacher Performance Management processes for effective monitoring of performance – including performance-related pay for teachers - aligned to priorities and professional development areas.
- We compare data through Raiseonline, quality of teaching and learning, and levels of expenditure for particular areas.

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

Financial Governance and Oversight:

Our governance arrangements include regular monitoring by the Board of Directors and its committees, including the Finance and Operations Committee and the Audit Committee. They receive regular financial reports and ask relevant questions as evidenced in the minutes. There are a number of finance and operations specialists on the Board of Directors.

The work of these committees is further informed by regular Responsible Officer reports, with the Chair of the Audit Committee supported by an independent finance consultant.

The Park Federation Academy Trust

Governance Statement (continued)

Better Purchasing:

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

- Exploring alternative purchasing options both online and direct through suppliers to find the best value.
- Working across the academies to identify products and services that can be procured in order to drive down cost and/or negotiate favourable rates e.g. assessment data systems, maintenance and Health and Safety contracts
- Implementing a tender process for significant purchases and/or contracts, for example new IT servers and construction work.
- The Chief Operating Officer and his team have been influential in driving down costs through better procurement and negotiation throughout 2014/15 including, property management and school insurances. These are areas they will continue to focus on in 2015/16.

All contracts are reviewed on an annual basis to ensure they are fit for purpose and best value. For example grounds maintenance, and property maintenance such as life safety system contracts.

Better Income Generation:

Examples of steps to maximize income include:

Supporting other schools outside the Trust by providing consultancy services.

Reviewing any letting opportunities.

Reviewing Controls and Managing Risks:

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

The Finance and Operations Committee meets and reviews budgets, income and expenditure and cash flow forecasts.

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

Lessons Learned:

Whenever a resignation is accepted, an analysis is done to determine whether or not to replace. This resulted in staff leaving at various points throughout the year and not being replaced until the following September. Not all curriculum money is distributed according to a formula; the Principals can support Departments to access additional funding through a review process. This aligns spending to strategic need.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

The Park Federation Academy Trust

Governance Statement (continued)

Capacity to handle risk

The Board of Directors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

The risk and control framework

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

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

Mr Jon Reekie was appointed Responsible Officer and was supported by an independent finance consultant to ensure compliance with published guidance. This role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems on a quarterly basis. A report is produced which is presented to the Board of Directors on the operation of the systems of control and on the discharge of the Directors' financial responsibilities.

Review of effectiveness

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

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

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

Approved by order of the members of the Board of Directors on 5th December 2015 and signed on its behalf by:



Mr Muralee Nair

Chair of Board of Directors
5th December 2015



Dr. Martin Young

Accounting Officer
5th December 2015

The Park Federation Academy Trust Statement on Regularity, Propriety and Compliance

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

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

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

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

Dr. Martin Young

Accounting Officer

A handwritten signature in black ink, appearing to read 'M. Young', is written over a faint, light-colored circular stamp or watermark.

5th December 2015.

The Park Federation Academy Trust Statement of Directors' Responsibilities

The Directors (who act as governors of The Park Federation Academy Trust and are also the trustees of the charitable company for the purposes of charity law) are responsible for preparing the Directors' 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 Directors to prepare financial statements for each financial year. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

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

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

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

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

Approved by order of the members of the Board of Directors on 5th December 2015 and signed on its behalf by:



Muralee Nair
Director
5th December 2015

The Park Federation Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of The Park Federation Academy Trust

We have audited the financial statements of The Park Federation Academy Trust for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

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

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

Scope of the audit of the financial statements

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 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.
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA

Opinion on other matter prescribed by the Companies Act 2006

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

The Park Federation Academy Trust

Independent Auditor's Report on the Financial Statements to the members of The Park Federation Academy Trust (continued)

Matters on which we are required to report by exception

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

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

Date: 9 December 2015

Kingston Smith LLP

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

Middlesex House
800 Uxbridge Road
Hayes
Middlesex
UB4 0RS

The Park Federation Academy Trust

Independent Reporting Accountant's Report on Regularity to The Park Federation Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 6 October 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Park Federation Academy Trust during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of The Park Federation Academy Trust's funding agreement with the Secretary of State for Education dated 31 August 2012 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 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 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Enquiry
- Inspection and review
- Observation and reperformance

