

Company Registration No. 07689613 (England and Wales)

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

**GOVERNORS' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

# PARK HIGH SCHOOL

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# PARK HIGH SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Governors

J Wise (Chair)  
E Lumley (Headteacher and Accounting Officer) \*#  
M Ashton \*  
A Benbelaid  
R Kara #  
I Kyte \*  
S Malone \*  
P Mendez \*  
J Moore  
J Muir  
J Nijjar  
N Patel #  
S Patel \*  
T Patel  
P Thomas  
John Cordara (Appointed 20 September 2013)  
S Methuen (Appointed 6 June 2014)  
A Atfield (Appointed 20 June 2014)  
R Shah (Resigned 4 February 2014)  
W Hemens (Resigned 18 June 2014) #

\* members of the finance committee  
# members of the audit committee

### Members

J Wise  
E Lumley  
P Thomas

### Senior management team

- Headteacher	Emlyn Lumley
- Deputy Head	Colette O'Dwyer
- Deputy Head	Alan Shorter
- Deputy Head	Roisin Walsh
- Business Manager	Jackie Willis

### Company registration number

07689613 (England and Wales)

### Registered office

Thistlecroft Gardens  
Stanmore  
Middlesex  
HA7 1DL

# PARK HIGH SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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**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 2014**

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The governors present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The charitable company operates an Academy for pupils aged 11 to 19 serving a catchment area in the London Borough of Harrow. It has a pupil capacity of 1500 and had a roll of 1585 in the school census on 8 May 2014.

### **Structure, governance and management**

#### Constitution

The Academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy trust.

The governors are the trustees of Park High School and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Park High School.

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

#### Members' liability

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

#### Governors' indemnities

In accordance with standard practice, the Academy has purchased insurance to protect the trustees, governors and officers of the company from 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 £1,701.

#### Method of recruitment and appointment or election of governors

The Academy 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.

Where possible the academy should comprise the following skills and experiences:

- 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;
- at least one female and at least one male representative.

One member may have one or more of these skills.

#### 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 2014

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#### Organisational structure

The day-to-day administration is undertaken within the policies and procedures written by the board 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.

The governors meet at least 6 times a year and delegate responsibilities to a number of sub-committees, including Finance, Premises, Curriculum and Staff committees. Each committee works under the guidance of a 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.

#### Connected organisations including related party relationships

The Academy 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'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 the prejudice to the generality of the 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 academy and the Secretary of State for Education ("Secretary of State").

Within the objects, the Academy 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 19. All children who apply are admitted (up to the capacity of the Academy), 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.

##### Objectives, strategies and activities

The Academy's key objectives for the academic year are detailed below:

1. Improve performance at KS3, KS4 and KS5 to secure the best possible outcome for young people as described in the School Principles and Strategic Direction 2014-2018.
2. To continue to work with the Jubilee Academy to improve provision, and therefore achievement of, a particular group of vulnerable students.
3. To work with our strategic partners in the Canons Park Teaching Alliance to improve student progress and achievement through the professional development of staff and by identifying and sharing best practice.
4. Achieve best quality and/or lower cost through reviews of services commissioned by the academies, building on the progress made in 2012/13 and 2013/14.

##### Public benefit

In setting objectives and planning activities, the Trustees 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.

# PARK HIGH SCHOOL

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

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#### **Strategic report**

##### Achievements and performance

During the year the Academy educated approximately 1585 children between the ages of 11 and 19. It provided an excellent and improving standard of education and this was confirmed by the academic results and measurements of added value.

The A Level pass rate in 2014 was 99% with 77% of students achieving grades A\*- C, and all have progressed to appropriate employment, training or higher education.

The A level grades, overall, were higher than last year, yet the GCSE average points score of this cohort in 2012 was considerably lower, demonstrating improved value added. Under the ALPS grading (1 high and 9 low) the Academy has moved from grade 6 to grade 3 in A2 student performance, placing the Academy in the 'excellent' category, well inside the top quartile of schools and colleges nationally.

The proportion of students gaining five or more higher grade GCSE passes was 75%, matching targets set by the Academy. When English and Mathematics are included in the calculation, the performance was 69%. English and Mathematics, despite their reliably high levels of examination success, will continue to be focus areas in the year ahead.

The Academy offers a broad curriculum and educates children with a wide range of abilities. Outcomes for English, Mathematics, Biology, Chemistry and Physics are always very good, as are results in many of our foundation subjects. This year, Drama, Dance, Performing Arts, Music, Philosophy & Ethics and German have all been particularly successful.

