



**Parallel Learning Trust  
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements  
Year ended 31 August 2022**

**Company Registration Number:  
08605705 (England and Wales)**

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**Parallel Learning Trust**  
**(A company limited by guarantee)**

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## Parallel Learning Trust

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### Reference and Administrative Details of The Academy Trust, its Directors And Advisors

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#### Members

C Malec  
S Butcher (Appointed 16 June 2022)  
C Dunn (Appointed 11 January 2022)  
D Bulman (Appointed 16 June 2022)  
N Diffey (Resigned 16 June 2022)  
V M D C Da Silva (Resigned 16 June 2022)

#### Directors

M Jordan (CEO and Accounting Officer)  
M Martell (Vice Chair from 29 September 2022)  
D Heaton  
N Diffey (Resigned 24 Sept 2022)  
Dr I Nath  
S Lobo (Appointed 16 Sept 2021)  
S Lamb (Appointed 18 Nov 2021)  
J Alvis (Chair from 29 Sept 2022)  
P Lawson (Appointed 18 Nov 2021)  
C Howells (Vice Chair) (Resigned 31 August 2022)  
N Cross (Resigned 15 June 2022)  
N Alderson (Resigned 3 January 2022)  
K Swift (Appointed 14 November 2022)  
G Rosato (Appointed 29 September 2022)  
J Fuller (Appointed 29 September 2022)

#### Senior Management Team:

- |                                  |             |
|----------------------------------|-------------|
| 1. Chief Executive Officer (CEO) | M Jordan    |
| 2. Chief Finance Officer         | H Cardy     |
| 3. Executive Headteacher         | M O'Donnell |

#### Company Name

Parallel Learning Trust

#### Principal and Registered Office

Suite 1,  
1 & 2 Leonard Place,  
Westerham Road, Bromley  
Keston, BR2 6HQ

#### Company Registration No.

08605705 (England and Wales)

#### Independent Auditor

UHY Kent LLP trading as UHY Hacker Young  
Thames House, Roman Square  
Sittingbourne, Kent, ME10 4BJ

#### Bankers

Lloyds Bank PLC  
George Street, Croydon, CR9 2NS

#### Solicitors

Geldards LLP, Enterprise House  
1-2 Hatfields  
London, SE1 9PG

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## **Parallel Learning Trust**

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## **Directors' Report for the year ended 31 August 2022**

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The Directors (who are also Trustees of the charity for the purpose of the Charities Act) present their annual report together with the audited financial statements and Auditors' report of the Parallel Learning Trust (the Trust) for the period from 1 September 2021 to 31 August 2022.

The Directors confirm that the Annual Report and financial statements of the Academy Trust, comply with the current statutory requirements, the requirements of the Trust's governing document and the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005. The annual report serves the purposes of both as a trustees' report and a Directors' report under company law.

The Parallel Learning Trust's principal activities are set out in its articles of association and the funding agreement.

The Parallel Learning Trust (the Trust) has been set up as an academy Trust under the standard multi-academy model (11 July 2013) and completed the conversion of the first two academy provisions, Kennington Park AP Academy and Park Campus AP Academy, on 1 July 2014.

The Trust was granted Academy Sponsor Status in February 2015 enabling the Trust to sponsor other alternative provision settings, special schools and primary schools. The Trust has subsequently worked with the Department for Education on a number of projects that have led to the Trust being named the preferred sponsor for three special schools: After ministerial approval, the Trust converted its first 'sponsored academy' in April 2016 and further AP and SEMH academies have joined the Trust since July 2017.

Since January 2018 PLT had been formally supporting Wandle Valley School, a Single Academy Trust (SAT) in Sutton. The Regional School Commissioner for SESL region is aware and in support of the arrangement which focuses on Leadership, Governance, Finance and school improvement. Wandle Valley Academy joined PLT on 1 November 2018.

### **STRUCTURE, GOVERNANCE AND CONSTITUTION**

The Trust is a company limited by guarantee and an exempt charity incorporated on 11 July 2013. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Directors of Parallel Learning Trust are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Parallel Learning Trust and also makes itself known as PLT.

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

#### **Members' Liability**

Each member of the Trust 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.

#### **Directors' Indemnities**

A Director may benefit from any unlimited indemnity insurance, purchased at the Trust's expense through the ESFA Risk Protection Arrangement (RPA) Scheme, to cover the liability of the Directors, which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust. Provided that any such insurance shall not extend to any claim arising from any act or omission which the Directors knew to be a breach of duty or was committed by the Directors in reckless disregard to whether it was a breach of duty or not and provided also that any such insurance shall not extend to the costs of any successful defence to a criminal prosecution brought against the Directors in their capacity as Directors of the Parallel Learning Trust.

#### **Method of Recruitment and Appointment or Election of Directors**

The members may appoint up to 6 Directors.

The total number of Directors, including the Chief Executive, who are employees of the company shall not exceed one third of the total number of Directors. Directors may appoint co-opted Directors.

The term of office for any director shall be four years, save that:

- This time limit shall not apply to the Chief Executive
- The term of office may be shorter than four years for any co-opted Director, if the Directors determine this at the time of appointment of such a Director.

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## **Parallel Learning Trust**

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## **Directors' Report for the year ended 31 August 2022**

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### **Policies and Procedure Adopted for the Induction and Training of Directors**

Potential Directors are recruited through:

- Recommendation
- Referral from a recruiting organisation
- Self-Referral
- Advertisement, following a skills audit which identifies gaps

Potential Directors will, in the first instance, be met by the Chief Executive and given an overview of the organisation from an operational perspective. They will be given background written information about the organisation and invited to interview with a panel including at least 1 Member and at least 1 representative from the Board and/or CEO to ascertain the following information:

- Skills
- Background
- Experience of working within a governance role
- Experience of working with young people, especially vulnerable children and those with learning disabilities

This meeting is a two-way process and the discussion should present the prospective Directors with an opportunity to find out more about being a Director for the Trust and decide whether or not they are still interested.

They will be asked at this stage to complete an application form and a DBS form if they wish to continue the process of appointment. Two references will be sought, directly following this meeting and on receipt of references and DBS check, recommendations will be made to the Board of Directors and if agreed the new candidate will be invited to attend the next available board meeting.

At this point, the new Director will be asked to:

- Complete and sign the declaration of interest form, to be retained by the Company Secretary
- Sign a declaration that they are eligible to serve as a Director
- Agree and sign two copies of the code of conduct, one to be retained by the Director and the other by the Company Secretary
- The new Director will be sent a letter of appointment. The Company Secretary will notify Companies House of the appointment.

### **Induction and Training of Directors**

All Directors should receive:

- An organisational chart
- A copy of the previous year's annual report and financial report
- A copy of the memorandum and articles of association
- A copy of the previous board meeting minutes
- A copy of the business plan
- Charity Commission CC3 - The essential trustee: What you need to know
- Charity Commission CCI 0 - The Hall Marks of an Effective Charity
- Current Newsletter
- Copies of all the current up to date policies and procedures
- EFA Academies Financial Handbook

All new Directors will be invited to attend:

- Safeguarding Training
- Staff induction Training

All new Directors will be encouraged to visit at least one of the Trust's Academies.

## Parallel Learning Trust (A company limited by guarantee)

### Directors' Report for the year ended 31 August 2022

#### Ongoing Support and Training

Directors will be offered ongoing training opportunities and be kept up to date with Charity Commission guidance and policy news through the board meetings and via email.

They will be invited to attend training relevant to their role, such as:

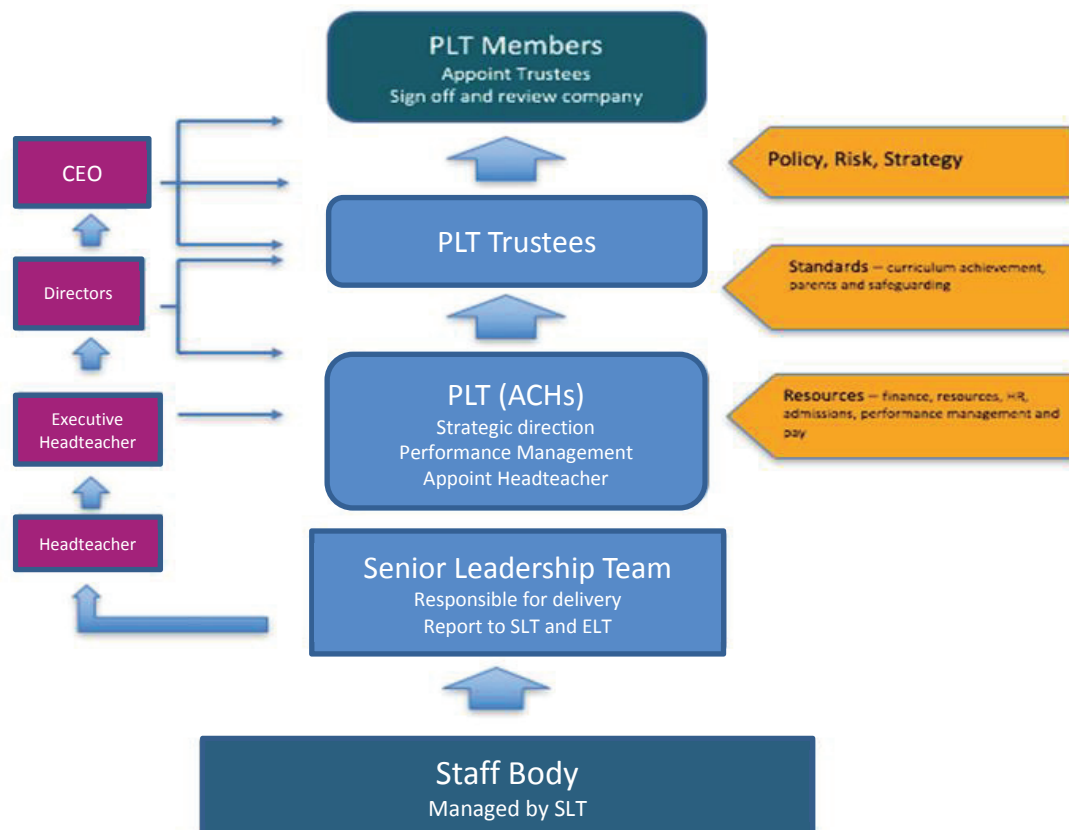
- Health and Safety
- Employment Law
- Financial management
- Diversity and Equal Opportunities

The training may be a face to face, in a collective setting, or through virtual on-line packages delivered via the corporate membership or the National Governors Association (NGA) or via training providers deemed appropriate by the board. Directors will be kept up to date, by email, on updates from the ESFA, Charity Commission, Companies House, Trustee Network or other national support organisation.

#### Organisational Structure

The organisational structure consists of three levels@

- Board of Directors
- Executive Leadership Team
- Local Governance



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## Directors' Report for the year ended 31 August 2022

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The Executive Leadership Team consists of the Chief Executive, Headteachers/Heads of each academy, the Central PLT team and Chief Finance Officer. These leaders have operational responsibility of the academies at an executive level, implementing the policies laid down by the Board of Directors and reporting back to them. As a group, the Executive Leadership Team is responsible for the authorisation of spending, within agreed budgets and the appointment and performance management of staff. Spending control is exercised via a delegated scheme with set limits, above which a senior manager must countersign. The ELT have extended senior leadership teams in each academy, with these managers responsible for the day-to-day operation of the academies, in particular organising the teaching staff, facilities and learners.

The Parallel Learning Trust Board and its committees act strategically by:

- Setting the aims and objectives for the Trust's academies
- Setting policies for achieving those aims and objectives
- Setting targets by which progress towards those aims and objectives can be measured
- Reviewing and monitoring progress in achieving the aims and objectives

In all of the above the Trust Board and its committees will act in accordance with education law and will consider any advice given by the Chief Executive, acting as a 'critical friend' by providing advice, support, guidance and challenge and when necessary constructive criticism.

### The Role of the Chief Executive

The Chief Executive is a Director of the Parallel Learning Trust Board and is entitled to attend all committees of the Trust and its Local Governing Bodies.

