

Company Registration No. 07689613 (England and Wales)

**PARK HIGH SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2018**

PARK HIGH SCHOOL

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PARK HIGH SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members

J Wise
E Lumley
P Thomas

Governors

J Wise (Chair)
E Lumley (Headteacher and Accounting Officer)
M Ashton
B Hirani
S Malone (Resigned 17 October 2017)
J Muir
N Patel
S Patel
T Patel
P Thomas (Vice Chair) (Resigned 20 July 2018)
S Methuen (Resigned 5 June 2018)
A Attfield (Resigned 4 June 2018)
S Guiheen
K Hogge
R Samuels (Appointed 9 January 2018)
J Woodgate (Appointed 27 March 2018)
H Perren (Appointed 6 July 2018)

Senior management team

- Headteacher	E Lumley
- Deputy Head	M Haldenby
- Deputy Head	C O'Dwyer
- Assistant Headteacher	S Barrett
- Assistant Headteacher	N Darby
- Assistant Headteacher	K Day - Haynes
- Assistant Headteacher	G Kassir
- Assistant Headteacher	J Lambert (retired 31 August 2018)
- Assistant Headteacher	M Hubbard
- Assistant Headteacher	K Wilkinson
- Business Manager	C Spence

Company registration number

07689613 (England and Wales)

Independent auditor

Alliotts
Friary Court
13-21 High Street
Guildford
Surrey
GU1 3DL

Solicitors

Legal Services
Harrow Council
Station Road
Harrow

PARK HIGH SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The Governors who act as Trustees for charity law purposes, present their annual report together with the financial statements and independent auditor's reports of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The academy trust operates an academy for pupils aged 11 to 18 serving a catchment area in the London Borough of Harrow. It has a pupil capacity of 1500 and had a roll of 1455 in the school census on 6th October 2017.

Structure, governance and management

Constitution

Park High School (the academy trust) was formed in 2011 as a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The members of the Board of Governors are the legal members of the charitable company. The Governors of Park High School are also the directors of the charitable company for the purposes of company law.

Details of the Governors who served during the year except as noted 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.

Governors' indemnities

In accordance with standard practice, the academy trust has purchased insurance to protect the Trustees, academy trust and Officers of the company from the claims arising from negligent acts, errors or omissions whilst on academy business. The cover under the policy is £5 million and in the period under review the policy premium was £815.

Method of recruitment and appointment or election of Governors

The academy trust looks to ensure a mix of skills and selects new governors on the basis of background, experience and specialist skills. Governors are recruited from academy contacts including parents and staff.

The academy trust looks to maintain Governors with a wide range of skills and experiences including the following:

- A member with a legal background.
- A member with a financial/accounting background.
- A member with education experience.
- A member with senior managerial or business experience.
- A member with estates experience.

It is likely that members will have expertise in more than one of these areas.

Policies and procedures adopted for the induction and training of Governors

Governors are provided with induction training and a wider programme of training events is organised according to needs.

PARK HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Organisational structure

The day-to-day administration is undertaken within the policies and procedures written by the Board of Governors and approved by the Governors, which provide for significant personnel and expenditure decisions and major capital projects to be referred to the Governors for prior approval. These policies and procedures are based on guidance from DfE.

The Governors meet at least 5 times a year and delegate responsibilities to a number of sub-committees, including Finance, Curriculum, Staff and Pupil committees. Each committee works under the guidance of a Trustee Governor, appointed at the first committee meeting of the academic year. Written terms of reference are reviewed once a year and the clerk to Governors co-ordinates the work of the Governors and committees.

Arrangements for setting pay and remuneration of key management personnel

'Key management personnel' include all Governors and the senior leadership team, which comprises E Lumley, M Haldenby, C O'Dwyer, S Barrett, N Darby, K Day-Haynes, M Hubbard, G Kassir, J Lambert (retired 31.08.18), K Wilkinson and C Spence.

The Headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the academy trust in respect of their role as Governors.

The Headteacher makes recommendations to the Governors' Pay Committee regarding the senior leadership team's remuneration, other than his own. The remuneration of the senior leadership team, including that of the Headteacher, is set by the Governors' Pay Committee.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	2
Full-time equivalent employee number	2.00

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	3,829
Total pay bill	7,657,905
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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PARK HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Related parties and other connected charities and organisations

The academy trust is one of seven member academies of The Harrow Academies Trust, which has been set up to provide alternative education provision in the London Borough of Harrow and has been approved by ESFA to open a 6 form entry secondary school (Pinner High School) and a 2 form entry primary school (Harrow View School).

The academy trust is one of seven member academies of The Jubilee Academy, which has been set up to provide alternative education provision in the London Borough of Harrow.

Objectives and activities

Objects and aims

The academy trust's objects, as set out in the Memorandum of Association, 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 the school offering a broad curriculum with a strong emphasis, but in no way limited to one or a combination of the specialisms specified in the funding agreements entered into between the Company and the Secretary of State for Education ("Secretary of State").

Within the objects, the academy trust aims to create an environment to nurture children, to get the best from them and to allow them to develop and fulfil their potential. We aim to provide students with a first class education and a wide range of opportunities. This is done in a way which is consistent with the ethos that every child will be valued, respected and cared for, and through a daily moral purpose to provide the best learning experience for all.

The objective is to provide education for students of all abilities between the ages of 11 and 18. All children who apply are admitted (up to the capacity of the academy trust), with no selection.

Consistent with other academies in the United Kingdom we aim to raise the educational outcomes from the levels inherited from the predecessor school, and to increase student numbers.