Our sixth form now exceeds 180 students, the increasing trend in student numbers due in part to the increased attainment but also due to the wider range of appropriate courses on offer.

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 and delivered community projects locally and overseas.

##### Key performance indicators

- 96.4% attendance exceeding our target of 96%
- Graded as outstanding by Ofsted in May 2013
- Designated as Teaching School and National Support School in March 2014

##### Going concern

The Academy has achieved a minor deficit (after excluding the property revaluation), but has strong retained reserves.

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 accounts.

##### **Financial review**

Funding for the period was provided by EFA by means of standard grants to cover operational and capital costs. Additional funds were received from letting facilities to third parties, from bank interest and from sales to students for meals, uniform and equipment. A deficit of funds of £990,273 after a property revaluation write down of £729,312, was made in 2014/15. Cash funds of £2,198,384 were carried forward into 2014/15.

At 31 August 2014 cash funds of £2,198,384 were held in bank accounts for the Academy. The bulk of these funds were held either in higher rate fixed term deposit accounts or in normal deposit accounts. These funds have largely been accumulated through careful use of funds which has enabled the school to save for essential improvements to the premises and ICT infrastructure.

# PARK HIGH SCHOOL

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

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#### Reserves policy

The governors have 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 between 3-5% of the annual budget, this equates to reserves of £300,000 to £500,000. Currently reserves stand at £628,581.

Governors have set aside a substantial reserve for the following reasons:

- On conversion to Academy status, Governors inherited buildings that were in very poor condition. Since 2011 the school has spent a substantial amount on improving the buildings and facilities. This is an on-going programme and over the next 5 years the school will need to: replace all the Crittall windows in the main building, which were originally installed in 1939 and are now in a very poor state; continue with the roof replacement programme; and replace a number of boilers. Initial estimates suggest that this will cost in the region of £500,000.
- The increase in employer contributions to the Teachers' and Local Government Pensions schemes will cost the school an additional £148,709 in 2015/16 alone.
- The school is reducing its roll because of health and safety concerns. This will result in a reduction in pupil-number led revenue. Staffing numbers are gradually decreasing but it will not be possible to achieve optimum staffing levels for a number of years.

#### Investment policy and powers

Our investment policy is minimal 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

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 deficit on the Local Government Pension Scheme rose by £466,000 in the period to £2,218,000 and there is continuing uncertainty in any final salary scheme of this type.

#### **Plans for future periods**

The Academy's key objectives for 2014-15 are to continue the development and progress of the Academy, taking it from the initial start-up phase into a strong and robust organisation.

Specifically this means:

1. driving performance hard at the Academy, as measured through examination results. Particular focus remains improving the quality of teaching and learning in English, Mathematics and Science;
2. securing the financial future of the Academy;
3. securing and improving the buildings and premises of the Academy;
4. building an appropriate resource infrastructure to support all Academies with their development;
5. introducing new governance arrangements to provide greater clarity and speed of communication and decision making, thereby improving performance.



# PARK HIGH SCHOOL

## GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

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### 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 auditors, Allotts, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Governors' report, incorporating a strategic report, approved by order of the board of governors on ~~31.12.2014~~ 31.12.2014 and signed on its behalf by:



J Wise  
Chair

# PARK HIGH SCHOOL

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### 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 the 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:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
J Wise (Chair)	6	6
E Lumley (Headteacher and Accounting Officer)	6	6
M Ashton	3	6
A Benbelaid	4	6
R Kara	6	6
I Kyte	3	6
S Malone	6	6
P Mendez	2	6
J Moore	6	6
J Muir	4	6
J Nijjar	2	5
N Patel	4	6
S Patel	6	6
T Patel	6	6
P Thomas	6	6
John Cordara (Appointed 20 September 2013)	3	6
S Methuen (Appointed 6 June 2014)	1	1
A Attfield (Appointed 20 June 2014)	1	1
R Shah (Resigned 4 February 2014)	4	4
W Hemens (Resigned 18 June 2014)	2	5

The governors carry out an annual evaluation on the impact and effectiveness of the Governing Body and its sub-committees. The next evaluation will take place in Autumn 2015. In addition there is a termly review of the work of each sub-committee to ensure that all agreed agenda items have been processed.

# PARK HIGH SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

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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 Governing Body;
- advise the Governing Body on all matters relating to fund raising and sponsorship.