The CEO, as the principal manager for the academies, is responsible for the internal organisation, management and control of the academies; for advising the Trust Board members and implanting the strategic framework, incorporated in the role of advising the Trust Board are:

- Formulating aims and objectives, for adoption, amendment or rejection by the Board
- Formulating policies and targets for the Trust Board to consider adopting
- Reporting to the Trust Board on progress

### Delegation of the Trust Board Functions

The Trust Board has considered delegation of its responsibilities in light of the following:

- The requirement of the Trust Board to fulfil a largely strategic function within academies
- The responsibility of the EHT for the internal organisation, management and control of academies
- The requirement of the EHT to comply with any reasonable direction of the Trust Board members in carrying out a function delegated by the Board

### The Trust Board's Committee Structure and Terms of Reference

The Terms of Reference for all committees are provided in the Terms of Reference Continuation Handbook (ToRCH). Committees may have powers delegated to them. Sub-committees do not have delegated powers. In general, the Trust Board establishes committees, and most sub-committees including the LGB following their committee structure model. The Local Governing Body as required may also establish sub-committees.

The Parallel Learning Trust Board may choose to set up Committees or Sub-Committees in whichever way is agreed will be most appropriate to each institution, taking separate areas of responsibility under separate Committees, or combining several areas under one committee.

The Parallel Learning Trust Board has chosen the following model:

1. **Finance, Resources and Premises Committee responsibilities for:**
  - a) Health and Safety
  - b) Appeals
  - c) Charges and Lettings

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## **Directors' Report for the year ended 31 August 2022**

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### **2. Education and Standards Committee responsibilities for:**

- a) Safeguarding b) Discipline c) Staffing Overview

### **3. Audit & Risk Committee**

- a) Compliance and risk

### **4. Academy Councils**

- a) Academic performance b) Local safeguarding

The above committee structure will be reviewed annually.

### **Local Governing Bodies**

The Terms of Reference for all Academy Councils are provided in the Terms of Reference Continuation Handbook (ToRCH). The following are required sub committees of the Academy Councils:

- The Family Committee
- Local Finance/Budget Committee
- The Standards and Curriculum Sub-Committee

### **Arrangements for setting pay and remuneration of key management personnel**

Pay sub-committee is responsible for agreeing the senior management pay and leadership of the school.

### **Related Parties and other Connected Charities and Organisations**

The Trust had one related party transaction during 2021-22 with an education consultant, John Wotherspoon, who is also a governor for the Essex and Southend Academy Council. John, through his company JWETC, provides advice, school improvement support and quality assurance to academies within PLT.

## **OBJECTIVES AND ACTIVITIES**

### **Objects and Aims**

The Company's object is specifically restricted to the following:

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing:

- Schools ("the mainstream Academies") offering a broad and balanced curriculum;
- Educational institutions which are principally concerned with providing full time or part time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative Academies"); and
- Schools specifically organised to make special education provision for pupils with Special Educational Needs ("the Special Academies").

### **Objectives, Strategies and Activities**

The Strategic Objectives are summarised as follows:

1. To review, evaluate and improve Governance at strategic Board level
2. Improve standard of financial awareness, skills and monitoring across all academies providing appropriately detailed information to Academy Councils and the Board
3. To build a 'family' of Good and Outstanding cross-phase Academies that provide the best possible outcomes for pupils



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## **Directors' Report for the year ended 31 August 2022**

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4. Continue to build transferable leadership and infrastructure models for the successful delivery of learning in existing and new sponsored academies.
5. These strategic objectives are underpinned by four key priorities for our schools and services.

### **Public Benefit**

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

## **STRATEGIC REPORT**

### **Achievements and Performance**

#### **Key Performance Indicators**

The Directors use the following key performance indicators to assess the success of the activities of The Parallel Learning Trust.

#### **Standards of Achievement**

1. Assessment information, indicating rates of progress for individuals and groups, including pupils eligible for pupil premium funding.
2. Achievement at the end of key stage in line with national expectation.

#### **Quality of Teaching**

1. Teaching profile based upon lesson observation judgements
2. Tracking of pupil progress
3. Monitoring of marking and presentation

#### **Behaviour and Safety**

1. Behaviour records, including the measurement of progress against scales of Behavioural Competencies and incidents of bullying and racial harassment.
2. Attendance rates, including lateness and persistent absence
3. Child protection and safeguarding audits
4. Pupil, parent/carer and staff surveys

#### **Leadership and Management**

1. Impact of leadership and management on standards of achievement and the quality of teaching
2. Staff development processes, including performance management
3. Ofsted inspections
4. Academy and/or the Trust commissioned reviews
5. Academy self-evaluation processes
6. Quality marks and awards
7. Impact or support on external partners
8. Relationship with commissioners (especially schools in supporting early intervention and reintegration) as seen through the demand for pupil places.
9. Budget monitoring, analysis and future projection

The Key Performance Indicators for the Trust relate to standards of achievement within each academy.

As an extremely busy academic year draws to a close, whilst too early to analyse the academic and overall successes of our existing and new academies, I will use this interim report to outline current performance, where we are on growth plan and where we need to get to in order to cement the success of Parallel Learning Trust as a successful Multi Academy Trust (MAT).

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## Directors' Report for the year ended 31 August 2022

### PLT Academy performance by Ofsted judgement criteria

Academy	Ofsted Judgement Areas				
	Overall effectiveness (previous inspection grade)	Leadership and management	Quality of Education	Behaviour & Attitudes	Personal Development
Ramsden Hall Academy	2 (3)	2	3	3	2
Sutton House Academy	3 (4)	2	3	3	2
Victory Park Academy	3 (4)	3	3	2	2
Inspire Academy	2 (2)	2	2	2	2
Kennington Park Academy	2 (2)	2	2	2	2
Park Campus Academy	2 (2)	2	2	2	2
Wandle Valley Academy	2 (3)	2	2	2	2

1 - Outstanding    2 - Good    3 - Requires Improvement    4 - Inadequate

During 2021-22 all provisions have improved and strengthened, embedding the core systems of the Trust in the following key areas;

- Trust wide and academy specific Literacy strategy
- Behaviour management system
- Raising standards at KS4

Significant progress has been made and now all teaching and learning systems are embedded in all academies with the new 'minimum service standards' being adhered consistently in all provisions. The following is a summary of the strategic developments that have been achieved this year:

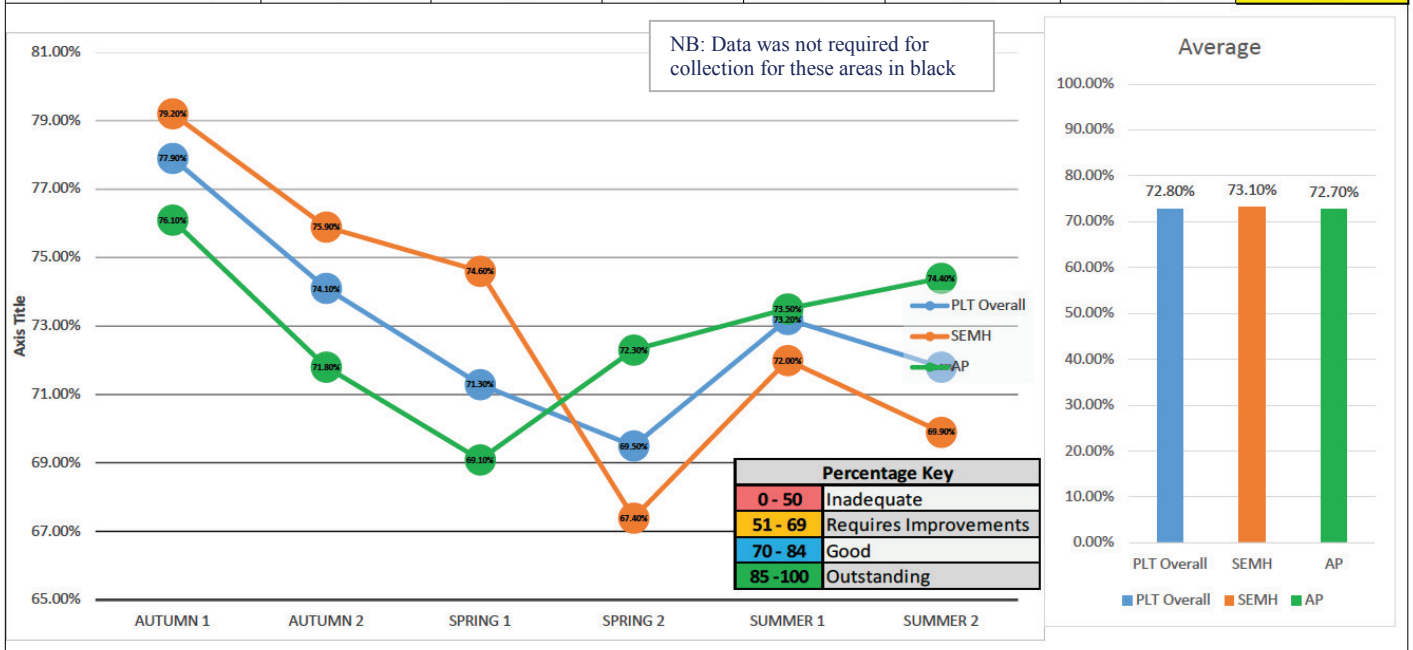
- PLT (2021-2022) has an 3% increase of pupils achieving at least 5 (9-1 or equivalent) qualifications compared to 2020-2021
- AP Provision have 25% of pupils achieving at least five (9-4 or equivalent) qualifications including English and Math
- Across the Trust there has been an 11% increase in both Level 1 and Level 2 English Functional skills.
- The new templates for both WS and LW have been successful as they have provided more of a deep dive on teaching and learning. Staff have responded well to this change and there has been positive feedback. As a result, it has enabled us to identify weaker areas within the curriculum and put in the support and training accordingly. This process has supported current Year 11 predicted grades being very accurate and we now have more pupils who have achieved both levels 1 and 2 in English and Math Functional Skills.
- Work scrutiny average across the academic year is good across the Trust and has worked well being each week in teams led by a member of SLT. This has meant that all staff are involved in the process and gain immediate feedback. They are also clear on the expectations and can learn from each other to make further improvements. Staff have said that the reduced statements has made the process more manageable in comparison to before.
- Learning walks are good across the academy and have continued to provide valuable information and this is communicated with staff so that changes can be made.
- Pupil progress is at 70.10% which we see as requires improvement, despite a number of strategies and support in place throughout the year.
- COVID has had a massive impact on pupil progress; the pupils that are being referred to us, the majority are working 4 to 6 years below their age.
- It has been made clear that the gaps in learning need to have been identified so that clear actions can be implemented in the Autumn term to promote accelerated progress

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**Directors' Report for the year ended 31 August 2022**

Triangulated performance of PLT academies across Work scrutinies, Learning walks and Progress in 2021-22:

Triangulation Table	Autumn 1	Autumn 2	Spring 1	Spring 2	Summer 1	Summer 2	Average
Wandle Valley Academy	76%	77%	74%	71%	72%	72%	74%
Inspire Academy	93%	88%		77%		85%	85%
Park Campus Academy	76%	70%	70%	71%	72%	71.8%	72%
Ramsden Hall Academy	73%	69%		51%		50%	61%
Victory Park Academy	85.4%	78.4%	72.4%	74.8%	74.6%	77.3%	77.2%
Sutton House Academy	74.9%	69.4%	75.1%	70.4%		72.6%	72.5%
Kennington Park Academy	67%	67%	65%	71%	71%	74%	69%