Objectives, strategies and activities

The objectives of the academy trust are to sustain and increase the pace of improvement so taking Park High School from 'Outstanding' to becoming a genuinely 'Great' school. The school's success will be based on us being:

- Challenging - That we continually innovate and believe that even excellence can be improved
- Consistent - That we are all outstanding with as little variation within school as possible
- Sustainable - That we inspire new leaders and enable them to keep developing the school

School Development Plan Priorities 2018-20: The school development plan identified four key whole school priorities for the sustained improvement of Park High School:

Priority 1 Improving Literacy and Communication

- All teachers at Park High School are teachers of literacy. Staff and students have high expectations of literacy, in both speaking and writing. Students are able to articulate their ideas and express them fluently and with confidence - both orally and in writing. Teachers will develop students' vocabulary alongside building cultural capital through modelling and a breadth of reading. All students will be taught to read.

Priority 2 "Every student a great learner, every teacher a great teacher"

- Raising achievement by improving the quality of teaching and learning and removing barriers to learning for those at risk of underachievement, including the most able and disadvantaged.
- Raising achievement by improving the quality of feedback and marking.
- Harnessing the work of the Canons Park Teaching School Alliance, and other partnerships, to further strengthen teaching, learning and leadership at all levels.

PARK HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Priority 3 Improving the wellbeing of all staff and students:

- Inclusivity and collaboration, challenging discrimination and bullying wherever it is found; and nurturing a sense of self development for all.
- Ensuring there is a culture of vigilance and high stakeholder awareness of the responsibility to protect and safeguard pupils.
- Making the environment safe for all and conducive to effective learning.
- Making more effective and safe use of digital media (including social media).
- Taking opportunities to develop the whole person.
- Park High Promise: Students are entitled to:
 - High quality advice regarding careers and future pathways;
 - A broad range of experiences beyond the classroom;
 - Opportunities to engage with the community within school and beyond.

Priority 4 Managing the resources of the school (staff, buildings, ICT and other infrastructure) at a time of decreasing budgets and increasing staff and other costs.

These priorities reflected the vision for Park High School to be:

- an outstanding and inclusive high performing school, in which every individual is valued & is given every opportunity to excel;
- a reflective centre of excellence, with strong leadership at every level;
- committed to forging local, national and global partnerships enrich opportunities, in order to help radically improve the life chances of our students, by ensuring all make progress to employment and make a positive contribution in school and beyond;
- developing learners to have an understanding & appreciation of our environment, diversity & their place in the global community;
- committed to our core values, namely that all students can achieve, succeed and thrive; valuing people, learning, diversity and partnerships - children come first.

Public benefit

In setting objectives and planning activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. The academy trust also makes its facilities available to the community outside of educational hours at reduced rates.

Strategic report

Achievements and performance

During the last 12-month period the academy educated approximately 1455 students between the ages of 11 and 19. Recruitment for Year 7 students remained high, with a waiting list for places for September 2017.

Park High School provided an outstanding standard of education and this was confirmed by the academic results at KS4, which were the highest ever and showed a continuing trend of improvement since 2008. In the past three years, only 3 students have not remained in education, employment or training.

The A Level pass rate in 2018 was at a high level with 68% of passes at grades A* to C and virtually all students have progressed to appropriate employment, training or higher education. There were some outstanding individual performances with 19% heading to Russell Group universities and 49% destined for Top 50 Universities.

The proportion of students gaining five higher grade Level 2 GCSE or equivalent passes was 80%. Sixteen subjects achieved a grade 9-4 pass rate above 75%.

The Academy aims to support young people in reaching their potential in all areas of school life. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or dance, with the aim of producing 'well rounded' individuals who are able to make a positive contribution to society.

Students have volunteered for community projects locally.

PARK HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Key performance indicators

The academy trust was rated 'Outstanding' in all categories by Ofsted who inspected in May 2013. This follows a similar judgement in 2009.

Park High School was awarded Teaching School status in March 2014, as part of a Teaching School Alliance with Canons High School, this will see Park High School join with wider strategic partners including the Specialist Schools and Academies Trust, NACE and The National Teacher Enquiry Network (NTEN). This will further develop the Academy's profile in a local, national and international context.

Park High School was awarded the Teachers Development Trust Network Silver Award on 29th March 2018, this provides an external assessment of the high quality training and professional development opportunities available for all staff at Park High School.

Going concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Board of Governors continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

A deficit of funds of £1,292,181 has been incurred before an actuarial gain in the pension deficit of £475,000. Net assets of £19,476,992 including cash funds of £1,847,378 were carried forward into 2018/19.

At 31 August 2018 cash funds of £1,847,378 were held in bank accounts for the academy trust. The bulk of these funds were held either in higher rate fixed term deposit accounts or in normal deposit accounts. All funds were held with Lloyds and Barclays bank. These funds have largely been accumulated through a significant brought forward surplus, sustainable budget setting and good financial control to ensure we are able to sustain improvements over a number of years.

Both financial and educational Key Performance Indicators are used to track progress against objectives, and to identify quickly any worrying trends. These KPIs include student numbers, staff costs as a % of income and FTE to budget, cash held and reporting on the strength of the balance sheet.

Reserves policy

The Board of Governors review the reserve level of the academy trust annually and having determined an appropriate level of free reserves (total funds less the amount held in tangible assets, restricted and designated funds), that represents the amounts deemed to be necessary to deal with unexpected emergencies, the Governors have assessed this as 4% of GAG income and currently it stands at £812,916.

The Governors are also aware of upcoming cost pressures in pension and national insurance contributions and the impact of the continuing reduction in student led funding due to the increase again in pupil numbers in 2018-19. They therefore regard the level of reserves held as reasonable.

In reviewing their reserves, the academy trust noted that the total at the year end of restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was £1,571,231.