Attendance at meetings in the year was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
E Lumley (Headteacher and Accounting Officer)	6	6
M Ashton	6	6
I Kyte	5	6
S Malone	6	6
P Mendez	2	6
S Patel	5	6

The **audit committee** is a sub-committee of the main board of governors. Its purpose is to:

- be responsible for monitoring the school's response to the Management Letter from the auditors;
- receive the External Assurance Reports from the external auditors and report to governors on those;
- review the audited accounts with the finance committee.

Attendance at meetings in the year was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
E Lumley (Headteacher and Accounting Officer)	3	3
R Kara	3	3
N Patel	3	3
W Hemens (Resigned 18 June 2014)	2	2

#### **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 2013 to 31 August 2014 and up to the date of approval of the annual report and accounts.

# PARK HIGH SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

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### 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 2013 to 31 August 2014 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of governors.

### 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 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. However, the academy has appointed Alliotts, the external auditors, to perform additional checks.

The external auditor's role includes performing a range of checks on the academy's financial processes and giving advice on financial matters. On a termly basis, there is a report to the Governing Body on the operation of the systems of financial controls. The external auditor has delivered their schedule of work as planned and there were no material control issues.

### 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:

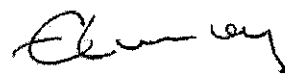
- the External Assurance Reports prepared by the external auditors;
- the work of the external auditor;
- the financial management process;
- the work of the finance and audit committees;
- the work of the executive managers within the Academy trust who have responsibility for the development and maintenance 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 committee and the audit 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 15/12/2014 and signed on its behalf by:



J Wise  
Chair



E Lumley  
Headteacher and Accounting Officer

## **PARK HIGH SCHOOL**

### **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2014**

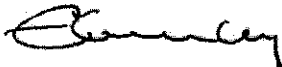
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As accounting officer of Park High School I have considered my responsibility to notify the Academy trust board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy trust and Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy trust'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.

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 EFA.

Approved on 15/12/2014 and signed by:



E Lumley  
Accounting Officer

# PARK HIGH SCHOOL

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

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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 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;
- 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 the EFA/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 board of governors on 15/12/2014 and signed on its behalf by:



J Wise  
Chair

# PARK HIGH SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARK HIGH SCHOOL

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We have audited the accounts of Park High School for the year ended 31 August 2014 set out on pages 17 to 38. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the EFA.

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of governors and auditors**

As explained more fully in the Governors' Responsibilities Statement set out on page 12, the governors, who are also the directors of Park High School for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

### **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Governors' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Governors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

# PARK HIGH SCHOOL

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

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### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



**Stephen Meredith BA FCA DChA (Senior Statutory Auditor)**  
Alliotts

**Chartered Accountants**  
**Statutory Auditor**  
Friary Court  
13-21 High Street  
Guildford  
Surrey  
GU1 3DL

Dated: 15/12/2014



# PARK HIGH SCHOOL

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

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In accordance with the terms of our engagement letter dated 10 November 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, 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 2013 to 31 August 2014 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 the EFA 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 the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Park High School and the EFA, 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 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. 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 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

# PARK HIGH SCHOOL

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

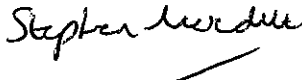
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The work undertaken to draw to our conclusion includes:

- 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 trusts 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 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Stephen Meredith BA FCA DChA  
**Reporting Accountant**  
Alliotts

Dated: 15/12/14.....