**Narrative summary on performance of PLT academies 2021-22**

Intent
<ul style="list-style-type: none"> <li>To track staff performance using a wide range of measures such as learning walk, work scrutiny and pupil progress, Triangulation table helps leaders out of measuring progress and plan interventions.</li> <li>Leaders to easily examine progress against all staff by subject, year group, key stages and overall, as academy, to identify who needs support for further development.</li> <li>Regularly review and analyse progress against all staff by subject, year group, key stages and overall to identify areas development.</li> </ul>
Implementation
<ul style="list-style-type: none"> <li>It highlights teachers that have good knowledge of the subject(s) and courses they teach. It provides leaders to put effective support for those teaching outside their main areas of expertise or require further development. Consider what support can be implemented and who would benefit from this support.</li> <li>Display the Triangulation Table so that staff are engaging with data daily. Learning walk, work scrutiny and pupil progress data is entered into the triangulation table half-terminly and the results analysed to identify areas for further investigation and possible intervention.</li> <li>Triangulation data is shared with all staff including during performance management meetings.</li> </ul>
Impact
<ul style="list-style-type: none"> <li>The Triangulation table has identified areas for development for teaching and learning and informs teachers' CPD across the academy.</li> <li>Learning walks and work scrutiny highlight where staff need to improve and where they excel. This is a vital part of developing good practice across the academy.</li> <li>Allows for the monitoring of teacher performance across year groups and subjects - allowing for detailed scrutiny across the seven areas of teacher standards.</li> <li>It highlights teachers who have good knowledge of the subject(s) and courses they teach.</li> <li>It provides leaders the data required to put effective support for those teaching outside their main areas of expertise or require further development.</li> <li>Overall, across trust through L/W; W/S and PP we are at 72.80%.</li> <li>A high number of KS3 pupils have joined across the trust - English and literacy have been highlighted as areas in need of improvement and pupils complete Lexia-, some of these pupils are not ready to learn at present- which their curriculum has been adapted to more personal development activities. One to one meetings between individual teachers and the Teaching and Learning lead and Progress Lead take place every half term to discuss reasons behind pupils making limited progress- this could be due to PNA or late starters.</li> </ul>

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**Directors' Report for the year ended 31 August 2022**

<b>Proposed target for coming year based on Evaluation:</b>
<b>IA</b> – to maintain at least 70% (Good) throughout the year but to work towards 85% overall by year end. CPD on the new perspective forms. Linking raising achievement meetings with work scrutiny
<b>WVA</b> – Maintain above 70% (Good) throughout the year and strive for above 85% (Outstanding)
<b>PCA</b> – To maintain above 70% (Good) throughout the year
<b>RHA</b> – Review with Trust most effective ways of measuring progress for Ready to Learn pupils and KS4 English and Maths pupils
<b>VPA</b> – To maintain above 70% (Good) throughout the year
<b>SHA</b> – WRATS used to inform planning – Lead to provide Data with detailed breakdown
<b>KPA</b> – To raise the average triangulation table percentage for 2022 – 2023 to 75%

**PLT – GCSE Outcome Qualification – 2021/2022**

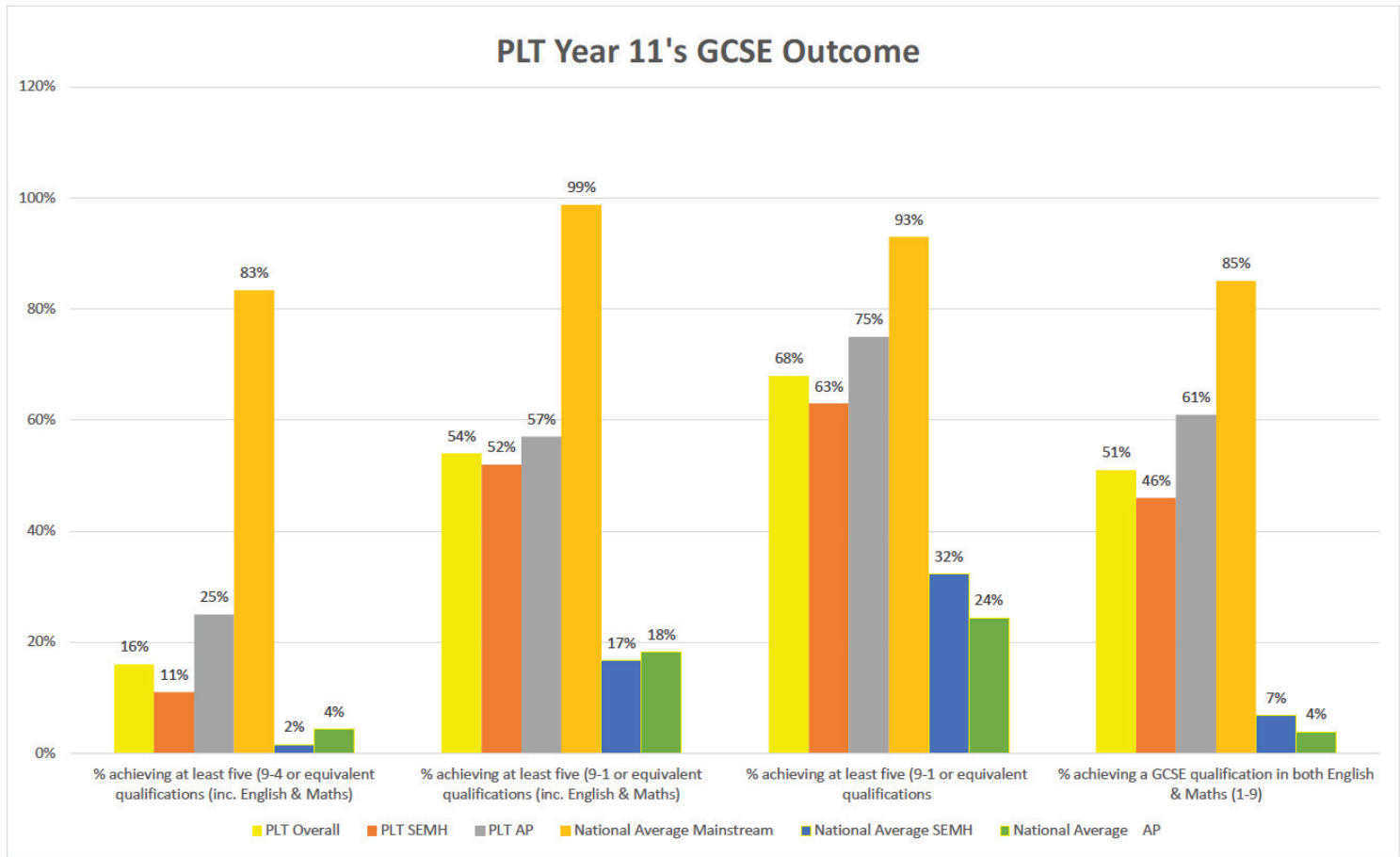
Year 11	Inspire (SEMH)		Park Campus (AP)		Ramsden Hall (SEMH)		Sutton House (SEMH)		Victory Park (AP)		Wandle Valley (SEMH)		
No. of Y11 Pupils on roll	10		11		17		8		17		11		
	No. of students	%	No. of students	%	No. of students	%	No. of students	%	No. of students	%	No. of students	%	
% achieving at least five (9-4 or equivalent) qualifications (inc. English and Maths)	1	10%	4	36.4%	4	23.5%	0	0.0%	3	17.6%	0	0%	
% achieving at least five (9-1 or equivalent) qualifications (inc. English and Maths)	3	30%	7	63.6%	11	64.7%	6	75.0%	9	52.9%	4	36%	
% achieving at least five (9-1 or equivalent) qualifications	7	70%	7	63.6%	11	64.7%	6	75.0%	14	82.4%	5	45%	
% achieving a GCSE qualification in both English & Maths (1-9)	5	50%	8	72.7%	5	29.4%	7	87.5%	9	52.9%	4	36%	
% achieving a GCSE qualification in English (1-9)	6	60%	8	72.7%	5	29.4%	8	100.0%	10	58.8%	5	45%	
% achieving a GCSE qualification in Maths (1-9)	5	50%	8	72.7%	11	64.7%	7	87.5%	11	64.7%	7	64%	
% achieving a Functional Skills qualification in Maths (L1 – L2)	L1	4	40%	1	9.1%	5	29.4%	4	50.0%	12	70.6%	2	18%
	L2	1	10%	9	81.8%	6	35.3%	0	0.0%	1	5.9%	0	0%
% achieving a Functional Skills qualification in English (L1 – L2)	L1	3	30%	0	0.0%	4	23.5%	6	75.0%	10	58.8%	5	45%
	L2	0	0%	7	63.6%	9	52.9%	0	0.0%	4	23.5%	2	18%

Year 11	PLT (Average)		SEMH (Average)		AP (Average)		National Average 2019 Academic Year		
No. of Y11 Pupils on roll	74		46		28		Mainstream	AP	SEMH
	No. of students	%	No. of students	%	No. of students	%			
% achieving at least five (9-4 or equivalent) qualifications (inc. English and Maths)	12	16%	5	11%	7	25%	83.5%	4.3%	1.6%
% achieving at least five (9-1 or equivalent) qualifications (inc. English and Maths)	40	54%	24	52%	16	57%	98.8%	18.2%	16.7%
% achieving at least five (9-1 or equivalent) qualifications	50	68%	29	63%	21	75%	93.0%	24.4%	32.3%
% achieving a GCSE qualification in both English & Maths (1-9)	38	51%	21	46%	17	61%	85.1%	6.8%	3.9%
% achieving a GCSE qualification in English (1-9)	42	57%	24	52%	18	64%			
% achieving a GCSE qualification in Maths (1-9)	49	66%	30	65%	19	68%			
% achieving a Functional Skills qualification in Maths (L1 – L2)	L1	28	38%	15	33%	13	46%		
	L2	17	23%	7	15%	10	36%		
% achieving a Functional Skills qualification in English (L1 – L2)	L1	28	38%	18	39%	10	36%		
	L2	22	30%	11	24%	11	39%		

## Parallel Learning Trust (A company limited by guarantee)

### Directors' Report for the year ended 31 August 2022

The following is a graph that shows the average attainment scores for all academies within PLT also broken down by provision type:



Headlines
<ul style="list-style-type: none"> <li>PLT (2021-2022) has a 3% (68%) increase of pupils achieving at least 5 or equivalent, compared to 2020-2021</li> </ul>
Strengths
<ul style="list-style-type: none"> <li>16% of pupils across the Trust have achieved at least 5 qualifications (9-4) or equivalent including English and Maths</li> <li>63% of pupils (32.3% National Average) in SEMH have achieved at least 5 qualifications (9-1) or equivalent</li> <li>25% of pupils (4.3% National Average) in AP have achieved at least 5 qualifications (9-4) or equivalent including English and Maths</li> </ul>
Areas for Development
<ul style="list-style-type: none"> <li>To close the gap % of pupils achieving GCSE English (9-1) in comparison with Maths GCSE</li> </ul>
Proposed target for coming year based on Evaluation
<ul style="list-style-type: none"> <li>75% of pupils to achieve at least 5 qualifications (9-1) or equivalent across the Trust</li> </ul>

#### PLT Key behaviour data

The following is an average summary for each academy in PLT looking at the 3 main key areas of attendance, fixed term exclusions and restrictive physical interventions. Please note that the SEMH and AP academies have been separated for Directors to compare and contrast data from similar type provisions as well as averages for SEMH academies as well as AP academies and the overall average for all PLT academies. It is necessary to compare the rate and not the total frequency of the number of incidents as this would not be a fair comparator. The rate is calculated by dividing the total number of incidents, divided by the number of pupils on roll, which is then finally divided by the total number of days of education. This allows a fair comparison of pupils across PLT academies regardless of the size or term as some academies are larger than others and some terms have more days. This Trust wide comparison year on year represents significant progress further to the solid base achieved in 2020-21.



## Parallel Learning Trust

### (A company limited by guarantee)

## Directors' Report for the year ended 31 August 2022

### Overview Year to Date: 1/9/21 - 21/7/22

A negative incident is any breaking of a rule in the academy behaviour policy, a positive incident is deemed as any type of positive action that a pupil has actively done in line with the behaviour policy or meeting of individualised personal targets.