The Park Federation Academy Trust

Independent Reporting Accountant's Report on Regularity to The Park Federation Academy Trust and the Education Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Kingston Smith LLP

Date: 9 December 2015

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

Middlesex House
800 Uxbridge Road
Hayes
Middlesex
UB4 0RS

The Park Federation Academy Trust

Statement of Financial Activities

For the year ended 31 August 2015

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

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2015 £000	Total 2014 restated £000
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	41	(40)	3,662	3,663	3,928
Voluntary income - transfer from Local Authority on conversion		-	-	-	-	13,832
Activities for generating funds	3	168	-	-	168	267
Investment income	4	4	-	-	4	3
<i>Incoming resources from charitable activities:</i>						
Funding for the academy trust's educational operations	5	30	20,992	684	21,706	15,888
Total incoming resources		243	20,952	4,346	25,541	33,918
Resources expended						
<i>Cost of generating funds:</i>						
Costs of generating voluntary income		21	-	-	21	11
Fundraising trading		-	-	-	-	-
<i>Charitable activities:</i>						
Academy trust educational operations	7	239	20,474	910	21,623	15,065
Governance costs	8	-	56	-	56	122
Total resources expended	6	260	20,530	910	21,700	15,198
Net incoming / (outgoing) resources before transfers		(17)	422	3,436	3,841	18,720
Gross transfers between funds	17	-	(812)	812	-	-
Net income/(expenditure) for the year		(17)	(390)	4,248	3,841	18,720
Other recognised gains and losses						
Actuarial losses on defined benefit pension schemes	25	-	(118)	-	(118)	(334)
Net movement in funds		(17)	(508)	4,248	3,723	18,386
Reconciliation of funds						
Total funds brought forward at 1 September 2014	17	2,707	(4,195)	48,773	47,285	28,899
Total funds carried forward at 31 August 2015	17	2,690	(4,703)	53,021	51,008	47,285

All of the academy trust's activities derive from continuing operations during the above two financial periods.

The notes on pages 25 to 41 form part of these accounts.

The Park Federation Academy Trust

Balance Sheet
As at 31 August 2015

	Notes	2015 £000	2015 £000	2014 restated £000	2014 restated £000
Fixed assets					
Tangible assets	13		52,693		48,773
Current assets					
Stock	14			2	
Debtors	15	780		592	
Cash at bank and in hand		3,733		3,838	
		4,513		4,432	
Liabilities					
Creditors: amounts falling due within one year	16	(1,133)		(1,387)	
Net current assets			3,380		3,045
Total assets less current liabilities			56,073		51,818
Pension scheme liability	25		(5,065)		(4,533)
Net assets including pension liability			51,008		47,285
Funds of the academy trust:					
Restricted income funds					
Fixed asset fund	17	53,021		48,773	
General fund	17	362		338	
Pension reserve	17	(5,065)		(4,533)	
Total restricted funds			48,318		44,578
Unrestricted income funds					
General fund	17	2,690		2,707	
Total unrestricted funds			2,690		2,707
Total funds			51,008		47,285

The financial statements on pages 22 to 41 were approved by the trustees, and authorised for issue on 5 December 2015 and are signed on their behalf by:



Mr Muralee Nair

Chair of Board of Directors

Company registration no: 08146330 (England & Wales)

The Park Federation Academy Trust

Cash Flow Statement
For the year ended 31 August 2015

	Notes	2015 £000	2014 £000
Net cash inflow from operating activities	20	335	2,086
Returns on investments and servicing of finance	21	4	3
Capital expenditure	22	(484)	(777)
Cash transferred on conversion to an academy trust		40	894
Increase in cash in the year	23	(105)	2,206
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2014		3,838	1,632
Net funds at 31 August 2015		3,733	3,838