PARK HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

We report an in year deficit budget, currently subsidised by reserves. This is not sustainable and following consultation with staff the following was agreed and implemented during 2017-18:

- Increase PAN to 270 from September 2018.
- No R&R top up payments to part time staff with teaching and learning responsibilities with effect from the start of the academic year 2017-18.
- TLR restructure to take effect from 1st January 2021 or earlier on shadow structure should the vacancy arise.
- Reduction in Senior Leadership Team from September 2018.
- Further reduction planned in Senior Leadership Team when vacancy arises.
- Remuneration of Senior Leadership Team in line with Group 7 School from 1st January 2021.
- Continue to review contracts annually.
- Best value for money sought in all aspects of procurement, using government frameworks where possible.
- Continue to work with the consortium of Harrow Academies when tendering for new contracts (cleaning & catering for example).
- Continue to review every vacancy as and when they arise, not necessarily like for like replacements. E.g. no newly appointed key support staff have 52 week contracts.

Investment policy

Our investment policy is zero risk based and funds will only be lodged with organisations with the highest possible credit rating. Fixed term deposits will only be taken out where we are sure the funds will not be required during the duration of the term.

Principal risks and uncertainties

The Board of Governors is responsible for the identification and management of the risks in their academy trust. A formal review of risks and the risk management processes was undertaken during the year and these will be reviewed annually going forward.

Through the risk management processes that have been formalised at the academy trust, the Governors are satisfied that the major risks identified will be adequately mitigated where necessary.

The key controls used by the Board of Governors include:

- formal agendas and minutes for all meetings of the governing body and committees;
- terms of reference for all committees;
- comprehensive strategic planning, financial forecasting, budgeting and management accounting;
- established and identifiable organisational structures and reporting lines;
- comprehensive formal written policies;
- clear authorisation limits;
- construction and regular review of risk registers;
- vetting procedures as required by law, for protection of the vulnerable.

In common with every academy in the country, funding is dependent on government policy; there is always risk that funding will be cut and the Governors have been prudent in the budgeting for the future. The brought forward surplus is viewed as providing protection against funding and student number fluctuations.

The deficit on the Local Government Pension Scheme decreased from £2,777,000 in 2016/17 to £2,536,000 in 2017/18 and there is continuing uncertainty in any final salary scheme of this type.

Fundraising

The Trust does not fundraise from the public nor does it work with commercial participators or professional fundraisers. Parental contributions are invited on a voluntary basis to contribute towards a range of extra curricular trips and activities. Trustees are aware of their responsibilities and any funds raised are managed responsibly with reasonable care and skill acting in the best interests of the academy.

PARK HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Plans for future periods

The academy trust's key objectives for 2018/19 are to continue the development and progress of the academy trust, taking it from outstanding to great. The Academy Improvement Plan includes:

Great Student Outcomes:

Indicators

1.	Excellence	80% making expected progress or better in all subjects – (Years 7 to 10) Significantly positive Progress 8 score (Year 11) 100% A* – E, 85% A* – C and 60% A* – B (Year 13)
2.	Lifelong learning	Young people are equipped to meet the challenges of lifelong learning. All students will be able to use language effectively, to learn and to describe the processes of learning.
3.	Student well-being	All students are equipped to make positive choices to promote their well-being
4.	Equity	100% 9-1 in English & Mathematics (Year 11)

Priority 1: Improving Literacy and Communication

- Establish Thinking Reading Programme in school.
- Provide tailored support to staff and departments. Provide CPD and use Literacy Hub.
- Develop and improve guided reading groups.
- Review the volume and quality of reading students are exposed to across the curriculum.
- Literacy review across the school.
- To establish partnership work with School21 and Voice21.

Priority 2: "Every student a great learner, every teacher a great teacher"

- Detailed reflection on exam analysis and the strategies which proved effective in raising results this year.
- Using evidence-based strategies to support our teaching and learning.
- Sharing of good practice across the school and within departments.
- Emphasis on disadvantaged students and more personalised feedback.
- Bespoke feedback that offers subject specific guidance for each student to close her/his own learning gap.
- Continue collaboration with Canons Park Teaching School Alliance.

Priority 3: Improving the wellbeing of staff and students

- Explore and analyse how and why we have had success here.
- Purpose-built or refurbished library in main school, creating a communal reading space.
- Improved use of Review Days – additional pathway targets recorded.
- Every student, every subject, out of lesson learning
- Developing partnerships with other schools.
- Guidance and assemblies about tolerance.

Priority 4: Managing the resources of the school

- Work towards producing a balanced budget.
- Resources to be allocated effectively in support of school priorities.
- Reduce staffing budget.
- Review the curriculum and current/future offer.
- Review contracts and procurement always looking for 'Best Value'.
- Increase lettings income.

PARK HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Auditor

In so far as the Governors are aware:

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

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 11 December 2018 and signed on its behalf by:



J Wise
Chair

PARK HIGH SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

As Governors we acknowledge we have overall responsibility for ensuring that Park High School 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 Governors has delegated the day-to-day responsibility to its Headteacher, 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 Park High School and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 6 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governors	Meetings attended	Out of possible
J Wise (Chair)	5	5
E Lumley (Headteacher and Accounting Officer)	5	5
M Ashton	5	5
B Hirani	5	5
S Malone (Resigned 17 October 2017)	0	1
J Muir	4	5
N Patel	5	5
S Patel	5	5
T Patel	5	5
P Thomas (Vice Chair) (Resigned 20 July 2018)	5	5
S Methuen (Resigned 5 June 2018)	3	5
A Attfield (Resigned 4 June 2018)	1	4
S Guiheen	4	5
K Hogge	3	5
R Samuels (Appointed 9 January 2018)	3	3
J Woodgate (Appointed 27 March 2018)	3	3
H Perren (Appointed 6 July 2018)	1	1

Governance reviews:

A self review of governance took place during the year.