		% Attendance Whole School	% attend >90%	Rate: Fixed Term Exclusions	Rate: Negative Events	Rate: Positive Events	Rate: Safety Interventions (RPI)
SEMH	Ramsden Hall	66.80%	31.0%	0.001 (34)	0.139 (2684)	0.218 (4210)	0.004 (89)
PRU	Victory Park	75.60%	51.0%	0.001 (14)	0.100 (1145)	0.240 (3321)	0.004 (63)
SEMH	Sutton House	75.6%	52.7%	0.0001 (16)	0.064 (756)	0.279 (3952)	0.014 (180)
PRU	Kennington Park	84.49%	53.5%	0.000 (1)	0.063 (321)	0.045 (216)	0.013 (71)
SEMH	Inspire	76.20%	41.0%	0.007 (77)	0.172 (1888)	0.281 (3019)	0.005 (59)
PRU	Park Campus	58.24%	21.8%	0.022 (176)	0.270 (1749)	0.293 (2237)	0.001 (12)
SEMH	Wandle Valley	78.80%	41.7%	0.004 (99)	0.302 (4560)	0.584 (9794)	0.007 (124)
Average 2021-22		73.67%	41.81%	0.005 (60)	0.134 (1423)	0.226 (2825)	0.006 (85)
SEMH Average 2021-22		74.35%	41.60%	0.003 (57)	0.169 (2472)	0.259 (3727)	0.007 (113)
PRU Average 2021-22		72.78%	42.10%	0.007 (63)	0.144 (1071)	0.192 (1924)	0.006 (49)

**Note:** Positive averages exclude Wandle Valley due to the inclusion of expectation points as positive events. Kennington Park data excludes Summer Term (Terms 5 & 6) due to no data being submitted.

### Key:

Black	Satisfactory as within 2% of the 2021-22 Average
Red	Cause for review as 2% worse than 2021-22 Average
Green	Positive as better than 2% of 2021-22 Average

### % Attendance Whole School Per Academy Per HT

		Aut 1	Aut 2	Spr 1	Spr 2	Sum 1	Sum 2
SEMH	Ramsden Hall	69.17%	69.60%	71.0%	63.15%	65.17%	62.80%
PRU	Victory Park	83.27%	79.33%	78.33%	77.32%	70.00%	65.10%
SEMH	Sutton House	82.69%	77.49%	81.2%	71.91%	77.2%	71.4%
PRU	Kennington Park	85.71%	84.95%	82.90%	84.4%		
SEMH	Inspire	86.4%	80.85%	64.4%	75.55%	78.25%	72.21%
PRU	Park Campus	74.70%	67.80%	68.8%	70.0%	59.3%	45.1%
SEMH	Wandle Valley	86.68%	81.05%	79.63%	75.0%	78.0%	75.73%
Average		73.67%					
SEMH Average		74.35%					
PRU Average		72.78%					

## Parallel Learning Trust

### (A company limited by guarantee)

## Directors' Report for the year ended 31 August 2022

SEMH average is 15.5% lower than the national average of all special school 18/19 at 89.9%. All four SEMH academies have whole school attendance below national average. Some early attendance data that has been released from 2020/21 demonstrates attendance of all special schools as low as 51.8% suggesting the pandemic has significantly impacted on pupils with special educational needs and may take longer to recover. Many of the pupils within our SEMH provisions spent up to 2 years out of education or on significantly reduced timetables before being enrolled at one of our academies. As a result the overall attendance of some of the cohorts at these settings prior can be as low as 40%. Attendance was one of the Agenda points at the last Steering group and the following actions were agreed:

- All Behaviour Leads now have either direct responsibilities or oversee/line manage the person responsible for attendance.
- All Behaviour Leads to review policy to ensure it reflect what we do with the highest attenders as well as low attenders. (Lesson learned from external visits Autumn 2021)
- Attendance data is to be compared to pupil's prior attendance, and to their attendance the previous HT. RAG rating this will support in identifying pupils for intervention as well as those below 90%
- As part of each academies strategic view on attendance each academy will need to identify a focus group for targeted intervention. It is suggested target groups of 50- 85% or 75 -90% tend to have the biggest impact on overall attendance.
- Attendance reports should separate/remove key groups of pupils to demonstrate the impact of these pupils on whole school attendance. Behaviour Leads to ensure all strategies and interventions have been exhausted for these groups.

Average attendance of PRU's is 7.1% higher than the national average 2018/19 at 65.6%. All three PRU's are currently demonstrating overall attendance above national average.

### New developments / projects:

The executive team are exploring ways in which the Trust can work with existing and new commissioners to diversify the provision and services that it offers. The aim is to increase revenue with minimal increase in cost. To this effect the Trust has been invited to participate in the Southend Inclusion Advisory Group which has a £1 mil revenue allocation to spend on alternative provision supporting mainstream inclusion as well as a further £6 mil capital works allocation. The Trust has engaged in discussions over the Summer of 2022 including a review of provision in July 2022 with a decision to be made in Autumn 2022 based on the work completed this year. This will bring in additional revenue into the Trust and develop new sustainable income streams.

PCA successful bid for Targeted support for vulnerable young people in serious violence hotspots : PCA has been successful in accessing £250k per year for a 2 year period for additional inclusion interventions services in order to lower risk and divert young people from serious violence. Vulnerable young people at risk of being drawn into crime or gangs will benefit from a funding boost to help them stay engaged with their education and out of harm. Following commitments laid out in the Government's Beating Crime Plan, the Department for Education has today (Friday 03 September) set out its plans for two new projects to support young people most at risk of serious violence or gang exploitation, preventing them from entering a life of crime and helping them move into further education, employment or training. Available in 21 areas across England from November this year, including London, Manchester, and Birmingham, Alternative Provision Specialist Taskforces will work directly with young people in alternative provision settings to offer intensive support from experts, including mental health professionals, family workers, and speech and language therapists. Backed by £15 million, awarded from the Treasury's Shared Outcomes Fund, this two-year programme will aim to keep pupils in Alternative Provision including those who have been excluded from school engaged in education, getting them back on track with their studies and preventing them from being drawn into gang activity or becoming involved with serious crime. In addition, £30 million will be invested into a programme of SAFE ('Support, Attend, Fulfil, Exceed') Taskforces which will be rolled out in 10 of these serious violence hotspots areas from early 2022. This three-year initiative will be led by local schools to protect young people at risk of truant and from being permanently excluded. The SAFE programme will deliver targeted interventions to reduce truancy, improve behaviours, and reduce the risk of individuals failing to enter education, employment or training (NEET).

The Trust has identified that to further diversify in SEMH it is submitting a significant change bid for Kennington Park Academy and Park Campus Academy to amalgamate and add an additional designation to their status, this has fully discussed with the DfE, this bid has been supported by the RSC's office and discussions have taken place throughout this academic year, approval was received in June 2022 for this to take effect as of early 2022-23 academic year. This will further diversify and strengthen the Trust and as part of the de-risking the Trust also engaged in an external review by a DfE SRMA (School Resource Management Advisor), the report was shared with the Trust Board. The Board took great satisfaction from the fact that the vast majority of suggestions had already been actioned or were in the process of being actioned, thus demonstrating that it has taken all appropriate steps to ensure the financial health of the organisation is strong.

## Parallel Learning Trust

### (A company limited by guarantee)

## Directors' Report for the year ended 31 August 2022

### Going Concern

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

These financial statements are prepared on the going concern basis.

As disclosed in note 19 the financial statements provide for a significant liability owed to the London Borough of Lambeth (LBL). This relates to a legal claim issued by LBL against the trust on 27 January 2017 for unpaid payroll services. A provisional settlement of £3.38m was agreed and with a monthly repayment plan now in place to settle this by January 2024. The balance sheet includes the estimated remaining liability of £954K (see note 19). The agreed monthly repayment plan provides for payments of:

- £45,477 from July 2022 to February 2023;
- £53,811 from February 2023 until full repayment in January 2024.

A signed legal agreement for the value of the unpaid payroll debt was agreed during 2019-20 along with a provisional cost for legal fees. It is expected that any increase in legal fees should not be significant.

The settlement agreement provides for default protocol but to date the trust has been able to settle all monthly payments as they fall due and the directors are confident, having considered detailed cash flow forecasts, the trust will continue to be able do so.

Contingent liability note 25 discloses a secondary claim of £929k against the trust by LBL relating to historic pension deficit balances, which the directors continue to refute. During 20/21 the Trust has sought further clarification regarding this value and welcomed a review of the Fund Actuary report to confirm the pension liability. Note 25 also details a counterclaim the trust has against LBL relating to unpaid invoices for historic commissioned places.

At the directors' request, the ESFA is acting as an arbitrator between the two parties in respect of these issues.

### Investment Policy

A return on working capital should be optimised whilst allowing easy access to the funds. In balancing risk against return the Treasury Management Policy for the Trust policy is clearly geared more towards avoiding risk than towards maximizing return.

The Trust operates an interest bearing current account with a bank approved by the Trust Directors and maintains a balance in that account that is sufficient to cover immediate and forthcoming financial commitments (payroll and payments runs) and sufficient contingency (cash buffer) for unexpected payments.

The Trust will not take out any long-term investments until a reliable cash flow pattern has been established. Monies will only be paid into approved bank deposit accounts allowing access to funds within a term not exceeding three months.

### Promoting the success of the company

The Trust ensures that any decisions made in line with its daily operations or furthering its strategic aims and objectives have due regard to;

- The likely consequences of any decision in the long term
- The interests of the company's employees
- The need to foster the company's business relationships with suppliers, customers and others
- The impact of the company's operations on the community and the environment
- The desirability of the company maintaining a reputation for high standards of business conduct
- The need to act fairly as between members of the company

Strategic objectives are regularly discussed and agreed with the Board of Trustee's to ensure full consideration is given to implications of any decisions affecting staff and students within The Trust and other key stakeholders. The governance structure within The Trust is designed to enable input from a wide range of stakeholder voices and experts to provide a balanced and informed process of monitoring, challenge, support and decision making.

One of the key developments that PLT have established is soft partnerships with other Trusts to further strengthen processes and quality assure work at executive team.



## Parallel Learning Trust

### (A company limited by guarantee)

## Directors' Report for the year ended 31 August 2022

### Fundraising

The Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

### Financial Review and Position

The Trust has had a very positive year and improved the revenue reserves position by £507k during 2021-22. This has reduced the revenue deficit from £(1,429)k to £(922)k. This is reflective of the hard work of each academy within the Trust to ensure they are managing their budgets within their means.

A priority for the next financial year is to build on last year's success and further develop financial systems and structures as appropriate in successful medium-sized MAT's.

Most of The Trust's recurrent income is obtained from the Local Authority and ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities ("SoFA").

Core grant income has been supplemented by capital funding and various other self-generated income streams.

Total income for the year was £23.7m compared to £13.9m in the previous year. The increase is mainly due to the recognition of a new building at Ramsden Hall academy, donated by the ESFA with a value of £9.9m.

The SoFA shows net income for the year of £6.5m (2021: net expenditure of £739k). The overall net movement in funds, after actuarial movements on the Local Government defined benefit pension scheme ("LGPS"), was an increase of £17.35m (2021: decrease of £2.49m).

The actuarial gain of £10.9m (2021: loss of £1.7m) on the LGPS during the year arises due to changes in the actuarial assumptions used by the schemes' actuaries, which are updated at each accounting date to allow for changes in market conditions. Full details of the pension liability and assumptions used are disclosed in note 26. The actuarial gain for the year is only part of the overall movement in the carried deficit, which has decreased in total by £9.8m. The other elements are charged to the SoFA as expenditure for the year, within staff costs, as detailed in accounting policy 2.13.

The operational result and movement on revenue funds is not shown directly on the SoFA. The table which follows reconciles from the overall movement in funds by adjusting for non-revenue amounts to reach the increase in revenue funds during the year of £507k referred to at the beginning of this financial review. The table also shows the operational result achieved prior to revenue to capital transfers for fixed assets acquired from revenue grants.

	2022 (£000s)	2021 (£000s)
Overall net movement in funds for the year per SoFA	17,351	(2,490)
<u>Add:</u>		
(Increase)/decrease attributable to fixed asset fund	(7,020)	200
LGPS actuarial loss	(10,887)	1,751
LGPS service and interest costs	1,063	831
<b>Increase in revenue income funds during the year</b>	<b>507</b>	<b>292</b>
Add: Transfers from revenue to capital to fund fixed asset additions	3	66
<b>Operational surplus on revenue funds before transfers to capital</b>	<b>510</b>	<b>358</b>

At 31 August 2022, the Trust held fixed assets with a value of £51m (2021: £44m) and movements in tangible fixed assets are shown in note 15 to the financial statements. Most of these assets relate to the value of leasehold school buildings.