The Park Federation Academy Trust

Notes to the Financial Statements
For the year ended 31 August 2015

1 Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming Resources

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

Grants Receivable

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

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

Sponsorship Income

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

Donations

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

Other Income

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

Donated Services and Gifts in Kind

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

The Park Federation Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2015

1 Statement of Accounting Policies (continued)

Resources Expended

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

Costs of Generating Funds

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

Charitable Activities

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

Governance Costs

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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

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

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

Long leasehold buildings including improvements	5 years - 50 years
Fixtures, fittings and equipment	5 years - 25 years
Computer equipment	3 years - 5 years

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

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

The Park Federation Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2015

1 Statement of Accounting Policies (continued)

Leased Assets

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

Stock

Catering stocks are valued at the lower of cost or net realisable value.

Taxation

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

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 24, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS' are funded schemes and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency and local authorities where the asset acquired or created is held for a specific purpose.

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

The Park Federation Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2015

2 Voluntary Income

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2015 £000	Total 2014 £000
Donations	41	-	-	41	18
Gifted assets	-	(40)	3,662	3,622	3,910
	<u>41</u>	<u>(40)</u>	<u>3,662</u>	<u>3,663</u>	<u>3,928</u>

3 Activities for Generating Funds

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2015 £000	Total 2014 £000
Hire of facilities	65	-	-	65	60
Consultancy income	2	-	-	2	91
Uniform sales	15	-	-	15	9
Other income	86	-	-	86	107
	<u>168</u>	<u>-</u>	<u>-</u>	<u>168</u>	<u>267</u>

4 Investment Income

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2015 £000	Total 2014 £000
Interest received	4	-	-	4	3
	<u>4</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>3</u>

5 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2015 £000	Total 2014 £000
DfE / EFA grants					
General Annual Grant (GAG)	-	16,430	-	16,430	12,886
Start Up Grants	-	-	-	-	115
Capital Grants	-	-	446	446	133
Other DfE/EFA grants	-	2,015	-	2,015	1,118
	<u>-</u>	<u>18,445</u>	<u>446</u>	<u>18,891</u>	<u>14,252</u>
Other Government grants					
Local authority grants	-	2,052	-	2,052	1,052
Special educational projects	-	335	-	335	275
Capital Grants	-	-	238	238	141
	<u>-</u>	<u>2,387</u>	<u>238</u>	<u>2,625</u>	<u>1,468</u>
Other income					
Non-government	30	160	-	190	168
	<u>30</u>	<u>160</u>	<u>-</u>	<u>190</u>	<u>168</u>
	<u>30</u>	<u>20,992</u>	<u>684</u>	<u>21,706</u>	<u>15,888</u>

The Park Federation Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2015

6 Resources Expended

	Staff Costs £000	Non Pay Premises Expenditure £000	Other £000	Total 2015 £000	Total 2014 £000
Costs of generating voluntary income	-	-	21	21	11
Costs of activities for generating funds	-	-	-	-	-
Academy's educational operations					
Direct costs	14,259	-	1,591	15,850	11,270
Allocated support costs	2,495	1,418	1,860	5,773	3,793
	<u>16,754</u>	<u>1,418</u>	<u>3,451</u>	<u>21,623</u>	<u>15,063</u>
Governance costs including allocated support costs	-	-	56	56	122
	<u>16,754</u>	<u>1,418</u>	<u>3,528</u>	<u>21,700</u>	<u>15,196</u>

Incoming resources for the year include:

	2015 £000	2014 £000
Operating leases:		
Other leases	2	-
Depreciation	910	437
Fees payable to auditor:		
Audit	12	15
EFA audit	6	28
Accountancy	3	8
Taxation Services	1	-
Responsible Officer services	4	2
Teachers Pension Scheme audit	4	3
Advisory services	1	6