The review indicated solid governance, although some areas of possible improvement were noted, particularly in relation to premises and measures have already been put in place to rectify this.

PARK HIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The Finance Committee is a sub-committee of the main Board of Governors. Its purpose is to:

- provide guidance and assistance to the governing body on all financial and budgetary matters;
- deal with any financial matter raised by the Headteacher or designated representative;
- prepare and review financial policy statements, including consideration of long term planning and resourcing;
- consider each year's priorities and present an annual budget to the governing body for approval;
- monitor income and expenditure of all public funds and report the financial situation to the governing body each term;
- recommend the level of delegation to the Headteacher for the day-to-day financial management of the school;
- vire funds, if necessary, within limits set by the governing body;
- ensure compliance with the appropriate financial regulations
- ensure the audit of non-public funds for presentation to the Board of Governors;
- receive and, where appropriate, respond to periodic audit reports of public funds;
- advise the Board of Governors on all matters relating to fund raising and sponsorship.

Attendance at finance and general purposes committee meetings held during the year was as follows:

Governors	Meetings attended	Out of possible
E Lumley (Headteacher and Accounting Officer)	5	5
M Ashton	2	5
B Hirani	5	5
S Patel	5	5
S Methuen (Resigned 5 June 2018)	3	5
S Guiheen	4	5

Review of value for money

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

The Accounting Officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Governors 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:

Effectiveness through improved education performance

The school focuses on student achievement with the following key indicators:

- Excellent examination results at KS4 and KS5
- Excellent teaching supported by a rigorous performance management process to monitor teacher effectiveness. Support is in place for teachers falling below that standard.
- An Ofsted judgement of 'Outstanding' in May 2013.
- Excellent and well-resourced student support with strong links between home and school.
- Excellent behaviour and attendance. Attendance rates consistently high at 96% in 2017/18.
- Excellent progression rates to University.

PARK HIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Efficiency through financial governance and management

There is a robust financial governance and oversight including the following:

- Annual review of financial regulations, procedures and delegations.
- Purchasing procedures based on clear segregation of duties and a requirement for quotation and tenders when specified thresholds are reached.
- Purchasing frameworks are used when appropriate.
- Regular budget monitoring including monthly management reports.
- Three year financial planning.
- Pay policies that are underpinned by use of national pay scales.
- Business Continuity Plan in place and reviewed annually.
- Regular review of the Risk Register.
- Regular review of premises strategy to ensure accommodation is suitable and any future improvements prioritised.
- A full programme of external assurance work delivered by external auditors which is followed up by the Audit Committee.
- Specialist advice, including legal, property and actuarial services where appropriate and justified.

Economy through working collaboratively to share best practice and reduce costs

The school actively participates in a wide range of collaborative initiatives:

- Collaborative procurement programme across Harrow schools covering a wide range of services such as; catering, HR, payroll, financial software, legal, property management, insurance and legal services.
- Member of Harrow Sixth Form Collegiate allowing students to undertake studies at a number of different schools contributing to more efficient class sizes and greater subject choice.
- Shared services including project management and financial advice.
- Member of the Harrow Collegiate Teaching School Alliance and the Canons Park Teaching School Alliance which allow access to an extensive programme of CPD delivered across all Harrow schools.
- Benchmarking with other Harrow schools and other families of schools.

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 Park High School for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

PARK HIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The risk and control framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors;
- Regular reviews by the finance and general purposes 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.

The Board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor.

Alliotts, the external auditor are being used to give advice on financial matters and perform a range of checks on the academy trust's financial systems, which included the following areas this period:

- Data returns
- Purchasing processes
- Governance
- Income processes
- Capital projects
- Fraud awareness
- IT systems

On a termly basis the auditor reports to the Board of Governors on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Governors.

Review of effectiveness

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

- The performance of extended assurance work and statutory audit work by the external auditor;
- The financial management and governance self-assessment process;
- The work of the Senior Management Team within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Board of Governors on 11 December 2018 and signed on its behalf by:



J Wise
Chair



E Lumley
Headteacher and Accounting Officer

PARK HIGH SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of Park High School I have considered my responsibility to notify the academy trust Board of Governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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



E Lumley
Accounting Officer

11 December 2018

PARK HIGH SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

The Governors (who act as trustees for Park High School and are also the directors of Park High School for the purposes of company law) are responsible for preparing the Governors' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors 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 accounts 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 Governors 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 that grants received from ESFA/DfE have been applied for the purposes intended.

The Governors 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Governors on 11 December 2018 and signed on its behalf by:



J Wise
Chair

PARK HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARK HIGH SCHOOL FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the accounts of Park High School for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Governors' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the Governors have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The Governors are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

PARK HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARK HIGH SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Governors' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report, including the incorporated strategic report.

