

Parallel Learning Trust Limited
(a company limited by guarantee)

Report and Financial Statements

Period from 11 July 2013 to 31 August 2014

Registered number : 08605705

prepared by:
CTM Partnership Ltd
Chartered Accountants
838 Wickham Rd
Croydon
CR0 8ED
Tel: 020 8776 0200
www.ctmp.co.uk

PARALLEL LEARNING TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the academy, its directors and advisers	1
Directors' report	2-13
Governance statement	14-17
Statement on regularity, propriety and compliance	18
Directors' responsibilities statement	19
Independent auditors' report	20-21
Independent reporting accountant's assurance report on regularity	22-23
Statement of financial activities	24-25
Balance sheet	26
Cash flow statement	27
Notes to the financial statements	28-44

PARALLEL LEARNING TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS DIRECTORS AND ADVISERS FOR
THE PERIOD FROM 11 JULY 2013 TO 31 AUGUST 2014**

Founding members	R F Pugh M Ward V M D C Da Silva
Directors	R A Neal (Chair) R Leonard (CEO/Executive Head teacher) V M D C Da Silva R Newlove R F Pugh M Ward
Company registered number	08605705
Principal and registered	Park Campus Academy Gipsy Road, London, SE27 9NP
Company secretary	Geldards LLP
Senior management team	R Leonard, CEO / Executive Head teacher S Dodds, Head, Park Campus Academy A Sturman, Head, Kennington Park Academy K Ronan, HR Director M Ali, Finance Director I Carbin, Inclusion Manager
Independent auditors	CTM Partnership Ltd Chartered Accountants Wickham Road Croydon CR0 8ED
Bank	Lloyds Bank George Street Croydon Surrey CR9 2NS
Solicitors	Geldards LLP Enterprise House 1-2 Hatfieldsgh London SE1 9PG

PARALLEL LEARNING TRUST
(A company limited by guarantee)

DIRECTORS' REPORT FOR THE PERIOD FROM 11 JUNE 2013 TO 31 AUGUST 2014

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 Academy) for the period from 11 July 2013 to 31 August 2014. The Directors confirm that the Annual Report and financial statements of the academy, comply with the current statutory requirements, the requirements of the academy'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 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 (PLT) completed its conversion to academy status on 1 July 2014. PLT operates two alternative provision academies, Kennington Park AP Academy and Park Campus AP Academy, a behavior support outreach service and a hospital schoolroom provision.

At Kennington Park AP Academy we work with up to 50 primary-age pupils who have been permanently excluded, are missing education for a variety of reasons and pupils, at risk of exclusion, placed on early intervention programmes to enable them to stay in their substantive school placement.

Park Campus AP Academy is a co-educational, secondary Alternative Educational School for students aged 11 to 16. The school offers full-time provision for up to 110 students who have been excluded or are out of mainstream education for other reasons.

The behavior support service (BEST) works with all stakeholders to reduce exclusions: This will include a range of early intervention strategies, as well as delivering advice and training to school based staff. The BEST team also supports significant numbers of learners who return to mainstream schools across the academic year.

There has been educational provision for patients in King's for over 30 years. The King's College Hospital Schoolroom provides a safe, friendly and welcoming environment in which each young person can succeed, thus enhancing self-esteem and aiding recovery.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity incorporated 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 3.

Members' Liability

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

PARALLEL LEARNING TRUST
(A company limited by guarantee)

DIRECTORS' REPORT (continued)

Directors' Indemnities

A Director may benefit from any indemnity insurance, up to £2,000,000, purchased at PLT's expense, 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 unsuccessful defence to a criminal prosecution brought against the directors in their capacity as Directors of the Parallel Learning Trust.

Appointment of Directors

The members may appoint up to 6 Directors.

The total number of directors, including the Executive Headteacher, 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:

1. This time limit shall not apply to the Executive Headteacher
2. 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

Recruitment and election of Directors

Potential directors can be recruited through:

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

Potential directors will, in the first instance, be met by the Executive Headteacher and given an overview of the organization from an operational perspective. They will be given background written information about the organization and invited to meet with two representatives of the Board to ascertain the following information:

- Skills
- Background
- Experience of working within a governance role
- Experience of working with young people 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 PLT and decide whether or not they are still interested.

PARALLEL LEARNING TRUST
(A company limited by guarantee)

DIRECTORS' REPORT (continued)

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 the 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 elected at a board meeting and the 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 CC10 – 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 PLT Academies.