# PARK HIGH SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	Unrestricted funds £	Restricted funds £	Fixed Asset fund £	Total 2014 £	Total 2013 £
<b><u>Incoming resources</u></b>						
<i>Resources from generated funds</i>						
- Voluntary income	2	-	-	-	-	1,638
- Inherited on conversion	23	-	-	-	-	5,310,604
- Activities for generating funds	3	1,253	395,362	-	396,615	499,570
- Investment income	4	6,248	-	-	6,248	3,771
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	-	9,736,533	-	9,736,533	9,629,172
<b>Total incoming resources</b>		<b>7,501</b>	<b>10,131,895</b>	<b>-</b>	<b>10,139,396</b>	<b>15,444,755</b>
<b><u>Resources expended</u></b>						
<i>Charitable activities</i>						
- Educational operations	7	-	10,077,893	331,847	10,409,740	9,853,610
Governance costs	8	-	12,705	-	12,705	13,895
Re-assessment of property inherited on conversion	23	-	-	729,312	729,312	-
<b>Total resources expended</b>	<b>6</b>	<b>-</b>	<b>10,090,598</b>	<b>1,061,159</b>	<b>11,151,757</b>	<b>9,867,505</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>7,501</b>	<b>41,297</b>	<b>(1,061,159)</b>	<b>(1,012,361)</b>	<b>5,577,250</b>
Gross transfers between funds		-	(76,138)	76,138	-	-
<b>Net income/(expenditure) for the year</b>		<b>7,501</b>	<b>(34,841)</b>	<b>(985,021)</b>	<b>(1,012,361)</b>	<b>5,577,250</b>
<b><u>Other recognised gains and losses</u></b>						
Actuarial gains/(losses) on defined benefit pension scheme	17	-	(418,000)	-	(418,000)	34,000
<b>Net movement in funds</b>		<b>7,501</b>	<b>(452,841)</b>	<b>(985,021)</b>	<b>(1,430,361)</b>	<b>5,611,250</b>
Fund balances at 1 September 2013		621,080	(474,258)	22,819,451	22,966,273	17,355,023
<b>Fund balances at 31 August 2014</b>		<b>628,581</b>	<b>(927,099)</b>	<b>21,834,430</b>	<b>21,535,912</b>	<b>22,966,273</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

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

# PARK HIGH SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2014

	Notes	2014		2013	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		21,834,430		22,819,451
<b>Current assets</b>					
Debtors	12	401,456		268,967	
Cash at bank and in hand		2,198,384		1,965,001	
		<u>2,599,840</u>		<u>2,233,968</u>	
Creditors: amounts falling due within one year	13	(680,358)		(335,146)	
<b>Net current assets</b>			<u>1,919,482</u>		<u>1,898,822</u>
<b>Total assets less current liabilities</b>			<u>23,753,912</u>		<u>24,718,273</u>
Defined benefit pension liability	17		(2,218,000)		(1,752,000)
<b>Net assets</b>			<u><u>21,535,912</u></u>		<u><u>22,966,273</u></u>
<b>Funds of the Academy trust:</b>					
<b>Restricted income funds</b>	15				
- Fixed asset funds			21,834,430		23,339,728
- General funds			1,290,901		757,465
- Pension reserve			(2,218,000)		(1,752,000)
<b>Total restricted funds</b>			<u>20,907,331</u>		<u>22,345,193</u>
<b>Unrestricted funds</b>	15		628,581		621,080
<b>Total funds</b>			<u><u>21,535,912</u></u>		<u><u>22,966,273</u></u>

The accounts were approved by order of the board of governors and authorised for issue on 15/12/2014



J Wise

Chair

Company Number 07689613

# PARK HIGH SCHOOL

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

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	Notes	2014 £	2013 £
Net cash inflow/(outflow) from operating activities	18	303,273	(1,229,017)
<b>Returns on investments and servicing of finance</b>			
Investment income		6,248	(1,787)
		<hr/>	<hr/>
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>		6,248	(1,787)
		<hr/>	<hr/>
		309,521	(1,230,804)
<b>Capital expenditure and financial investments</b>			
Capital grants received		-	(73,726)
Payments to acquire tangible fixed assets		(76,138)	55,847
		<hr/>	<hr/>
<b>Net cash flow from capital activities</b>		(76,138)	(17,879)
		<hr/>	<hr/>
<b>Increase/(decrease) in cash</b>	19	233,383	(1,248,683)
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# PARK HIGH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

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### 1 Accounting policies

#### 1.1 Basis of preparation

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

#### 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 company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the accounts.

#### 1.3 Incoming resources

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

#### Grants receivable

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

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

#### Sponsorship income

Sponsorship income provided to the Academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

#### Donations

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

#### Other income

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

#### Donated services and gifts in kind

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

# PARK HIGH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

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#### 1 Accounting policies

(Continued)

##### 1.4 Resources expended

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

##### Costs of generating funds

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

##### Charitable activities

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

##### Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

##### 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. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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:

Land and buildings	50 years
Computer equipment	4 years
Fixtures, fittings & equipment	5 - 25 years

##### 1.6 Leasing and hire purchase commitments

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

##### 1.7 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.

# PARK HIGH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 1 Accounting policies

(Continued)

#### 1.8 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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 17, the TPS is a multi-employer scheme and the Academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

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

#### 1.9 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 the Education Funding Agency where the asset acquired or created is held for a specific purpose.