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

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

Responsibilities of Governors

As explained more fully in the statement of Governors' responsibilities, the Governors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Governors are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

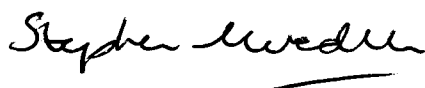
PARK HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARK HIGH SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

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 those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Stephen Meredith BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Alliotts

11 December 2018

Chartered Accountants
Statutory Auditor

Friary Court
13-21 High Street
Guildford
Surrey
GU1 3DL

PARK HIGH SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 20 July 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Park High School during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Park High School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Park High School's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

PARK HIGH SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2018

The work undertaken to draw to our conclusion includes:

- analytical review of the academy trust's general activities to ensure that they are within the academy trust's framework of authorities;
- consideration of the evidence supporting the accounting officer's statement on regularity, propriety and compliance;
- review of the general control environment for the academy trust on financial statements and on regularity;
- sample testing of expenditure transactions to ensure the activity is permissible within the academy trust's framework of authority;
- confirmation that a sample of expenditure has been appropriately authorised in accordance with the academy trust's delegated authorities;
- formal representations obtained from the governing body and the accounting officer acknowledging the responsibilities, including disclosing all non-compliance with laws and regulations specific to the authorising framework;
- confirmation that any extra-contractual payments such as severance and compensation payments have been appropriately authorised;
- review of credit card expenditure for any indication of personal use by staff, Headteacher or Governors;
- review of specific terms of grant funding within the funding agreement;
- review of related party transactions for connections with the Headteacher or Governors;
- review of income received in accordance with the activities permitted within the academy trust's charitable objectives.

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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Alliotts

Dated: 14 December 2018

PARK HIGH SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

		Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2018 £	Total 2017 £
	Notes					
Income and endowments from:						
Donations and capital grants	3	-	50,206	20,153	70,359	50,425
Charitable activities:						
- Funding for educational operations	4	178,791	8,115,292	-	8,294,083	8,823,594
Other trading activities	5	40,254	297,098	-	337,352	360,456
Investments	6	4,345	-	-	4,345	5,723
Total		223,390	8,462,596	20,153	8,706,139	9,240,198
Expenditure on:						
Charitable activities:						
- Educational operations	8	180,369	9,478,300	339,651	9,998,320	10,853,649
Total	7	180,369	9,478,300	339,651	9,998,320	10,853,649
Net income/(expenditure)		43,021	(1,015,704)	(319,498)	(1,292,181)	(1,613,451)
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	18	-	475,000	-	475,000	920,000
Net movement in funds		43,021	(540,704)	(319,498)	(817,181)	(693,451)
Reconciliation of funds						
Total funds brought forward		769,895	(1,236,978)	20,761,256	20,294,173	20,987,624
Total funds carried forward		812,916	(1,777,682)	20,441,758	19,476,992	20,294,173

PARK HIGH SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information Year ended 31 August 2017	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	2017
		£	£	£	£
Income and endowments from:					
Donations and capital grants	3	-	20,458	29,967	50,425
Charitable activities:					
- Funding for educational operations	4	188,303	8,635,291	-	8,823,594
Other trading activities	5	84,976	275,480	-	360,456
Investments	6	5,723	-	-	5,723
Total		<u>279,002</u>	<u>8,931,229</u>	<u>29,967</u>	<u>9,240,198</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	188,030	10,301,582	364,037	10,853,649
Total	7	<u>188,030</u>	<u>10,301,582</u>	<u>364,037</u>	<u>10,853,649</u>
Net income/(expenditure)		90,972	(1,370,353)	(334,070)	(1,613,451)
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	18	-	920,000	-	920,000
Net movement in funds		90,972	(450,353)	(334,070)	(693,451)
Reconciliation of funds					
Total funds brought forward		678,923	(786,625)	21,095,326	20,987,624
Total funds carried forward		<u>769,895</u>	<u>(1,236,978)</u>	<u>20,761,256</u>	<u>20,294,173</u>

PARK HIGH SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	12		20,441,758		20,761,256
Current assets					
Debtors	13	175,343		281,160	
Cash at bank and in hand		1,847,378		2,519,327	
		<u>2,022,721</u>		<u>2,800,487</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(451,487)		(490,570)	
Net current assets			<u>1,571,234</u>		<u>2,309,917</u>
Net assets excluding pension liability			<u>22,012,992</u>		<u>23,071,173</u>
Defined benefit pension scheme liability	18		(2,536,000)		(2,777,000)
Net assets			<u>19,476,992</u>		<u>20,294,173</u>
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			20,441,758		20,761,256
- Restricted income funds			758,318		1,540,022
- Pension reserve			(2,536,000)		(2,777,000)
Total restricted funds			<u>18,664,076</u>		<u>19,524,278</u>
Unrestricted income funds	16		<u>812,916</u>		<u>769,895</u>
Total funds			<u>19,476,992</u>		<u>20,294,173</u>

The accounts set out on pages 21 to 44 were approved by the Board of Governors and authorised for issue on 11 December 2018 and are signed on its behalf by:



J Wise
Chair

Company Number 07689613

PARK HIGH SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Net cash used in operating activities	19		(686,500)		(854,450)
Cash flows from investing activities					
Dividends, interest and rents from investments		4,345		5,723	
Capital grants from DfE Group		30,359		31,422	
Purchase of tangible fixed assets		(20,153)		(29,967)	
Net cash provided by investing activities			14,551		7,178
Net decrease in cash and cash equivalents in the reporting period			(671,949)		(847,272)
Cash and cash equivalents at beginning of the year			2,519,327		3,366,599
Cash and cash equivalents at end of the year			1,847,378		2,519,327

PARK HIGH SCHOOL

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

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Income

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

Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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 are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

PARK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 Expenditure

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

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

All expenditure is net of VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

1.5 Tangible fixed assets and depreciation

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

PARK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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

Long leasehold buildings	50 years
Computer equipment	4 years
Fixtures, fittings & equipment	5 - 25 years

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

1.6 Liabilities

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

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 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.

1.10 Pensions benefits

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

PARK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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

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

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

1.11 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 Governors.