The Trust has provided a central service to its academies during the year. Each academy school pays a 'levy charge' of their General Annual Grant and LA Top-up funding income to The Trust's Central Services fund which pays for key staff, systems or services vital to the running of The Trust. This is detailed in note 14 to the financial statements.

## Parallel Learning Trust

### (A company limited by guarantee)

## Directors' Report for the year ended 31 August 2022

The Trust held fund balances at 31 August 2022 of £45.6m (2021: £28.3m). This total includes the following funds in surplus:

- restricted fixed asset funds of £51.5m (2021: £44.5m) representing the net book value of fixed asset held on the Balance sheet of £51.4m (2021: £44.5m) and unspent capital grant money of £58k (2021: £nil).
- Unrestricted revenue funds of £619k (2021: £800k).

Two funds were in deficit at the 31 August 2022:

- The pension reserve deficit of £4.9m (2021: £14.8m) does not mean that an immediate liability crystallises; it results in a cash flow effect for The Trust in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. There is therefore no direct impact on the free reserves of The Trust because of recognising the deficit. Employer contributions are reviewed every three years in consultation with the scheme's administrators, and employer contributions due by The Trust have been set until 1 April 2023. The decrease in the pension deficit during the year is explained above under the financial review.
- Restricted revenue funds had a deficit of £1.5m (2021: £2.2m). This is linked to the issue with the London Borough of Lambeth disclosed in going concern accounting policy 2.3 and creditors note 18 resulting in the reflection of the long term liability in full within reserves. As explained in accounting policy 2.3 and the statement of funds note 19 a repayment plan is now in place to settle the debt before January 2024.

### Reserves Policy

The Trust Board have agreed that going forward there should be a central reserves fund which each academy should proportionately contribute with the aim of creating a £100k over the next 3 years. Whilst this has not been possible previously it is the intention to deliver this going forward however with the volatile commissioning it is accepted that this may not be achievable. The reason for this is to provide sufficient working capital to provide a cushion to deal with unexpected emergencies such as urgent maintenance and to plan for future innovation and development projects. The Directors will review the potential reserve levels of the trust annually. This review encompasses the nature of the income and expenditure streams, the need to match income commitments and the nature.

### Principal Risks and Uncertainties

During 2021-22 there has been consistency at executive level with all key positions filled by contracted staff. The Board has looked to make efficiencies where appropriate to streamline the central function and reducing running costs and subsequently has a service level agreement with an external HR provider instead of employing someone in the central team. The Board feels this provides external challenge and rigour to key decision making which helps to lower risk. In addition, a new executive leadership structure is in place and the new Executive Headteacher & CEO has improved relationships with commissioners as well as the ESFA. This has brought greater financial stability to the Trust. Risks are prioritised using a consistent scoring system and in line with the Academies risk management matrix. In the MAT review the RSC noted:

- the Progress 5 measure developed and how this is being used to benchmark the performance of The Trust's schools
- the improvements made to the financial review process within the Trust
- the significant reductions made in the Trust's operating costs
- the improved relationship Parallel now has with London Borough of Lambeth (LBL)
- the cross-Trust relationships you have developed with Pioneer Academy Trust and TSAT.

Outlined below is a description of the principal risk factors that may affect PLT. Not all the factors are within PLT's control. Other factors besides those listed below may also adversely affect the Trust.

### Government funding

PLT has considerable reliance on continued government funding through the ESFA and Top Up Funding from Local Authorities. In the accounting period 98% of the Trust's revenue was ultimately public funding and this level of requirement is expected to continue. There can be no assurance that national or local government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. There is significant risk in reduction of commissioning specifically within Lambeth and in addition the length and expiration dates of other commissioning arrangements as these tend to be reviewed on an annual basis.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual agreements
- A new commissioning strategy that secures appropriate funding from a range of sources

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**Parallel Learning Trust**  
**(A company limited by guarantee)**

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**Directors' Report for the year ended 31 August 2022**

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**Maintain adequate funding of pension liabilities**

The financial statement reports the share of the pension scheme deficit on PLT's balance sheet in line with the requirement of FRS 102.

**Future growth**


- Considerable focus and investment is placed on maintaining and managing key relationships
- By ensuring the academies in PLT Trust are rigorous in delivering high quality education and training ESFA and local government

**Auditor**

In so far as the Directors are aware:

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

This Directors' Report, incorporating a strategic report, was approved by order of the Board of Directors, and signed on the board's behalf by:

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**J Alvis**  
Chair of Directors

Date: 12 December 2022

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**M Jordan**  
Chief Executive Officer and Accounting Officer

## Parallel Learning Trust

### (A company limited by guarantee)

## Governance Statement for the year ended 31 August 2022

### Scope of Responsibility

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

The Board of Directors has delegated the day-to-day responsibility to the chief executive officer, 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 Parallel Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Board of Directors has formally met 5 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Director	Category	Committees: (see * below)	Attendance at PLT Board Meetings	Attendance at EPS Committee	Attendance at FRPC Committee	Attendance at Audit & Risk Committee
N Diffey	Chair of Board (Elected as Chair for a further academic year on 18.7.2022)	No committee	7/7			
C Howells	Vice Chair of Board and Chair of FRPC (resigned 31.8.2022)	FRPC	6/7		5/5	
M Jordan	CEO & Accounting Officer	Attended all Committees to provide information	7/7			
M Martell	Director	EPS FRPC	7/7	3/3	3/5	
J Alvis	Director, Chair of Audit & Risk	Audit & Risk	7/7			3/3
N Alderson	Director (resigned 3.1.2022)	EPS	2/3	0/1		
D Heaton	Director	FRPC Audit & Risk	6/7		4/5	3/3
I Nath	Director	FRPC Audit & Risk	5/7		5/5	2/3
N Cross	Director, Chair of EPS (resigned 15.6.2022)	EPS	3/6	2/3		
S Lobo	Director (appointed 16.9.2021)	EPS	5/6	2/2		
S Lamb	Director (appointed 18.11.2021)	EPS	3/5	1/2		
P Lawson	Director (appointed 18.11.2021)	Audit & Risk	5/5			2/2

\* PLT Committees are:

- Finance, Resource and Premises Committee (FRPC)
- Education Performance and Standards (EPS)
- Audit & Risk

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## **Parallel Learning Trust**

### **(A company limited by guarantee)**

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## **Governance Statement for the year ended 31 August 2022**

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### **Review of Value for Money**

As Accounting Officer the Chief Executive has responsibility for ensuring that the 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 trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Directors where value for money can be improved, including the use of benchmarking data where appropriate.

The Accounting Officer for the Trust has delivered improved value for money during the year by:

1. Economy - minimising the cost of resources used by the Trust but to ensure quality of services are maintained.
2. Efficiency - improving the relationship between the results achieved and the resources used to get those results.
3. Effectiveness - improving the relationship between the intended impacts and actual impacts of Trust's activities

### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Parallel Learning Trust for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The Board of Directors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

### **The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors;
- regular reviews by the Finance & Resources 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; and
- identification and management of risks.

The Trust appointed Kreston Reeves to undertake internal audit and scrutiny for 2021-22. Key areas of focus were (i) key financial controls and (ii) Governance and compliance. The outcome of the visits were positive with any recommendations being swiftly acted upon.

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**Parallel Learning Trust**  
**(A company limited by guarantee)**

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**Governance Statement for the year ended 31 August 2022**

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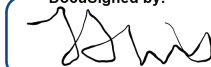
**Review of Effectiveness**

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

- the work of the internal auditors;
- the work of the external auditors;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

A plan is in place to address weaknesses and ensure continuous improvement of the systems and controls.

Approved by order of the members of the Board of Directors and signed on their behalf, by:

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**J Alvis**  
Chair of Directors

DocuSigned by:  
  
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**M Jordan**  
Chief Executive Officer and Accounting Officer

Date: 12 December 2022

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**Parallel Learning Trust**  
**(A company limited by guarantee)**

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**Statement on Regularity, Propriety and Compliance**

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As accounting officer of Parallel Learning Trust I have considered my responsibility to notify the Trust Board of Directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Trust Board of Directors are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academy Trust Handbook 2021.

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 Directors and ESFA.

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**M Jordan**  
Accounting Officer

Date: 12 December 2022

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**Parallel Learning Trust**

**(A company limited by guarantee)**

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**Statement of directors' responsibilities**  
**For the year ended 31 August 2022**

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The Directors (who are also the trustees of the charitable company for the purposes of charity law) are responsible for preparing the Directors' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

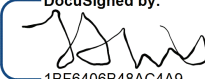
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Directors and signed on its behalf by:

DocuSigned by:  
  
1BF6406B48AC4A9...

**J Alvis**  
Chair of Directors

Date: 12 December 2022



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**Parallel Learning Trust**  
(A company limited by guarantee)

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**Independent auditors' Report on the financial statements to the Members of Parallel Learning Trust**

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**Opinion**

We have audited the financial statements of Parallel Learning Trust (the 'Trust') for the year ended 31 August 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

**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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We would like, however, to draw attention to the disclosures made by the directors in accounting policy 1.3 in reaching their own conclusion.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual report. Our opinion on the financial statements 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**Opinion 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 Directors' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' report and the Strategic report have been prepared in accordance with applicable legal requirements.

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**Parallel Learning Trust**  
**(A company limited by guarantee)**

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**Independent auditors' Report on the financial statements to the Members of Parallel Learning Trust (continued)**

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

In the light of our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report including the 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Statement of directors' responsibilities, the directors (who are also the directors of the Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

***How the audit was considered capable of detecting irregularities including fraud***

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the Trust through discussions with management, and from our commercial knowledge and experience of the academy and wider education sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the operations of the Trust, including the Academy Trust Handbook, Annual Accounts Direction, Charity SORP and the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence; and
- identified laws and regulations were communicated within the audit team and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Trust's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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**Parallel Learning Trust**  
**(A company limited by guarantee)**

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**Independent auditors' Report on the financial statements to the Members of Parallel Learning Trust (continued)**

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To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management and representatives of Trustees as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**Use of our report**

This report is made solely to the charitable Trust'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 Trust's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Allan Hickie BSc FCA (Senior statutory auditor)**

for and on behalf of

**UHY Kent LLP**

Chartered Accountants

Statutory Auditors

Thames House

Roman Square

Sittingbourne

Kent

ME10 4BJ

Date: *19 December 2022*

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## **Parallel Learning Trust**

**(A company limited by guarantee)**

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### **Independent Reporting Accountant's Assurance Report on Regularity to Parallel Learning Trust and the Education and Skills Funding Agency**

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In accordance with the terms of our engagement letter dated 14 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Parallel Learning Trust during the year 1 September 2021 to 31 August 2022 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 Parallel Learning Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Parallel Learning Trust 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 Parallel Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of Parallel Learning Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Parallel Learning Trust's funding agreement with the Secretary of State for Education dated 1 October 2015 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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 Trust's income and expenditure.

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to arrive at our conclusion. Other than those procedures undertaken for the purposes of our audit of the financial statements of Parallel Learning Trust for the year ended 31 August 2022 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

The work undertaken to draw to our conclusion included:

- an assessment of the risk of material irregularity and impropriety across all of the Trust's activities;
- further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

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**Parallel Learning Trust**  
(A company limited by guarantee)

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**Independent Reporting Accountant's Assurance Report on Regularity to Parallel Learning Trust and the Education & Skills Funding Agency (continued)**

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**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

A handwritten signature in blue ink, appearing to read 'UHY Kent LLP'.