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

### 2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Other donations	-	-	-	1,638



# PARK HIGH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Lettings income	1,253	-	1,253	352
AGF separate disclosure	-	54,765	54,765	59,865
Other income	-	340,597	340,597	439,353
	<u>1,253</u>	<u>395,362</u>	<u>396,615</u>	<u>499,570</u>

### 4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Short term deposits	6,248	-	6,248	3,771
	<u>6,248</u>	<u>-</u>	<u>6,248</u>	<u>3,771</u>

### 5 Funding for the Academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	8,521,013	8,521,013	8,551,564
Capital grants	-	-	-	520,277
Other DfE / EFA grants	-	1,064,748	1,064,748	319,477
	<u>-</u>	<u>9,585,761</u>	<u>9,585,761</u>	<u>9,391,318</u>
<b>Other government grants</b>				
Local authority grants	-	150,772	150,772	237,854
	<u>-</u>	<u>150,772</u>	<u>150,772</u>	<u>237,854</u>
<b>Total funding</b>	<u>-</u>	<u>9,736,533</u>	<u>9,736,533</u>	<u>9,629,172</u>

# PARK HIGH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 6 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2014 £	Total 2013 £
<b>Academy's educational operations</b>					
- Direct costs	6,258,669	-	709,605	6,968,274	6,900,827
- Allocated support costs	906,913	1,657,716	876,837	3,441,466	2,952,783
	<u>7,165,582</u>	<u>1,657,716</u>	<u>1,586,442</u>	<u>10,409,740</u>	<u>9,853,610</u>
<b>Other expenditure</b>					
Governance costs	-	-	12,705	12,705	13,895
	<u>-</u>	<u>-</u>	<u>12,705</u>	<u>12,705</u>	<u>13,895</u>
<b>Total expenditure</b>	<u>7,165,582</u>	<u>1,657,716</u>	<u>1,599,147</u>	<u>10,422,445</u>	<u>9,867,505</u>
<b>Incoming/outgoing resources for the year include:</b>				<b>2014</b>	<b>2013</b>
				£	£
Operating leases					
- Plant and machinery				74,813	73,885
Fees payable to auditor					
- Audit				7,195	6,985
- Other services				3,870	4,685
				<u>74,813</u>	<u>73,885</u>

# PARK HIGH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
<b>Direct costs</b>				
Teaching and educational support staff costs	-	6,210,059	6,210,059	6,208,815
Educational supplies and services	-	260,471	260,471	210,603
Examination fees	-	144,746	144,746	141,587
Staff development	-	48,610	48,610	49,235
Educational consultancy	-	19,802	19,802	15,486
Other direct costs	-	284,586	284,586	275,101
	-	6,968,274	6,968,274	6,900,827
<b>Allocated support costs</b>				
Support staff costs	-	906,913	906,913	1,002,001
Depreciation	-	331,847	331,847	416,349
Technology costs	-	201,498	201,498	147,183
Recruitment and support	-	56,801	56,801	63,211
Maintenance of premises and equipment	-	1,325,869	1,325,869	601,481
Cleaning	-	2,650	2,650	588
Energy costs	-	138,407	138,407	140,051
Rent and rates	-	49,346	49,346	51,357
Insurance	-	58,984	58,984	52,678
Security and transport	-	6,927	6,927	15,683
Interest and finance costs	-	57,000	57,000	62,000
Other support costs	-	305,224	305,224	400,201
	-	3,441,466	3,441,466	2,952,783
<b>Total costs</b>	-	10,409,740	10,409,740	9,853,610

### 8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Legal and professional fees	-	5,510	5,510	6,910
Auditor's remuneration	-	7,195	7,195	6,985
- Audit of financial statements	-	7,195	7,195	6,985
	-	12,705	12,705	13,895

# PARK HIGH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

#### 9 Staff costs

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

	2014 Number	2013 Number
Teachers	111	111
Administration and support	44	54
	<u>155</u>	<u>165</u>

#### Costs included within the accounts:

	2014 £	2013 £
Wages and salaries	5,614,745	5,693,693
Social security costs	462,215	466,494
Other pension costs	838,944	839,715
	<u>6,915,904</u>	<u>6,999,902</u>
Supply teacher costs	194,468	210,914
Compensation payments	6,600	-
Staff development and other staff costs	48,610	49,235
	<u>7,165,582</u>	<u>7,260,051</u>

The number of employees whose annual remuneration was £60,000 or more was:

	2014 Number	2013 Number
£60,000-£70,000	5	3
£70,000-£80,000	5	2
£100,000-£110,000	1	1
	<u>11</u>	<u>6</u>

# PARK HIGH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

#### 9 Staff costs

(Continued)

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2014	2013
Teachers' Pension Scheme	Numbers	10	5
	£	96,658	52,973
Local Government Pension Scheme	Numbers	1	1
	£	18,127	16,407

Included in staff costs are non-statutory/non-contractual severance payments totalling £6,600 (2013: £NIL). The full £6,600 of the non-statutory/non-contractual payments relates to one staff member and was agreed by the year end. The actual payment wasn't made till after the year end and an accrual has been recognised within creditors.

#### 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)	£100,001 - £105,000 (2013: £100,001-£105,000)
S Malone (staff governors)	£20,001 - £25,000 (2013: £20,001-£25,000)
W Hemens (staff governors)	£50,001 - £55,000 (2013: £50,001-£55,000)
J Cordara (staff governors)	£50,001 - £55,000
A Attfield (staff governors)	£50,001 - £55,000

During the year no travel or subsistence expenses were reimbursed to any Governor.

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

#### 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 2014 was £1,701 (2013: £781).

# PARK HIGH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2013	23,266,996	148,900	169,921	3,000	23,588,817
Additions	-	76,138	-	-	76,138
Revaluation	(729,312)	-	-	-	(729,312)
At 31 August 2014	22,537,684	225,038	169,921	3,000	22,935,643
<b>Depreciation</b>					
At 1 September 2013	558,239	126,582	81,545	3,000	769,366
Charge for the year	316,148	(1,093)	16,792	-	331,847
At 31 August 2014	874,387	125,489	98,337	3,000	1,101,213
<b>Net book value</b>					
At 31 August 2014	21,663,297	99,549	71,584	-	21,834,430
At 31 August 2013	22,708,757	22,318	88,376	-	22,819,451

### 12 Debtors

	2014 £	2013 £
Trade debtors	5,854	23,115
VAT recoverable	157,409	23,342
Prepayments and accrued income	238,193	222,510
	401,456	268,967

### 13 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	105,053	32,952
Taxes and social security costs	271,539	149,406
Other creditors	22,290	22,290
Accruals	232,477	105,747
Deferred income	48,999	24,751
	680,358	335,146

# PARK HIGH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

14 Deferred income	2014	2013
	£	£
Deferred income is included within:		
Creditors due within one year	48,999	24,751
Total deferred income at 1 September 2013	24,751	-
Amounts credited to the statement of financial activities	(24,751)	-
Amounts deferred in the year	48,999	-
<b>Total deferred income at 31 August 2014</b>	<b>48,999</b>	<b>-</b>

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.

15 Funds	Balance at 1 September 2013	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2014
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant	863,473	8,521,013	(8,203,081)	(76,138)	1,105,267
Other DfE / EFA grants	414,269	1,064,748	(1,342,382)	-	136,635
Other government grants	-	150,772	(101,773)	-	48,999
Other restricted funds	-	395,362	(395,362)	-	-
	<u>1,277,742</u>	<u>10,131,895</u>	<u>(10,042,598)</u>	<u>(76,138)</u>	<u>1,290,901</u>
Funds excluding pensions	1,277,742	10,131,895	(10,042,598)	(76,138)	1,290,901
Pension reserve	(1,752,000)	-	(48,000)	(418,000)	(2,218,000)
	<u>(474,258)</u>	<u>10,131,895</u>	<u>(10,090,598)</u>	<u>(494,138)</u>	<u>(927,099)</u>
<b>Restricted fixed asset funds</b>					
Inherited fixed asset fund	22,785,942	-	(1,031,243)	-	21,754,699
Capital expenditure from GAG or other funds	33,509	-	(29,916)	76,138	79,731
	<u>22,819,451</u>	<u>-</u>	<u>(1,061,159)</u>	<u>76,138</u>	<u>21,834,430</u>
<b>Total restricted funds</b>	<b>22,345,193</b>	<b>10,131,895</b>	<b>(11,151,757)</b>	<b>(418,000)</b>	<b>20,907,331</b>
<b>Unrestricted funds</b>					
General funds	621,080	7,501	-	-	628,581
	<u>621,080</u>	<u>7,501</u>	<u>-</u>	<u>-</u>	<u>628,581</u>
<b>Total funds</b>	<b>22,966,273</b>	<b>10,139,396</b>	<b>(11,151,757)</b>	<b>(418,000)</b>	<b>21,535,912</b>

# PARK HIGH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

#### 15 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 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 2014.