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

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

PARK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation is provided against assets held by the academy over the life of the asset with consideration made of the residual value left at the end of this life. The life is determined by the lease terms or the usual usable lifespan of similar items seen in the Academy or elsewhere in the sector. The residual value is based on the value of similar items at the end of their useful lives in combination with the academy's knowledge of specific factors that may effect this valuation.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Capital grants	-	30,359	30,359	31,422
John Lyon Grant	-	40,000	40,000	19,003
	<u>-</u>	<u>70,359</u>	<u>70,359</u>	<u>50,425</u>

The income from donations and capital grants was £70,359 (2017: £50,425) of which £50,206 was restricted (2017: £20,458) and £20,153 was restricted fixed assets (2017: £29,967).

PARK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE / ESFA grants				
General annual grant (GAG)	-	7,594,160	7,594,160	8,042,289
Other DfE group grants	-	325,018	325,018	340,213
	-	7,919,178	7,919,178	8,382,502
Other government grants				
Local authority grants	-	190,415	190,415	239,078
Special educational projects	-	5,699	5,699	13,711
	-	196,114	196,114	252,789
Other funding				
Other incoming resources	178,791	-	178,791	188,303
Total funding	178,791	8,115,292	8,294,083	8,823,594

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Lettings income	38,676	-	38,676	84,976
Catering income	1,578	-	1,578	-
Other income	-	297,098	297,098	275,480
	40,254	297,098	337,352	360,456

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Short term deposits	4,345	-	4,345	5,723

PARK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure

	Staff costs	Non Pay Expenditure Premises	Other	Total 2018	Total 2017
	£	£	£	£	£
Academy's educational operations					
- Direct costs	6,479,948	-	670,619	7,150,567	6,977,843
- Allocated support costs	1,399,539	862,916	585,298	2,847,753	3,875,806
	<u>7,879,487</u>	<u>862,916</u>	<u>1,255,917</u>	<u>9,998,320</u>	<u>10,853,649</u>

Net income/(expenditure) for the year includes:

	2018	2017
	£	£
Fees payable to auditor for:		
- Audit	7,535	7,460
- Other services	4,115	4,070
Operating lease rentals	9,332	9,048
Depreciation of tangible fixed assets	339,651	364,037
Net interest on defined benefit pension liability	71,000	71,000

8 Charitable activities

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Direct costs				
Educational operations	-	7,150,567	7,150,567	6,977,843
Support costs				
Educational operations	180,369	2,667,384	2,847,753	3,875,806
	<u>180,369</u>	<u>9,817,951</u>	<u>9,998,320</u>	<u>10,853,649</u>

	2018	2017
	£	£
Analysis of support costs		
Support staff costs	1,399,539	1,481,899
Depreciation	339,651	364,037
Technology costs	58,170	59,004
Premises costs	523,265	1,384,995
Other support costs	511,285	571,108
Governance costs	15,843	14,763
	<u>2,847,753</u>	<u>3,875,806</u>

PARK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

9 Staff

Staff costs

Staff costs during the year were:

	2018 £	2017 £
Wages and salaries	5,881,153	5,759,193
Social security costs	610,069	590,641
Pension costs	1,166,684	1,150,598
Staff costs	7,657,906	7,500,432
Agency staff costs	184,467	232,909
Staff development and other staff costs	37,114	40,390
Total staff expenditure	7,879,487	7,773,731

Staff numbers

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

	2018 Number	2017 Number
Teachers	100	102
Administration and support	74	70
Management	11	10
	185	182

The number of persons employed, expressed as a full time equivalent, was as follows:

	2018 Number	2017 Number
Teachers	90	95
Administration and support	58	57
Management	11	11
	159	163

PARK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Staff

(Continued)

Higher paid staff

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

	2018 Number	2017 Number
£60,000 - £70,000	7	6
£70,000 - £80,000	-	2
£80,000 - £90,000	2	-
£110,000 - £120,000	1	1
	<u>10</u>	<u>9</u>

Key management personnel

The key management personnel of the academy trust comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £1,167,698 (2017: £1,113,328).

10 Governors' remuneration and expenses

The Headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the academy trust in respect of their role as Governors.

The value of Governors' remuneration was as follows:

E Lumley (Headteacher)	
Remuneration	£110,000 - £115,000 (2017: £110,000 - £115,000)
Employer's pension contribution	£15,000 - £20,000 (2017: £15,000 - £20,000)
S Malone (staff governor)	
Remuneration	£5,000 - £10,000 (2017: £30,000 - £35,000)
Employer's pension contribution	£0 - £5,000 (2017: £5,000 - £10,000)
A Attfield (staff governor)	
Remuneration	£40,000 - £45,000 (2017: £55,000 - £60,000)
Employer's pension contribution	£5,000 - £10,000 (2017: £5,000 - £10,000)
S Guiheen (staff governor)	
Remuneration	£50,000 - £55,000 (2017: £50,000 - £55,000)
Employer's pension contribution	£5,000 - £10,000 (2017: £0 - £5,000)
R Samuels (staff governor)	
Remuneration	£10,000 - £15,000 (2017: not a governor)
Employer's pension contribution	£0 - £5,000 (2017: not a governor)

During the year no travel or subsistence expenses were reimbursed to any Governors.
(2017: £0 to nil governors)

Other related party transactions involving the Governors are set out within the related parties note.