7 Charitable Activities

	Total 2015 £000	Total 2014 £000
Direct costs - educational operations		
Teaching and educational support staff costs	14,259	10,230
Technology costs	203	73
Educational supplies	853	582
Educational consultancy	373	268
Staff development	83	37
Staff related insurance	79	80
	<u>15,850</u>	<u>11,270</u>
Support costs - educational operations		
Support staff costs	2,495	1,672
Indirect employee expenses		
Depreciation	910	437
Technology costs	20	88
Recruitment and support	55	29
Maintenance of premises and equipment	395	373
Cleaning	136	106
Rent & rates	113	35
Energy costs	263	165
Insurance	101	84
Security and transport	20	40
Catering	599	252
Pension finance cost	116	134
Other support costs	550	378
	<u>5,773</u>	<u>3,793</u>
Total direct and support costs	<u>21,623</u>	<u>15,063</u>

The Park Federation Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2015

8 Governance Costs

	Total 2015 £000	Total 2014 £000
Legal and professional fees	25	60
Auditor's remuneration		
Audit of financial statements	12	15
Other audit costs	6	28
Accountancy	3	8
Taxation Services	1	-
Responsible Officer services	4	2
Teachers Pension Scheme audit	4	3
Advisory services	1	6
	<u>56</u>	<u>122</u>

9 Staff

a. Staff costs

Staff costs during the period were:

	2015 £000	2014 £000
Wages and salaries	12,807	9,407
Social security costs	827	613
Pension costs	2,114	1,381
	<u>15,748</u>	<u>11,401</u>
Supply staff costs	996	493
Compensation payments	10	8
	<u>16,754</u>	<u>11,902</u>

b. Staff severance payments

Included in staff costs is an individual non-statutory/non-contractual severance payment totalling £9,650 (2014: £8,229).

c. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Charitable Activities		
Teachers	186	161
Administration and support	273	251
Management	31	24
	<u>490</u>	<u>436</u>

d. Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2015 No.	2014 No.
£60,001 - £70,000	3	3
£70,001 - £80,000	2	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
	<u>6</u>	<u>4</u>

All 6 (2014: 4) of the above employees participated in the Teachers' Pension Scheme.

The Park Federation Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2015

10 Central Services

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

management services;
financial services;
legal services;
computer support

The trust charges for these services on the following basis:

3.25% of school budget share GAG income and Local Authority grants

The actual amounts charged during the year were as follows:

	2015 £000
Cranford Park Academy	127
Wood End Park Academy	139
James Elliman Academy	96
Montem Academy	123
Lake Farm Academy	25
Western House Academy	83
	<u>593</u>

11 Related Party Transactions - Trustees' Remuneration & Expenses

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 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:

Dr Martin Young (Trustee)

Remuneration £145,000 - £150,000 (2014: £135,000 - £140,000)

Employer's pension contributions £20,000 - £25,000 (2014: £15,000 - £20,000)

No trustees claimed reimbursed expenses for their role as trustees.

12 Trustees' and Officers' Insurance

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

The cost for the prior year ended 31 August 2014 was £406. The cost of this insurance was included in the total insurance cost.

13 Tangible Fixed Assets

	Long Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Equipment £000	Assets under Construction £000	Total £000
Cost					
At 1 September 2014 (restated)	47,619	1,456	361	-	49,436
Gifted assets	3,662	-	-	-	3,662
Additions	610	299	250	9	1,168
At 31 August 2015	<u>51,891</u>	<u>1,755</u>	<u>611</u>	<u>9</u>	<u>54,266</u>
Depreciation					
At 1 September 2014 (restated)	553	61	49	-	663
Charged in year	593	165	152	-	910
At 31 August 2015	<u>1,146</u>	<u>226</u>	<u>201</u>	<u>-</u>	<u>1,573</u>
Net book values					
At 31 August 2015	<u>50,745</u>	<u>1,529</u>	<u>410</u>	<u>9</u>	<u>52,693</u>
At 31 August 2014 (restated)	<u>47,066</u>	<u>1,395</u>	<u>312</u>	<u>-</u>	<u>48,773</u>

The land and buildings occupied by Lake Farm Primary School were assigned to the academy trust under 125 year leases. Land and buildings totalling £3,662k were recognised as gifted assets per valuation report dated 21 July 2015 prepared by The Education Funding Agency.