**Other DfE/EFA Grants:** This fund has also arisen from funding received for the furtherance of the academy's activities that are not funded through the General Annual Grant.

**Other incoming resources:** This restricted fund has arisen from non grant income that the academy 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 upon conversion. See Note 19 for further details of this liability.

**Restricted fixed asset funds:** These 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.

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

#### 16 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
<b>Fund balances at 31 August 2014 are represented by:</b>				
Tangible fixed assets	-	-	21,834,430	21,834,430
Current assets	628,581	1,971,259	-	2,599,840
Creditors: amounts falling due within one year	-	(680,358)	-	(680,358)
Defined benefit pension liability	-	(2,218,000)	-	(2,218,000)
	<u>628,581</u>	<u>(927,099)</u>	<u>21,834,430</u>	<u>21,535,912</u>



# PARK HIGH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

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#### 17 Pensions 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 2014 and of the LGPS 31 March 2013.

Contributions amounting to £139,689 (2013: £1,928) were payable to the schemes at 31 August 2014 and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

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

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

##### Valuation of the Teachers' Pension Scheme

The latest valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £141,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

# PARK HIGH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

#### 17 Pensions and similar obligations

(Continued)

##### Teachers' Pension Scheme changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS.

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

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

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy trust has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy 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 26.5 per cent for employers with employees' contribution rates based on various pay bands. The estimated value of employer contributions for the forthcoming year is £234,000.

	2014	2013
	£	£
Employer's contributions	215,000	222,000
Employees' contributions	57,000	59,000
	<hr/>	<hr/>
Total contributions	272,000	281,000
	<hr/> <hr/>	<hr/> <hr/>

# PARK HIGH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

#### 17 Pensions and similar obligations

(Continued)

##### Principal actuarial assumptions

	2014	2013
	%	%
Rate of increase in salaries	3.9	4.6
Rate of increase for pensions in payment	2.6	2.8
Discount rate for scheme liabilities	3.7	4.6
Inflation assumption (CPI)	2.8	2.8
Expected Return on Assets	5.8	6.2

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

Change in assumptions at 31 August 2014:

	Approximate % increase to Employer Liability	Approximate monetary amount (£'000)
0.5% decrease in Real Discount Rate	11%	434
1 year increase in member life expectancy	3%	117
0.5% increase in the Salary Increase Rate	4%	160
0.5% increase in the Pension Increase Rate	7%	264

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

	2014	2013
	Years	Years
Retiring today		
- Males	22.1	21.6
- Females	24.4	23.6
Retiring in 20 years		
- Males	24.5	23.6
- Females	26.9	25.9

# PARK HIGH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 17 Pensions and similar obligations

(Continued)

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

	2014 Expected return %	2014 Fair value £	2013 Expected return %	2013 Fair value £
Equities	6.3	1,317,000	6.6	1,110,000
Bonds	3.5	220,000	4.2	166,000
Property	4.5	135,000	4.7	111,000
Other assets	3.3	17,000	3.6	-
		<u>1,689,000</u>		<u>1,387,000</u>
Total market value of assets		1,689,000		1,387,000
Present value of scheme liabilities - funded		(3,907,000)		(3,139,000)
		<u>(2,218,000)</u>		<u>(1,752,000)</u>
Net pension asset / (liability)		(2,218,000)		(1,752,000)

None of the fair values of the assets shown above include any of the academy's own financial instruments or any property occupied by, or other assets used by, the academy.

The expected return on assets is based on the long term future expected investment return for each asset class as at the beginning of the period (i.e. As at 1 September 2013 for the period to 31 August 2014). The return on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The return on equities and property is then assumed to be a margin above gilt yields.

The actual return on the scheme assets was £190,000 (2013: £155,000).