PARK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

11 Governors and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £815 (2017: £791).

12 Tangible fixed assets

	Long leasehold buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2017	22,542,679	236,038	183,893	2,000	22,964,610
Additions	-	20,153	-	-	20,153
At 31 August 2018	22,542,679	256,191	183,893	2,000	22,984,763
Depreciation					
At 1 September 2017	1,837,102	206,384	157,868	2,000	2,203,354
Charge for the year	321,003	13,471	5,177	-	339,651
At 31 August 2018	2,158,105	219,855	163,045	2,000	2,543,005
Net book value					
At 31 August 2018	20,384,574	36,336	20,848	-	20,441,758
At 31 August 2017	20,705,577	29,654	26,025	-	20,761,256

13 Debtors

	2018 £	2017 £
Trade debtors	1,002	16,547
VAT recoverable	23,895	19,013
Prepayments and accrued income	150,446	245,600
	175,343	281,160

14 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	48,271	12,497
Other taxation and social security	154,477	153,777
Other creditors	55,300	194,897
Accruals and deferred income	193,439	129,399
	451,487	490,570

PARK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

15	Deferred income	2018 £	2017 £
	Deferred income is included within:		
	Creditors due within one year	73,232	63,716
		<u>73,232</u>	<u>63,716</u>
	Deferred income at 1 September 2017	63,716	87,374
	Released from previous years	(63,716)	(87,374)
	Resources deferred in the year	73,232	63,716
		<u>73,232</u>	<u>63,716</u>
	Deferred income at 31 August 2018	73,232	63,716

At the balance sheet date the academy trust was holding funds received in advance for SEN funding from the local authority relating to the following academic year and the remainder of the grant from the ESFA for rates relief for the forthcoming year.

16	Funds	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
	Restricted general funds					
	General Annual Grant (GAG)	1,540,022	7,594,160	(8,375,864)	-	758,318
	Other DfE / ESFA grants	-	335,224	(335,224)	-	-
	Other government grants	-	196,114	(196,114)	-	-
	Other restricted funds	-	337,098	(337,098)	-	-
	Pension reserve	(2,777,000)	-	(234,000)	475,000	(2,536,000)
		<u>(1,236,978)</u>	<u>8,462,596</u>	<u>(9,478,300)</u>	<u>475,000</u>	<u>(1,777,682)</u>
	Restricted fixed asset funds					
	Transfer on conversion	20,728,967	-	(331,630)	-	20,397,337
	DfE group capital grants	28,537	20,153	(4,269)	-	44,421
	Capital expenditure from GAG	3,752	-	(3,752)	-	-
		<u>20,761,256</u>	<u>20,153</u>	<u>(339,651)</u>	<u>-</u>	<u>20,441,758</u>
	Total restricted funds	19,524,278	8,482,749	(9,817,951)	475,000	18,664,076
	Unrestricted funds					
	General funds	769,895	223,390	(180,369)	-	812,916
		<u>769,895</u>	<u>223,390</u>	<u>(180,369)</u>	<u>-</u>	<u>812,916</u>
	Total funds	20,294,173	8,706,139	(9,998,320)	475,000	19,476,992

PARK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

16 Funds

(Continued)

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

General Annual Grant: This fund is for the purpose of running the academy trust in accordance with the Funding Agreement with the Secretary of State and along guidelines as set out in the Academies Financial Handbook.

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 2018.

Other DfE/ESFA grants: This fund has also arisen from funding received from the Department for Education and the Education and Skills Funding Agency for the furtherance of the academy trust's activities that are not funded through the General Annual Grant.

Other government grants: This fund has also arisen from funding received for the furtherance of the academy trust's activities that are not funded through the General Annual Grant.

Other restricted fund: This restricted fund has arisen from other income that the academy trust has received. The monies have to be used for the benefit of the academy trust but there are no restrictions on when these monies can be spent.

Pension reserve: This liability has arisen from the Local Government Pension Scheme, which was inherited by the academy trust on conversion. See note 18 for further details on this liability.

Restricted fixed asset funds: These funds have arisen from fixed assets inherited upon conversion and from the subsequent purchases of new assets for use by the academy trust. All assets held are specifically for the use of the academy trust.

Unrestricted funds: These have arisen from activities carried out by the academy trust for raising funds and are unrelated to any form of government assistance and therefore the academy trust can choose to spend it however it chooses.

PARK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16 Funds

(Continued)

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	1,799,534	8,042,289	(8,301,801)	-	1,540,022
Other DfE / ESFA grants	-	341,668	(341,668)	-	-
Other government grants	-	252,789	(252,789)	-	-
Other restricted funds	889,841	294,483	(1,184,324)	-	-
Pension reserve	(3,476,000)	-	(221,000)	920,000	(2,777,000)
	<u>(786,625)</u>	<u>8,931,229</u>	<u>(10,301,582)</u>	<u>920,000</u>	<u>(1,236,978)</u>
Restricted fixed asset funds					
Transfer on conversion	21,072,798	-	(343,831)	-	20,728,967
DfE group capital grants	-	29,967	(1,430)	-	28,537
Capital expenditure from GAG	22,528	-	(18,776)	-	3,752
	<u>21,095,326</u>	<u>29,967</u>	<u>(364,037)</u>	<u>-</u>	<u>20,761,256</u>
Total restricted funds	<u>20,308,701</u>	<u>8,961,196</u>	<u>(10,665,619)</u>	<u>920,000</u>	<u>19,524,278</u>
Unrestricted funds					
General funds	<u>678,923</u>	<u>279,002</u>	<u>(188,030)</u>	<u>-</u>	<u>769,895</u>
Total funds	<u>20,987,624</u>	<u>9,240,198</u>	<u>(10,853,649)</u>	<u>920,000</u>	<u>20,294,173</u>