The land and buildings occupied by Western House Primary School were restated to £1,092,000 and £6,117,000 respectively per valuation report dated 21 July 2015 prepared by The Education Funding Agency.

The Park Federation Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2015

14 Stock	2015 £000	2014 £000
Catering	-	2
	<u>-</u>	<u>2</u>
15 Debtors	2015 £000	2014 £000
Trade debtors	34	50
VAT recoverable	202	243
Other debtors	7	38
Prepayments and accrued income	537	261
	<u>780</u>	<u>592</u>
16 Creditors: Amounts falling due within one year	2015 £000	2014 £000
Trade creditors	356	516
Taxation and social security	255	214
Other creditors	96	98
Accruals and deferred income	426	559
	<u>1,133</u>	<u>1,387</u>
Deferred income		2015 £000
Deferred income at 1 September 2014		353
Resources deferred in the year		313
Amounts released from previous years		(353)
Deferred income at 31 August 2015		<u>313</u>

Deferred income held at 31 August 2015 represent amounts received in the period for use in future periods. £260k of this represents Universal Infant Free School Meals (UIFSM) income received from the EFA for use next year.

The Park Federation Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2015

17 Funds	Restated Balance at 1 September 2014 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses & Transfers £000	Balance at 31 August 2015 £000
Restricted general funds					
General Annual Grant (GAG)	338	16,430	(14,750)	(1,656)	362
Start Up Grant	-	-	-	-	-
Other DfE/EFA grants	-	2,015	(2,015)	-	-
Other restricted funds	-	2,547	(2,547)	-	-
Pension reserve	(4,533)	(40)	(1,218)	726	(5,065)
	<u>(4,195)</u>	<u>20,952</u>	<u>(20,530)</u>	<u>(930)</u>	<u>(4,703)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	-	684	-	(356)	328
Capital expenditure from capital grants	298	-	-	356	654
Capital expenditure from GAG	904	-	-	812	1,716
Gifted assets	3,910	3,662	-	-	7,572
Transfer from Local Authority on conversion	43,661	-	(910)	-	42,751
	<u>48,773</u>	<u>4,346</u>	<u>(910)</u>	<u>812</u>	<u>53,021</u>
Total restricted funds	<u>44,578</u>	<u>25,298</u>	<u>(21,440)</u>	<u>(118)</u>	<u>48,318</u>
Unrestricted funds					
Unrestricted funds	2,707	243	(260)	-	2,690
Total unrestricted funds	<u>2,707</u>	<u>243</u>	<u>(260)</u>	<u>-</u>	<u>2,690</u>
Total funds	<u>47,285</u>	<u>25,541</u>	<u>(21,700)</u>	<u>(118)</u>	<u>51,008</u>

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

General annual grant

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

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

Start Up Grant

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

Other DfE/EFA grants

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

Other restricted funds

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

Pension reserve

This represents the negative reserve in respect of the liability on the LGPS defined benefit pension scheme.

Fixed asset fund

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

Transfers between funds

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

Transfers from the General Annual Grant Fund to the pension reserve relate to the LGPS defined benefit pension scheme liability payments made from these funds.

The Park Federation Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2015

17 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £000
Cranford Park Academy	587
Wood End Park	603
James Elliman Academy	362
Montem Academy	745
Western House Academy	490
Lake Farm Academy	72
Central services	193
Total before fixed assets and pension reserve	3,052
Restricted fixed asset fund	53,021
Pension reserve	(5,065)
Total	51,008

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding depreciation) £000	Total £000
Cranford Park Academy	3,186	382	155	584	4,307
Wood End Park	3,549	435	237	774	4,995
James Elliman Academy	2,328	459	122	480	3,389
Montem Academy	2,563	528	180	583	3,854
Western House Academy	1,959	302	110	426	2,797
Lake Farm Academy	475	187	48	217	927
Central services	199	202	1	119	521
Academy Trust	14,259	2,495	853	3,183	20,790