#### Operating costs and income recognised in the statement of financial activities

	2014 £	2013 £
<b>Financial expenditure/(income)</b>		
Expected return on pension scheme assets	(92,000)	(54,000)
Interest on pension liabilities	149,000	116,000
	<u>57,000</u>	<u>62,000</u>
<b>Other expenditure/(income)</b>		
Current service cost	206,000	200,000
Past service cost	-	-
	<u>206,000</u>	<u>200,000</u>
<b>Total operating charge/(income)</b>	<u>263,000</u>	<u>262,000</u>

# PARK HIGH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 17 Pensions and similar obligations

(Continued)

#### Actuarial gains and losses recognised in the statement of financial activities

	2014 £	2013 £
Actuarial (gains)/losses on assets: actual return less expected	418,000	(34,000)
Experience (gains)/losses on liabilities	-	-
(Gains)/losses arising from changes in assumptions	-	-
	<u>418,000</u>	<u>(34,000)</u>
Total (gains)/losses	<u>418,000</u>	<u>(34,000)</u>
	<u>203,000</u>	<u>(215,000)</u>

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

	2014 £	2013 £
Opening defined benefit obligations	(3,139,000)	(2,697,000)
Current service cost	(206,000)	(200,000)
Interest cost	(149,000)	(116,000)
Contributions by employees	(57,000)	(59,000)
Actuarial gains/(losses)	(433,000)	(67,000)
Benefits paid	77,000	-
	<u>(3,907,000)</u>	<u>(3,139,000)</u>

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

	2014 £	2013 £
Opening fair value of scheme assets	1,387,000	951,000
Expected return on assets	92,000	54,000
Actuarial gains/(losses)	15,000	101,000
Contributions by employers	215,000	222,000
Contributions by employees	57,000	59,000
Benefits paid	(77,000)	-
	<u>1,689,000</u>	<u>1,387,000</u>

# PARK HIGH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

<b>17</b>	<b>Pensions and similar obligations</b>	<b>(Continued)</b>	
	History of experience gains and losses:		
		<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Present value of defined benefit obligations	(3,907,000)	(3,139,000)
	Fair value of share of scheme assets	1,689,000	1,387,000
		<u>                    </u>	<u>                    </u>
	Surplus / (deficit)	(2,218,000)	(1,752,000)
		<u>                    </u>	<u>                    </u>
	Experience adjustment on scheme liabilities	106,000	-
	Experience adjustment on scheme assets	15,000	101,000
		<u>                    </u>	<u>                    </u>
<b>18</b>	<b>Reconciliation of net income to net cash inflow/(outflow) from operating activities</b>		
		<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Net income	(1,012,361)	5,577,250
	Capital grants and similar income	-	(520,277)
	Net deficit/(surplus) transferred on conversion	-	(5,310,604)
	Net current assets other than cash transferred on conversion	-	5,310,604
	Investment income	(6,248)	(3,771)
	FRS17 pension costs less contributions payable	(9,000)	(22,000)
	FRS17 pension finance income	57,000	62,000
	Depreciation of tangible fixed assets	1,061,159	416,349
	(Increase)/decrease in debtors	(132,489)	(268,967)
	Increase/(decrease) in creditors	345,212	335,146
		<u>                    </u>	<u>                    </u>
	Net cash inflow/(outflow) from operating activities	303,273	5,575,730
		<u>                    </u>	<u>                    </u>
<b>19</b>	<b>Reconciliation of net cash flow to movement in net funds</b>		
		<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Increase/(decrease) in cash	233,383	1,965,001
	Net funds at 1 September 2013	1,965,001	-
		<u>                    </u>	<u>                    </u>
	<b>Net funds at 31 August 2014</b>	<b>2,198,384</b>	<b>1,965,001</b>
		<u>                    </u>	<u>                    </u>

# PARK HIGH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

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### 20 Analysis of net funds

	At 1 September 2013	Cash flows	Non-cash changes	At 31 August 2014
	£	£	£	£
Cash at bank and in hand	1,965,001	233,383	-	2,198,384

### 21 Commitments under operating leases

At 31 August 2014 the Academy trust had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Expiry date:		
- Within one year	11,034	-
- Between two and five years	59,925	73,885
	<u>70,959</u>	<u>73,885</u>

### 22 Related parties

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.

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

# PARK HIGH SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

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### 23 Conversion to an academy

The valuation of the School property was not available at the original conversion date and therefore estimated valuations were calculated by management. The value below represents the adjustment necessary to bring management's estimate in line with the EFA approved valuers assessment, which has subsequently been received.

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

<b>Funds surplus/(deficit) transferred:</b>	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Fixed asset funds £</b>	<b>Total 2014 £</b>
Fixed assets funds	-	-	(729,312)	(729,312)
	<u>-</u>	<u>-</u>	<u>(729,312)</u>	<u>(729,312)</u>
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>(729,312)</u></u>	<u><u>(729,312)</u></u>

### 24 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he 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.