**UHY Kent LLP**  
Chartered Accountants  
Statutory Auditors  
Thames House  
Roman Square  
Sittingbourne  
Kent  
ME10 4BJ

Date: 19 December 2022

**Parallel Learning Trust**  
(A company limited by guarantee)

**Statement of financial activities (incorporating income and expenditure account)**  
**For the year ended 31 August 2022**

	Note	Unrestricted funds 2022 £000	Restricted funds 2022 £000	Restricted fixed asset funds 2022 £000	Total funds 2022 £000	Total funds 2021 £000
<b>Income from:</b>						
Donations and capital grants	4	3	-	9,939	9,942	94
Other trading activities	5	44	-	-	44	19
Funding for educational operations	6	429	12,809	-	13,238	13,284
Provision of boarding activities	31	-	473	-	473	453
<b>Total income</b>		<b>476</b>	<b>13,282</b>	<b>9,939</b>	<b>23,697</b>	<b>13,850</b>
<b>Expenditure on:</b>						
Raising funds	7	14	-	-	14	11
Charitable activities	8	643	13,139	2,922	16,704	14,040
Provision of boarding activities	31	-	515	-	515	538
<b>Total expenditure</b>		<b>657</b>	<b>13,654</b>	<b>2,922</b>	<b>17,233</b>	<b>14,589</b>
<b>Net (expenditure)/income</b>		<b>(181)</b>	<b>(372)</b>	<b>7,017</b>	<b>6,464</b>	<b>(739)</b>
Transfers between funds	19	-	(3)	3	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>(181)</b>	<b>(375)</b>	<b>7,020</b>	<b>6,464</b>	<b>(739)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	26	-	10,887	-	10,887	(1,751)
<b>Net movement in funds</b>	19	<b>(181)</b>	<b>10,512</b>	<b>7,020</b>	<b>17,351</b>	<b>(2,490)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		800	(16,995)	44,471	28,276	30,766
Net movement in funds		(181)	10,512	7,020	17,351	(2,490)
<b>Total funds carried forward</b>	19	<b>619</b>	<b>(6,483)</b>	<b>51,491</b>	<b>45,627</b>	<b>28,276</b>

The Statement of financial activities includes all gains and losses recognised in the year.


The notes on pages 31 to 56 form part of these financial statements.

**Parallel Learning Trust**  
**(A company limited by guarantee)**  
**Registered number: 08605705**

**Balance sheet**  
**As at 31 August 2022**

	Note	2022 £000	2021 £000
<b>Fixed assets</b>			
Tangible assets	15	51,433	44,471
<b>Current assets</b>			
Stocks		4	4
Debtors	16	1,017	900
Cash at bank and in hand		1,075	895
		<u>2,096</u>	<u>1,799</u>
Creditors: amounts falling due within one year	17	(2,569)	(2,124)
<b>Net current liabilities</b>		(473)	(325)
<b>Total assets less current liabilities</b>		<u>50,960</u>	<u>44,146</u>
Creditors: amounts falling due after more than one year	18	(391)	(1,104)
<b>Net assets excluding pension liability</b>		<u>50,569</u>	<u>43,042</u>
Defined benefit pension scheme liability	26	(4,942)	(14,766)
<b>Total net assets</b>		<u><u>45,627</u></u>	<u><u>28,276</u></u>
<b>Funds of the Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	19	51,491	44,471
Restricted income funds	19	(1,541)	(2,229)
Pension reserve	19	(4,942)	(14,766)
<b>Total restricted funds</b>	19	<u>45,008</u>	<u>27,476</u>
<b>Unrestricted income funds</b>	19	<u>619</u>	<u>800</u>
<b>Total funds</b>		<u><u>45,627</u></u>	<u><u>28,276</u></u>

The financial statements on pages 28 to 56 were approved and authorised for issue by the directors and are signed on their behalf, by:

DocuSigned by:  
  
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**J Alvis**  
 Chair of Directors

DocuSigned by:  
  
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**M Jordan**  
 CEO and Accounting Officer

Date: 12 December 2022

The notes on pages 31 to 56 form part of these financial statements.

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**Parallel Learning Trust**  
(A company limited by guarantee)

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**Statement of cash flows**  
**For the year ended 31 August 2022**

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	Note	2022 £000	2021 £000
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	21	125	(139)
<b>Cash flows from investing activities</b>	22	55	(127)
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>		180	(266)
Cash and cash equivalents at the beginning of the year		895	1,161
<b>Cash and cash equivalents at the end of the year</b>	23, 24	<hr/> <hr/> 1,075	<hr/> <hr/> 895

The notes on pages 31 to 56 form part of these financial statements



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**Parallel Learning Trust**  
**(A company limited by guarantee)**

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**Notes to the financial statements**  
**For the year ended 31 August 2022**

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**1. General information**

Parallel Learning Trust is a private company, limited by the guarantee of its members, incorporated in England and Wales, registration number 08605705. The registered office is Suite 1, 1 & 2 Leonard Place, Westerham Road, Keston, England, BR2 6HQ.

**2. Accounting policies**

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

**2.1 Basis of preparation of financial statements**

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Parallel Learning Trust meets the definition of a public benefit entity under FRS 102.

**2.2 Group accounts**

The financial statements present information about the Trust and not about its group. The Trust's subsidiary Logic School Services C.I.C was dissolved in December 2021. It was deemed by the Trustees to be immaterial to the group and has not been consolidated in the current or prior year.

**2.3 Going concern**

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

These financial statements are prepared on the going concern basis. However, the directors acknowledge the validity of this approach depends on the Trust obtaining sufficient funding from the ESFA and connected local authorities for each provision, that enable continued settlement of historic debt.

As disclosed in note 19, the financial statements provide for a significant liability owed to the London Borough of Lambeth (LBL). This relates to a legal claim issued by LBL against the Trust on 27 January 2017 for unpaid payroll services. A provisional settlement of £3.38m was agreed and with a monthly repayment plan now in place to settle this by January 2024. The balance sheet includes the estimated remaining liability of £954k (see note 18).

The agreed monthly repayment plan provides for payments of:

- £45,477 from July 2022 to February 2023;
- £53,811 from February 2023 until full repayment in January 2024.

A signed legal agreement for the value of the unpaid payroll debt was agreed during 2019-20 along with a provisional cost for legal fees. It is expected that any increase in legal fees should not be significant. Repayment costs were reduced during the year following agreement between PLT and LBL on outstanding monies owed to PLT relating to historic sales invoices. Part of this amount was directly offset against the payroll debt balance.

The settlement agreement provides for default protocol but to date the Trust has been able to settle all monthly payments as they fall due and the directors are confident, having considered detailed cash flow forecasts, the Trust will continue to be able do so.

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**Parallel Learning Trust**  
**(A company limited by guarantee)**

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**Notes to the financial statements**  
**For the year ended 31 August 2022**

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**2. Accounting policies (continued)**

**2.3 Going concern (continued)**

Contingent liability note 25 discloses a secondary claim of £929k against the Trust by LBL relating to historic pension deficit balances, which the directors continue to refute. During 20/21 the Trust sought further clarification regarding this value and welcomed a review of the Fund Actuary report to confirm the pension liability.

At the directors' request, the ESFA are in continuing discussions with the two parties. in respect of these issues.

**2.4 Income**

All income is recognised when the 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 entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the year 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.

• **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.

• **Other income**

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

• **Donated fixed assets (excluding transfers on conversion or into the Trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's accounting policies.

**2.5 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

• **Expenditure on raising funds**

This includes all expenditure incurred by the 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 Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

Where applicable, expenditure is shown are inclusive of irrecoverable VAT.

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**Parallel Learning Trust**  
**(A company limited by guarantee)**

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**Notes to the financial statements**  
**For the year ended 31 August 2022**

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**2. Accounting policies (continued)**

**2.6 Taxation**

The 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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.

**2.7 Tangible fixed assets**

Assets costing £5,000 or more for a single item and £10,000 or more for group purchases of similar items are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Long-term leasehold property	- over lease term of 125 years
Leasehold improvements	- 10% per annum
Furniture and equipment	- 20% per annum
Computer equipment	- 20% - 33% per annum

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.

**2.8 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**2.9 Cash at bank and in hand**

Cash at bank and in hand comprises cash held in a central current account.

**2.10 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 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.

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**Parallel Learning Trust**  
**(A company limited by guarantee)**

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**Notes to the financial statements**  
**For the year ended 31 August 2022**

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**2. Accounting policies (continued)**

**2.11 Financial instruments**

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. 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 as detailed in notes 17 and 18. 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.

**2.12 Operating leases**

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

**2.13 Pensions**

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 prospective unit credit method. 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 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 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.

**2.14 Fund accounting**

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

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

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**3. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

The 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 26, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The ultimate responsibility for setting the LGPS assumptions is that of the academy trust, as the employer, however each year the LGPS actuary proposes a standard set of assumptions as part of the valuation exercise, using their expert opinion, and which comply with the accounting requirements. The academy trust has, in practice with most employers, adopted the recommended actuarial assumptions following further consultation with its auditors to ensure these assumptions are reasonable and in line with those adopted by other academy trusts.

The key assumption is the discount rate, which is the estimated rate of long-term investment returns. This year the discount rate used of 4.25% is considerably higher than the rate of 1.65% used in 2021. Since a higher discount rate means assets will grow more rapidly in the future, this results in lower current liabilities. This is the key driver for the reduction in the carried LGPS deficit from £14.8m to £4.9m during the year

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**4. Income from donations and capital grants**

	<b>Unrestricted funds 2022 £000</b>	<b>Restricted fixed asset funds 2022 £000</b>	<b>Total funds 2022 £000</b>	<i>Total funds 2021 £000</i>
Donated assets	-	9,881	9,881	33
Donations	3	-	3	12
Capital grants	-	58	58	49
	<u>3</u>	<u>9,939</u>	<u>9,942</u>	<u>94</u>
<i>Analysis of 2021 total by fund</i>	<u>12</u>	<u>82</u>	<u>94</u>	

**5. Income from other trading activities**

	<b>Unrestricted funds 2022 £000</b>	<b>Total funds 2022 £000</b>	<i>Total funds 2021 £000</i>
Hire of facilities	44	44	29
Insurance claims	-	-	(10)
	<u>44</u>	<u>44</u>	<u>19</u>
<i>Analysis of 2021 total by fund</i>	<u>19</u>	<u>19</u>	

Insurance claims are negative £10k for 2020/21 due to the reversal of an accrued income adjustment. The adjustment related to an expected staff claim which was resolved without a claim being made.

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**6. Funding for educational operations**

	<b>Unrestricted funds 2022 £000</b>	<b>Restricted funds 2022 £000</b>	<b>Total funds 2022 £000</b>	<i>Total funds 2021 £000</i>
<b>Educational operations</b>				
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	5,010	5,010	5,213
Other DfE/ESFA grants				
Pupil premium	-	287	287	307
Specialist taskforce grant	-	153	153	-
Recovery premium	-	81	81	-
Others	-	127	127	160
	-	5,658	5,658	5,680
<b>Other Government grants</b>				
Local authority - special educational needs	-	6,627	6,627	7,116
Other government revenue grants	-	465	465	98
	-	7,092	7,092	7,214
<b>Other income from educational operations</b>	429	-	429	169
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch-up Premium	-	-	-	119
Other DfE/ESFA COVID-19 funding	-	59	59	102
	-	59	59	221
	429	12,809	13,238	13,284
<i>Analysis of 2021 total by fund</i>	<i>169</i>	<i>13,115</i>	<i>13,284</i>	

The Trust received £119k of funding for catch-up premium in 2020/21 and incurred costs in respect of this funding totalled £113k, leaving £6k which has been fully spent in 2021/22.