PARK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16 Funds

(Continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	1,799,534	15,636,449	(16,677,665)	-	758,318
Other DfE / ESFA grants	-	676,892	(676,892)	-	-
Other government grants	-	448,903	(448,903)	-	-
Other restricted funds	889,841	631,581	(1,521,422)	-	-
Pension reserve	(3,476,000)	-	(455,000)	1,395,000	(2,536,000)
	<u>(786,625)</u>	<u>17,393,825</u>	<u>(19,779,882)</u>	<u>1,395,000</u>	<u>(1,777,682)</u>
Restricted fixed asset funds					
Transfer on conversion	21,072,798	-	(675,461)	-	20,397,337
DfE group capital grants	-	50,120	(5,699)	-	44,421
Capital expenditure from GAG	22,528	-	(22,528)	-	-
	<u>21,095,326</u>	<u>50,120</u>	<u>(703,688)</u>	<u>-</u>	<u>20,441,758</u>
Total restricted funds	<u>20,308,701</u>	<u>17,443,945</u>	<u>(20,483,570)</u>	<u>1,395,000</u>	<u>18,664,076</u>
Unrestricted funds					
General funds	<u>678,923</u>	<u>502,392</u>	<u>(368,399)</u>	<u>-</u>	<u>812,916</u>
Total funds	<u>20,987,624</u>	<u>17,946,337</u>	<u>(20,851,969)</u>	<u>1,395,000</u>	<u>19,476,992</u>

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	20,441,758	20,441,758
Current assets	1,264,403	758,318	-	2,022,721
Creditors falling due within one year	(451,487)	-	-	(451,487)
Defined benefit pension liability	-	(2,536,000)	-	(2,536,000)
Total net assets	<u>812,916</u>	<u>(1,777,682)</u>	<u>20,441,758</u>	<u>19,476,992</u>

PARK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	20,761,256	20,761,256
Current assets	1,260,465	1,540,022	-	2,800,487
Creditors falling due within one year	(490,570)	-	-	(490,570)
Defined benefit pension liability	-	(2,777,000)	-	(2,777,000)
Total net assets	769,895	(1,236,978)	20,761,256	20,294,173

18 Pension and similar obligations

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

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 the LGPS 31 March 2016.

Contributions amounting to £150,809 (2017: £132,532) were payable to the schemes at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

PARK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

18 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £704,239 (2017: £686,643).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.3% for employers and 5.5 to 12.5% for employees.

The academy trust has agreed to make additional contributions totalling £113,000 over the two years to March 2020 in addition to normal funding levels.

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.

Total contributions made	2018 £	2017 £
Employer's contributions	299,000	312,000
Employees' contributions	81,000	79,000
Total contributions	380,000	391,000

PARK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

18 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	2.7	2.7
Rate of increase for pensions in payment/inflation	2.4	2.4
Discount rate for scheme liabilities	2.8	2.5
Inflation assumption (CPI)	2.4	2.4

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

	2018 Years	2017 Years
Retiring today		
- Males	22.2	22.2
- Females	24.4	24.4
Retiring in 20 years		
- Males	24.0	24.4
- Females	26.4	26.4

Scheme liabilities would have been affected by changes in assumptions as follows:

	2018 £	2017 £
Discount rate + 0.1%	(133,000)	(126,000)
Discount rate - 0.1%	133,000	126,000
Mortality assumption + 1 year	238,000	230,000
Mortality assumption - 1 year	(238,000)	(230,000)
CPI rate + 0.1%	120,000	111,000
CPI rate - 0.1%	(120,000)	(111,000)

The academy trust's share of the assets in the scheme

	2018 Fair value £	2017 Fair value £
Equities	2,701,000	2,266,000
Bonds	410,000	358,000
Property	274,000	238,000
Other assets	34,000	119,000
Total market value of assets	3,419,000	2,981,000

The actual return on scheme assets was £160,000 (2017: £95,000).

PARK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

18 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2018 £	2017 £
Current service cost	462,000	462,000
Interest income	(78,000)	(55,000)
Interest cost	149,000	126,000
Total operating charge	533,000	533,000
Changes in the present value of defined benefit obligations	2018 £	2017 £
At 1 September 2017	5,758,000	6,128,000
Current service cost	462,000	462,000
Interest cost	149,000	126,000
Employee contributions	81,000	79,000
Actuarial gain	(393,000)	(880,000)
Benefits paid	(102,000)	(157,000)
At 31 August 2018	5,955,000	5,758,000
Changes in the fair value of the academy trust's share of scheme assets	2018 £	2017 £
At 1 September 2017	2,981,000	2,652,000
Interest income	78,000	55,000
Actuarial gain	82,000	40,000
Employer contributions	299,000	312,000
Employee contributions	81,000	79,000
Benefits paid	(102,000)	(157,000)
At 31 August 2018	3,419,000	2,981,000

PARK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Reconciliation of net expenditure to net cash flow from operating activities

	2018 £	2017 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(1,292,181)	(1,613,451)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(30,359)	(31,422)
Investment income receivable	(4,345)	(5,723)
Defined benefit pension costs less contributions payable	163,000	150,000
Defined benefit pension net finance cost	71,000	71,000
Depreciation of tangible fixed assets	339,651	364,037
Decrease in debtors	105,817	279,349
(Decrease) in creditors	(39,083)	(68,240)
Net cash used in operating activities	(686,500)	(854,450)

20 Commitments under operating leases

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

	2018 £	2017 £
Amounts due within one year	38,225	38,226
Amounts due in two and five years	43,384	81,610
	81,609	119,836

21 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust 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. The following related party transaction took place in the period of account.

N Patel, a trustee of the academy trust, entered into a rental agreement with the academy trust on behalf of United Sports Club for the rental of the sports hall. The total income earned for the year from this letting was £nil (2017: £1,056). The agreed terms were in line with the rates set out for the hiring of the sports hall and governors were made aware of the transaction at a meeting of the premises committee.

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

PARK HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

22 Members' liability

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