18 Financial Commitments

Operating leases

At 31 August 2015 the academy had annual commitments under non-cancellable operating leases as follows:

	2015 £000	2014 £000
Other		
Expiring within one year	-	-
Expiring within two and five years inclusive	5	-
Expiring in over five years	-	-
	5	-

19 Analysis of Net Assets between Funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	52,693	52,693
Current assets	3,823	362	328	4,513
Current liabilities	(1,133)	-	-	(1,133)
Pension scheme liability	-	(5,065)	-	(5,065)
Total net assets	2,690	(4,703)	53,021	51,008

The Park Federation Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2015

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

	2015 £000	2014 £000	
Net income	3,841	16,977	
Depreciation (note 13)	910	437	
Capital grants from DfE and other capital income	(684)	(274)	
Interest receivable (note 4)	(4)	(3)	
FRS 17 pension cost less contributions payable (note 24)	258	59	
FRS 17 pension finance income (note 24)	116	134	
Cash transferred on conversion to an academy trust	-	(894)	
Assets transferred on conversion (note 13)	-	(12,565)	
Gifted assets (note 13)	(3,662)	(3,910)	
Liabilities transferred on conversion	-	1,335	
(Increase)/decrease in stock	2	(2)	
(Increase)/decrease in debtors	(188)	(235)	
Increase/(decrease) in creditors	(254)	1,027	
Net Cash Inflow from Operating Activities	335	2,086	
21 Returns on Investments and Servicing of Finance			
Interest received	4	3	
Net cash inflow from returns on investment and servicing of finance	4	3	
22 Capital Expenditure and Financial Investment			
Purchase of tangible fixed assets	1,168	1,051	
Capital grants from DfE/EFA	(684)	(274)	
Net cash outflow from capital expenditure and financial investment	484	777	
23 Analysis of Changes in Net Funds			
	As at 1 September 2014 £000	Cash flows £000	As at 31 August 2015 £000
Cash in hand and at bank	3,838	(105)	3,733
	3,838	(105)	3,733

The Park Federation Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2015

24 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.

25 Pension and Similar Obligations

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

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of both LGPS's 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

The 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.

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

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

The Park Federation Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2015

25 Pension and Similar Obligations (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme

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 for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015. A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Teachers' Pension Scheme Changes

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

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

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

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

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

Local Government Pension Schemes

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

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

The Park Federation Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2015

25 Pension and Similar Obligations (continued)

Local Government Pension Schemes (continued)

<i>Principal Actuarial Assumptions</i>	London Borough of Hillingdon At 31 August 2015	Royal County of Berkshire At 31 August 2015	London Borough of Hillingdon At 31 August 2014	Royal County of Berkshire At 31 August 2014
	*	*		
Rate of increase in salaries	3.53%	4.47%	3.40%	4.50%
Rate of increase for pensions in payment/inflation	2.63%	2.67%	2.60%	2.70%
Discount rate for scheme liabilities	3.73%	4.00%	3.70%	4.00%
Inflation assumption (CPI)	2.30%	2.67%	**	2.70%
RPI increases	3.20%	3.57%	**	**

* This has been calculated as an average

** This was not provided.

Sensitivity Analysis - London Borough of Hillingdon

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

	Approximate % increase to Employer Liability	Approximate monetary amount (£000)	Approximate % increase to Employer Liability ***	Approximate monetary amount (£000) ***
Change in assumptions at 31 August 2015;-				
0.5% decrease in Real Discount Rate	12.00%	613	22.00%	28
1 year increase in member life expectancy	3.00%	149	3.00%	4
0.5% increase in the Salary Increase Rate	6.00%	292	16.00%	20
0.5% increase in the Pension Increase Rate	6.00%	304	5.00%	7