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**7. Expenditure**

	<b>Staff Costs</b>	<b>Premises</b>	<b>Other</b>	<b>Total</b>	<i>Total</i>
	<b>2022</b>	<b>2022</b>	<b>2022</b>	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<i>£000</i>
Expenditure on fundraising trading activities:					
Direct costs	-	-	14	14	<i>11</i>
Educational operations:					
Direct costs	9,190	-	807	9,997	<i>10,220</i>
Allocated support costs	2,106	851	3,750	6,707	<i>3,820</i>
Boarding activities:					
Direct costs	259	-	9	268	<i>277</i>
Allocated support costs	211	23	13	247	<i>261</i>
	<u>11,766</u>	<u>874</u>	<u>4,593</u>	<u>17,233</u>	<u><i>14,589</i></u>
<i>Analysis of 2021 total</i>	<u><i>11,898</i></u>	<u><i>1,012</i></u>	<u><i>1,679</i></u>	<u><i>14,589</i></u>	

**8. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<i>Total</i>
	<b>funds</b>	<b>funds</b>	<b>2022</b>	<i>2021</i>
	<b>2022</b>	<b>2022</b>	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<i>£000</i>
Educational operations	643	16,061	16,704	<i>14,040</i>
<i>Analysis of 2021 total by fund</i>	<u>-</u>	<u><i>14,040</i></u>	<u><i>14,040</i></u>	



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**9. Analysis of expenditure by activities**

	<b>Direct costs</b> <b>2022</b> <b>£000</b>	<b>Support costs</b> <b>2022</b> <b>£000</b>	<b>Total</b> <b>funds</b> <b>2022</b> <b>£000</b>	<i>Total</i> <i>funds</i> <i>2021</i> <i>£000</i>
Educational operations	9,997	6,707	16,704	14,040
<i>Analysis of 2021 total</i>	<i>10,220</i>	<i>3,820</i>	<i>14,040</i>	

**Analysis of support costs**

	<b>Total</b> <b>funds</b> <b>2022</b> <b>£000</b>	<i>Total</i> <i>funds</i> <i>2021</i> <i>£000</i>
Staff costs	2,106	1,862
Depreciation and impairment losses	2,922	344
Technology costs	119	113
Premises costs	851	738
Legal costs	14	23
Governance costs	43	61
Other support costs	652	679
	<b>6,707</b>	<b>3,820</b>

**10. Net (expenditure)/income**

Net (expenditure)/income for the year includes:

	<b>2022</b> <b>£000</b>	<i>2021</i> <i>£000</i>
Operating lease rentals	26	29
Depreciation of tangible fixed assets	327	344
Fees paid to auditors for:		
- audit	23	26
- other services	7	6

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**11. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Wages and salaries	7,736	8,027
Social security costs	763	778
Pension costs	2,603	2,493
	<u>11,102</u>	<u>11,298</u>
Agency staff costs	650	384
Staff restructuring costs	14	216
	<u>11,766</u>	<u>11,898</u>

Staff restructuring costs comprise:

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Redundancy payments	14	172
Severance payments	-	44
	<u>14</u>	<u>216</u>

**b. Staff numbers**

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

	<b>2022</b>	<i>2021</i>
	<b>No.</b>	<i>No.</i>
Teachers	78	99
Administration and support	122	145
Management	25	17
	<u>225</u>	<u>261</u>

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**11. Staff (continued)**

**c. Higher paid staff**

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

	<b>2022</b>	<i>2021</i>
	<b>No.</b>	<i>No.</i>
In the band £60,001 - £70,000	7	7
In the band £70,001 - £80,000	7	7
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	-	1
In the band £110,001 - £120,000	1	-
In the band £160,001 - £170,000	1	1

**d. Key management personnel**

The key management personnel of the Trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £409k (2021 - £278k).

**12. Directors' remuneration and expenses**

The CEO, who is the Accounting Officer, has been paid remuneration as a result of his employment with the Trust. The CEO only receives remuneration in respect of services provided under his contract of employment. The value of his remuneration was as follows:

		<b>2022</b>	<i>2021</i>
		<b>£000</b>	<i>£000</i>
M Jordan (CEO and Accounting Officer)	Remuneration	160 - 165	<i>160 - 165</i>

During the year ended 31 August 2022, no director expenses have been incurred (2021 - £NIL).

**13. Directors' and Officers' insurance**

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

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**Notes to the financial statements  
For the year ended 31 August 2022**

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**14. Central services**

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

**Accounting Officer**

The Trust will provide the Accounting officer for all Academies in the form of a Chief Executive (CEO).

**Chief Finance Officer (CFO)**

The Trust will provide the CFO role.

**Core educational support**

The Trust will offer the deployment of key staff to support the following:

- Quality assurance of key subjects
- Funding to support Executive leadership responsibilities
- ‘Sleuth’ behaviour and development tracking software
- ‘Perspective’ online application to improve SEN processes and impact on quality of education.
- Access to ‘The Key’ online management information service

**Legal and Governance**

The Trust will provide the following elements to cover the Legal and Governance requirements:

- Governance and compliance administration to monitor and advise school on legal issues
- External quality assurance costs as directed by the Quality assurance committee
- Clerking costs for the Board and Board committees
- Governance training support package
- GDPR Sentry Online System

**Financial Management**

The Trust will provide the following elements to cover the financial management requirements:

- Head of Finance to ensure compliance and provide monitoring and support
- All licence costs associated with Finance systems
- Audit fees (both internal and external)
- Training and development costs

**Human resources and payroll**

The Trust will provide the following elements to cover the HR requirements:

- HR Officer to support recruitment, compliance and provide monitoring and support
- Access to HR consultancy services through Thinking Personnel
- Staff Wellbeing and Occupational Health Service
- Access to ETeach recruitment system
- Educare e-learning service

**IT and communications**

The Trust will provide the following elements to cover the IT requirements:

- IT manager to ensure compliance and provide monitoring and support
- IT project manager to provide bespoke support for IT projects
- IT Helpdesk system
- All costs linked to websites hosting and developing and audit

**Estates**

The Trust will provide the following elements to cover the Estates management requirements:

- Access to an Estates Manager to ensure compliance and provide monitoring and support
- Management of capital projects
- Review of key contracts to ensure that best value is offered to schools

**Other**

The Trust will also cover:

- All costs associated with Head office

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**14. Central services (continued)**

The Trust charges for these services on the following basis:

6.5% of ESFA and other government grant funding.

The actual amounts charged during the year were as follows:

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Park Campus Academy	92	<i>115</i>
Kennington Park Academy	78	<i>84</i>
Ramsden Hall Academy	185	<i>176</i>
Inspire Academy	103	<i>84</i>
Sutton House Academy	95	<i>83</i>
Victory Park Academy	97	<i>102</i>
Wandle Valley Academy	164	<i>157</i>
<b>Total</b>	<b>814</b>	<i>801</i>

Funds of £610k (*2021 - £568k*) were also transferred in the year to the Central Trust from Park Campus Academy (£407k) and Kennington Park Academy (£203k). This represents the repayments made in the year of the provisional debt settlement sum due to London Borough of Lambeth for unpaid payroll services (see also note 18).

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**15. Tangible fixed assets**

	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Total £000
<b>Cost or valuation</b>				
At 1 September 2021	46,030	253	726	47,009
Additions	9,884	-	-	9,884
Disposals	-	-	(90)	(90)
Impairment charge	(2,638)	-	-	(2,638)
At 31 August 2022	<u>53,276</u>	<u>253</u>	<u>636</u>	<u>54,165</u>
<b>Depreciation</b>				
At 1 September 2021	1,700	216	622	2,538
Charge for the year	254	24	51	329
On disposals	-	-	(90)	(90)
Impairment charge	(45)	-	-	(45)
At 31 August 2022	<u>1,909</u>	<u>240</u>	<u>583</u>	<u>2,732</u>
<b>Net book value</b>				
At 31 August 2022	<u>51,367</u>	<u>13</u>	<u>53</u>	<u>51,433</u>
At 31 August 2021	<u>44,330</u>	<u>37</u>	<u>104</u>	<u>44,471</u>

Included in long-term leasehold property is land at value of £23.94m (2021 - £23.94m), which is not depreciated.

The Trust's transactions relating to land and buildings included school buildings valued at £9.881m which were funded by the ESFA and donated on completion.

**16. Debtors**

	2022 £000	2021 £000
Trade debtors	507	471
Other debtors	64	100
Prepayments and accrued income	446	329
	<u>1,017</u>	<u>900</u>

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**17. Creditors: Amounts falling due within one year**

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
London Borough of Lambeth settlement	546	630
Trade creditors	270	238
Other taxation and social security	158	307
Other creditors	420	130
Accruals and deferred income	1,175	819
	<u>2,569</u>	<u>2,124</u>
	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Deferred income at 1 September 2021	77	13
Resources deferred during the year	197	77
Amounts released from previous periods	(77)	(13)
	<u>197</u>	<u>77</u>

At the balance sheet date, the Trust was holding funds received in advance for the 2022/23 academic year for Local Authority grant funding.

**18. Creditors: Amounts falling due after more than one year**

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
London Borough of Lambeth settlement	391	1,104

Other creditors at 31 August 2022 include a balance of £391k (*2021 - £1.104m*) in respect of a provisional debt settlement sum due to London Borough of Lambeth for unpaid payroll services. The amount is being paid by monthly instalments and under the terms of the settlement agreement is expected to be repaid in full by January 2024.

An additional related liability of £546k is included within other creditors falling due within one year in note 17, and thus the total provisional settlement is £954k (*2021 - £1.74m*).

The amounts are provisional since the final debt settlement sum is currently being determined.

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**19. Statement of funds**

	<b>Balance at 1 September 2021 £000</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Transfers in/out £000</b>	<b>Gains/ (Losses) £000</b>	<b>Balance at 31 August 2022 £000</b>
<b>Unrestricted funds</b>						
General funds	800	476	(657)	-	-	619
<b>Restricted general funds</b>						
General Annual Grant (GAG)	(2,235)	5,010	(4,818)	(3)	-	(2,046)
Other DfE/ESFA grants	-	707	(666)	-	-	41
Other government grants	-	7,565	(7,101)	-	-	464
Catch-up premium	6	-	(6)	-	-	-
Pension reserve	(14,766)	-	(1,063)	-	10,887	(4,942)
	(16,995)	13,282	(13,654)	(3)	10,887	(6,483)
<b>Restricted fixed asset funds</b>						
Fixed assets	44,471	9,881	(2,922)	3	-	51,433
DfE/ESFA capital grants	-	58	-	-	-	58
	44,471	9,939	(2,922)	3	-	51,491
<b>Total Restricted funds</b>	<b>27,476</b>	<b>23,221</b>	<b>(16,576)</b>	<b>-</b>	<b>10,887</b>	<b>45,008</b>
<b>Total funds</b>	<b>28,276</b>	<b>23,697</b>	<b>(17,233)</b>	<b>-</b>	<b>10,887</b>	<b>45,627</b>

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

General Annual Grant ('GAG') must be used for the normal running costs of the Trust.

The other DfE/ESFA grants fund is used to track grants provided by the DfE and related bodies, and includes Pupil Premium.

The other government grants fund is used to track grants provided by government departments other than the DfE/ESFA and includes grants received from Local Authorities.

Covid catch-up premium relates to additional funding provided by the DfE to support children and young people to catch up on missed learning caused by coronavirus (Covid-19).



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**19. Statement of funds (continued)**

The pension reserve relates to the Trust's share of the deficit of the Local Government Pension Schemes overseen by its Local Authorities.

The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward and the current fixed assets held. The net transfers into the restricted fixed asset fund of £66k reflect capital purchases made from revenue funds.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

The Trust is carrying a net deficit of £992,000 on restricted general funds (excluding pension reserve) plus unrestricted funds for the following reasons:

The Central Trust (CEN) deficit is predominantly linked to the historic payroll debt outstanding of £937k which is fully recognised at Central.

Park Campus Academy is carrying a large deficit relating to poor financial management many years ago, overseen by the previous executive team.

The Trust is taking the following action to return these funds to surplus:

As the historic payroll debt is repaid in cash to London Borough of Lambeth over the next 18 months, the revenue movement on the balance sheet will be a transfer of funds from KPA and PCA back to CEN which will effectively clear the deficit balance.

Funding allocations for PCA and KPA were significantly reduced during 20/21 with insufficient time to recoup in-year savings. Restructure of the academies has been undertaken to enable the schools to adjust to the reduced funding, however further commissioning opportunities are being planned for 22/23 to enable a stronger financial position at both academies.

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**19. Statement of funds (continued)**

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

	<i>Balance at 1 September 2020 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2021 £000</i>
<b>Unrestricted funds</b>						
General funds	611	200	(11)	-	-	800
<b>Restricted general funds</b>						
General Annual Grant (GAG)	(2,332)	5,213	(5,050)	(66)	-	(2,235)
Other DfE/ESFA grants	-	467	(467)	-	-	-
Other government grants	-	7,667	(7,667)	-	-	-
Catch-up premium	-	119	(113)	-	-	6
Other DfE/ESFA COVID-19 funding	-	102	(102)	-	-	-
Pension reserve	(12,184)	-	(831)	-	(1,751)	(14,766)
	<u>(14,516)</u>	<u>13,568</u>	<u>(14,230)</u>	<u>(66)</u>	<u>(1,751)</u>	<u>(16,995)</u>
<b>Restricted fixed asset funds</b>						
Fixed assets	44,606	33	(344)	176	-	44,471
DfE/ESFA capital grants	65	49	(4)	(110)	-	-
	<u>44,671</u>	<u>82</u>	<u>(348)</u>	<u>66</u>	<u>-</u>	<u>44,471</u>
<b>Total Restricted funds</b>	<u>30,155</u>	<u>13,650</u>	<u>(14,578)</u>	<u>-</u>	<u>(1,751)</u>	<u>27,476</u>
<b>Total funds</b>	<u><u>30,766</u></u>	<u><u>13,850</u></u>	<u><u>(14,589)</u></u>	<u><u>-</u></u>	<u><u>(1,751)</u></u>	<u><u>28,276</u></u>

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**19. Statement of funds (continued)**

**Total funds analysis by academy**

Fund balances at 31 August 2022 were allocated as follows:

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Park Campus Academy	(1,313)	<i>(1,170)</i>
Kennington Park Academy	(219)	<i>(204)</i>
Ramsden Hall Academy	585	<i>526</i>
Inspire Academy	678	<i>596</i>
Sutton House Academy	366	<i>201</i>
Victory Park Academy	255	<i>261</i>
Wandle Valley Academy	999	<i>716</i>
Central	(2,273)	<i>(2,355)</i>
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	(922)	<i>(1,429)</i>
Restricted fixed asset fund	51,491	<i>44,471</i>
Pension reserve	(4,942)	<i>(14,766)</i>
	<hr/>	<hr/>
<b>Total</b>	<b>45,627</b>	<b><i>28,276</i></b>
	<hr/> <hr/>	<hr/> <hr/>

The following academies are carrying a net deficit on their portion of the funds as follows:

	<b>Deficit</b>
	<b>£000</b>
Central	(2,273)
Park Campus Academy	(1,313)
Kennington Park Academy	(219)
	<hr/> <hr/>

See comments above for the actions being taken in respect of the total Trust revenue deficit.

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**19. Statement of funds (continued)**

**Total cost analysis by academy**

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

	<b>Teaching and educational support staff costs £000</b>	<b>Other support staff costs £000</b>	<b>Educational supplies £000</b>	<b>Other costs excluding depreciation £000</b>	<b>Total 2022 £000</b>	<i>Total 2021 £000</i>
Park Campus Academy	1,127	124	142	90	1,483	1,889
Kennington Park Academy	969	123	94	86	1,272	1,563
Ramsden Hall Academy	1,944	317	254	305	2,820	2,632
Inspire Academy	1,122	173	116	94	1,505	1,219
Sutton House Academy	903	127	189	86	1,305	1,228
Victory Park Academy	1,106	107	156	101	1,470	1,535
Wandle Valley Academy	1,684	201	235	191	2,311	2,109
Central	537	1,282	186	140	2,145	2,070
<b>Trust</b>	<b>9,392</b>	<b>2,454</b>	<b>1,372</b>	<b>1,093</b>	<b>14,311</b>	<b>14,245</b>

**20. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2022 £000</b>	<b>Restricted funds 2022 £000</b>	<b>Restricted fixed asset funds 2022 £000</b>	<b>Total funds 2022 £000</b>
Tangible fixed assets	-	-	51,433	51,433
Current assets	619	1,419	58	2,096
Creditors due within one year	-	(2,569)	-	(2,569)
Creditors due in more than one year	-	(391)	-	(391)
Provisions for liabilities and charges	-	(4,942)	-	(4,942)
<b>Total</b>	<b>619</b>	<b>(6,483)</b>	<b>51,491</b>	<b>45,627</b>

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**20. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	<i>2021</i>	<i>2021</i>	<i>2021</i>	<i>2021</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Tangible fixed assets	-	-	44,471	44,471
Current assets	800	999	-	1,799
Creditors due within one year	-	(2,124)	-	(2,124)
Creditors due in more than one year	-	(1,104)	-	(1,104)
Provisions for liabilities and charges	-	(14,766)	-	(14,766)
<b>Total</b>	<b>800</b>	<b>(16,995)</b>	<b>44,471</b>	<b>28,276</b>

**21. Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Net income/(expenditure) for the year (as per Statement of financial activities)	6,464	(739)
<b>Adjustments for:</b>		
Impairment	2,593	-
Depreciation	329	344
Capital grants from DfE and other capital income	(58)	(82)
Defined benefit pension scheme cost less contributions payable	821	632
Defined benefit pension scheme finance cost	242	199
Decrease in stocks	-	1
Increase in debtors	(117)	(296)
Decrease in creditors	(268)	(198)
Donated fixed assets	(9,881)	-
<b>Net cash provided by/(used in) operating activities</b>	<b>125</b>	<b>(139)</b>

**22. Cash flows from investing activities**

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Purchase of tangible fixed assets	(3)	(209)
Capital grants from DfE Group	58	82
<b>Net cash provided by/(used in) investing activities</b>	<b>55</b>	<b>(127)</b>

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**23. Analysis of cash and cash equivalents**

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Cash in hand and at bank	1,075	895

**24. Analysis of changes in net debt**

	<b>At 1 September 2021 £000</b>	<b>Cash flows £000</b>	<b>At 31 August 2022 £000</b>
Cash at bank and in hand	895	180	1,075

**25. Contingent liabilities and assets**

**London Borough of Lambeth (LBL) historic pension contributions**

In addition to the liability disclosed in note 18 in respect of a debt settlement sum due to LBL for unpaid payroll costs, LBL have separately claimed for a £929k shortfall in historic pension contributions plus some other costs. Further evidence has been sought and received from LBL throughout the year to confirm how this value has been obtained. The Trust are now aware this relates to an assessment of the Pension Fund Actuary from 2016. However, the nature of the assessment unfairly disadvantages the Trust with an abnormal expectation of repayment of pension benefits over a 7 year period. This is at odds with other pension funds and is in fact the only pension fund out of 4 across the Trust to adopt this approach. This has been discussed with the ESFA and they agree that this is unreasonable and have written a letter to the Lambeth Pension Fund confirming that in the event of PLT being unable to pay past pension deficits, these would be underwritten by the ESFA. The ESFA have also confirmed their agreement with PLT's approach of challenging the current repayment terms so that they are extended over a longer period and therefore made more affordable and the past shortfall would be reduced.

**26. Pension commitments**

The 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. The LGPS is a national pension scheme which is administered through numerous local pension funds. Due to the location of the Trust's academies, the four administering Local Authorities are Kent County Council, Essex County Council, London Borough of Lambeth and London Borough of Sutton. Both the TPS and LGPS are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £167,000 were payable to the schemes at 31 August 2022 (*2021 - £122,000*) and are included within creditors.

**Teachers' Pension Scheme**

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. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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**26. Pension commitments (continued)**

**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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £944,000 (2021 - £1,021,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £746,000 (2021 - £801,000), of which employer's contributions totalled £596,000 (2021 - £630,000) and employees' contributions totalled £150,000 (2021 - £171,000). The agreed contribution rates for future years are set until April 2023 for employers and employees.

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

**Principal actuarial assumptions**

	<b>2022</b>	<i>2021</i>
	<b>%</b>	<i>%</i>
Rate of increase in salaries	3.90	3.80
Rate of increase for pensions in payment/inflation	3.00	2.90
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	3.00	2.90

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**26. Pension commitments (continued)**

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

	<b>2022</b>	<i>2021</i>
	<b>Years</b>	<i>Years</i>
<i>Retiring today</i>		
Males	21.2	21.6
Females	23.7	23.9
<i>Retiring in 20 years</i>		
Males	22.6	23.0
Females	25.3	25.4

**Share of scheme assets**

The Trust's share of the assets in the scheme was:

	<b>At 31 August</b>	<i>At 31 August</i>
	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Equities	5,667	6,454
Gilts	1,708	1,711
Corporate bonds	312	465
Property	1,059	866
Cash and other liquid assets	411	206
Other	1,009	748
<b>Total market value of assets</b>	<b>10,166</b>	<i>10,450</i>

The actual return on scheme assets was £(761,000) (2021 - £1,662,000).

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

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Current service cost	(1,414)	(1,258)
Interest income	177	140
Interest cost	(419)	(339)
Administrative expenses	(3)	(4)
<b>Total amount recognised in the Statement of financial activities</b>	<b>(1,659)</b>	<i>(1,461)</i>



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**26. Pension commitments (continued)**

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

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
<b>At 1 September</b>	25,215	20,592
Current service cost	1,414	1,258
Interest cost	419	339
Employee contributions	150	171
Actuarial (gains)/losses	(11,833)	3,173
Benefits paid	(257)	(318)
<b>At 31 August</b>	<u>15,108</u>	<u>25,215</u>

Changes in the fair value of the Trust's share of scheme assets were as follows:

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
<b>At 1 September</b>	10,449	8,408
Interest income	177	140
Actuarial (losses)/gains	(946)	1,422
Employer contributions	596	630
Employee contributions	150	171
Benefits paid	(257)	(318)
Administration expenses	(3)	(4)
<b>At 31 August</b>	<u>10,166</u>	<u>10,449</u>

**27. Operating lease commitments**

At 31 August 2022 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2022</b>	<i>2021</i>
	<b>£000</b>	<i>£000</i>
Not later than 1 year	29	29
Later than 1 year and not later than 5 years	15	46
	<u>44</u>	<u>75</u>

**28. Members' liability**

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

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**Notes to the financial statements**  
**For the year ended 31 August 2022**

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**29. Controlling party**

The Trust is run by the senior management team on a day to day basis. Strategic decisions are made by the directors. There is no ultimate controlling party.

**30. Related party transactions**

Owing to the nature of the Trust and the composition of the board of directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the directors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place during the year:

**Transaction with group entities:**

The following disclosures are included in order to comply with s2.146 of the Academies Accounts Direction which states that related party transactions between a parent academy trust and its subsidiary must be disclosed and that academy trusts cannot take up the exemption for such disclosures usually afforded in para 33.1a of FRS 102.

During the year, the Trust incurred £Nil (2021 - £2,000 accountancy fees) of expenditure on behalf of Logic School Services C.I.C.

**Expenditure related party transactions:**

(1) John Wotherspoon Education and Training Consultancy (JWETC)

John Wotherspoon is a local governor at the Essex and Southend based academies in the trust:

- The Trust incurred a total cost of £7,560 (2021 - £5,452) in transactions with JWETC. The costs relate to education quality assurance visits and support.
- The Trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Mr Wotherspoon neither participated in, nor influenced.
- The element above £2,500 has been provided 'at no more than cost'. The supplier has provided a statement of assurance confirming this.
- The transactions have been appropriately notified to the ESFA in advance.

(2) Employment of close family members

Under FRS 102 the close family of members or trustees of the Trust, or key management personnel, are deemed to be related parties.

During the year the following close family members of such individuals were employed by the Trust and paid a salary under an employment contract for their individual roles:

R. Ashkettle, the brother-in-law of the CEO, M. Jordan, is employed as an Estates Manager.

The relevant connected individual had no involvement in the appointment of their close family member and the Board of Trustees are comfortable that the salary paid provides value for money and is not at a preferential rate.

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**31. Boarding school trading account**

	<b>2022</b>	<b>2022</b>	<i>2021</i>	<i>2021</i>
	<b>£000</b>	<b>£000</b>	<i>£000</i>	<i>£000</i>
<b>Income</b>				
<b>Direct income</b>				
Grants	473		453	
<b>Total income</b>		473		453
<b>Expenditure</b>				
<b>Direct expenditure</b>				
Direct staff costs	259		268	
Educational supplies	9		9	
<b>Total direct expenditure</b>	<u>268</u>		<u>277</u>	
<b>Other expenditure</b>				
Other staff costs	211		222	
Premises costs	17		23	
Other support costs	19		16	
<b>Total other expenditure</b>	<u>247</u>		<u>261</u>	
<b>Total expenditure</b>		515		538
<b>Deficit from all sources</b>		(42)		(85)
<b>Opening balance</b>		685		770
<b>Boarding school balances at 31 August 2022</b>		<u><u>643</u></u>		<u><u>685</u></u>