*** The amounts relating to the new school Lake Farm Park Academy have been disclosed separately

Sensitivity Analysis - Royal County of Berkshire

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

	Approximate monetary amount (£000)	Approximate monetary amount (£000)	Approximate monetary amount (£000)
Impact of change in assumptions at 31 August 2015;-			
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	4,049	4,147	4,241
Projected service cost	564	579	594
Adjustment to long term salary increase	0.0%	0.0%	0.0%
Present value of total obligation	4,178	4,147	4,116
Projected service cost	579	579	579
Adjustment to pension increases and deferred revaluation	0.0%	0.0%	0.0%
Present value of total obligation	4,217	4,147	4,079
Projected service cost	594	579	564
Adjustment to mortality age rating assumption	0.00%	0.00%	0.00%
Present value of total obligation	4,257	4,147	4,043
Projected service cost	594	579	565

The Park Federation Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2015

25 Pension and Similar Obligations (continued)

Local Government Pension Schemes (continued)

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

	London Borough of Hillingdon At 31 August 2015	Royal County of Berkshire At 31 August 2015	London Borough of Hillingdon At 31 August 2014	Royal County of Berkshire At 31 August 2014
<i>Retiring today</i>				
Males	22.7	22.8	22.7	22.7
Females	24.7	26.1	24.7	26.0
<i>Retiring in 20 years</i>				
Males	24.3	25.1	24.3	24.9
Females	26.9	28.4	26.9	28.3

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

	London Borough of Hillingdon		Royal County of Berkshire	
	Expected return at 31 August 2015 *	Fair value at 31 August 2015 £000	Expected return at 31 August 2015	Fair value at 31 August 2015 £000
Equities	3.73%	1,479	45.00%	741
Gilts		-	1.00%	21
Other bonds	3.73%	586	13.00%	207
Property	3.73%	332	14.00%	222
Cash	3.73%	153	5.00%	81
Target Return Portfolio		-	18.00%	295
Commodities		-	4.00%	64
Infrastructure		-	4.00%	69
Longevity Insurance		-	-4.00%	(64)
Total market value of assets		2,550		1,636
Present value of scheme liabilities				
Funded		(5,104)		(4,147)
Deficit in the scheme		(2,554)		(2,511)

* This has been calculated as an average

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

The actual return on scheme assets was £94,000 (2014: £224,000).

Amounts recognised in the statement of financial activities

	2015 £000	2014 £000
Current service cost (net of employee contributions)	(1,102)	(679)
Past service cost	-	(2)
Total operating charge	(1,102)	(681)

Analysis of pension finance income/(costs)

Expected return on pension scheme assets	202	124
Interest on pension liabilities	(318)	(258)
Pension finance costs	(116)	(134)

The Park Federation Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2015

25 Pension and Similar Obligations (continued)

Local Government Pension Schemes (Continued)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £118,000 loss (2014: £404,000 loss).

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

	2015 £000	2014 £000
At 1 September	7,621	4,205
Transferred on conversion	50	1,944
Current service cost	1,102	679
Interest cost	318	258
Employee contributions	229	157
Actuarial loss	10	473
Benefits paid	(79)	(97)
Past service cost	-	2
At 31 August	<u>9,251</u>	<u>7,621</u>

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

	2015 £000	2014 £000
At 1 September	3,088	1,534
Transferred on conversion	10	609
Expected return on assets	202	124
Actuarial gain	(108)	139
Employer contributions	844	622
Employee contributions	229	157
Benefits paid	(79)	(97)
At 31 August	<u>4,186</u>	<u>3,088</u>

The estimated value of employer contributions for the year ended 31 August 2016 is £733,000.

The five-year history of experience adjustments is as follows:

	2015 £000	2014 £000	2013 £000
Present value of defined benefit obligations	9,251	7,621	4,205
Fair value of share of scheme assets	(4,186)	(3,088)	(1,534)
Deficit in the scheme	<u>5,065</u>	<u>4,533</u>	<u>2,671</u>
Experience adjustments on share of scheme assets			
Amount £000	(180)	139	85
Experience adjustments on scheme liabilities:			
Amount £000	-	(229)	-

The Park Federation Academy Trust

Notes to the Financial Statements (continued)
For the year ended 31 August 2015

26 Related Party Transactions

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

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