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.

PARALLEL LEARNING TRUST
(A company limited by guarantee)

DIRECTORS' REPORT (continued)

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 face to face, in a collective setting, or through virtual on-line packages delivered via the corporate membership of 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 EFA, Charity Commission, Companies House, Trustee Network or other national support organisations.

Organisational Structure

The organisational structure consists of three levels:

- Board of Directors
- Local Governing Bodies
- Executive Leadership Team

The Executive Leadership Team consists of the Executive Headteacher, Heads of each academy provision, the Inclusion Manager, Commercial Director and Finance Director. 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 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.

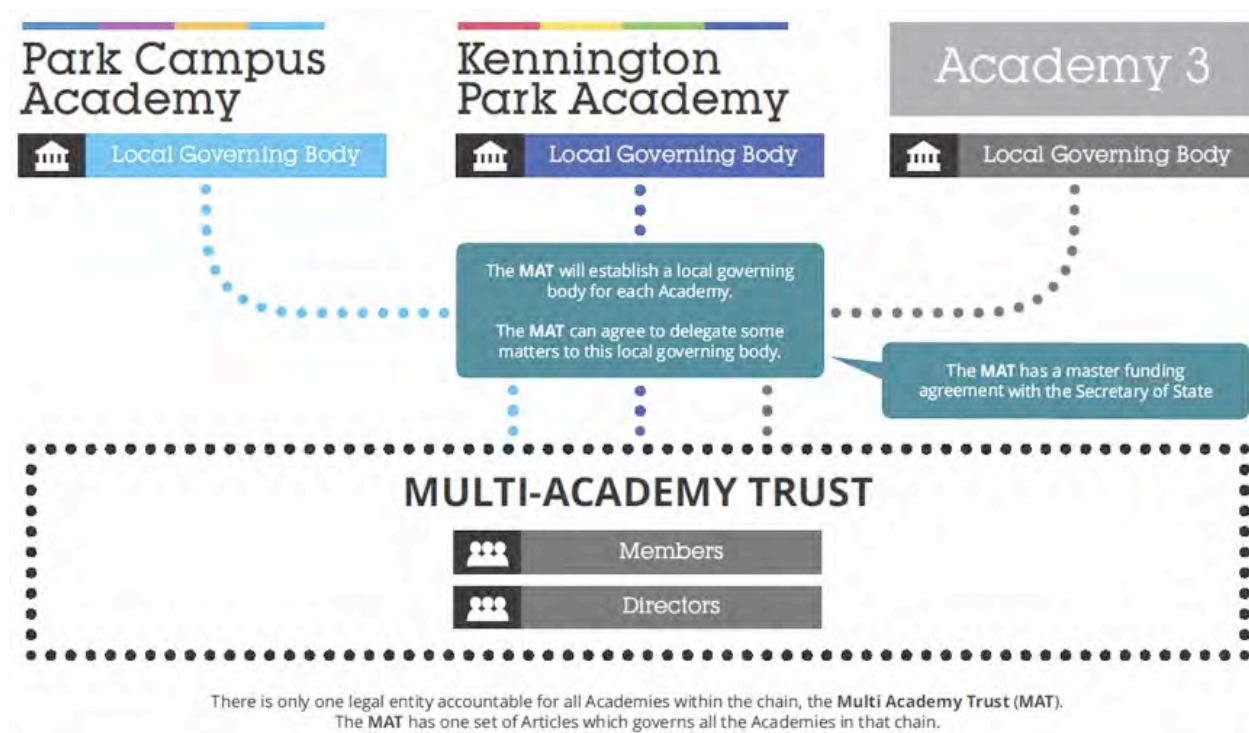
The Parallel Learning Trust Board and its committees act strategically by:

- Setting the aims and objectives for the PLT Board
- 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 PLT Board and its committees will act in accordance with education law and will consider any advice given by the Executive Headteacher, acting as a 'critical friend' to the Executive Headteacher by providing advice, support guidance and challenge and when necessary constructive criticism.

PARALLEL LEARNING TRUST
(A company limited by guarantee)

DIRECTORS' REPORT (continued)



The Role of the Executive Headteacher

The Executive Headteacher (EHT) is a director of the Parallel Learning Trust Board and is entitled to attend all committees/sub-committees of the Trust and its Local Governing Bodies.

The EHT, as the principal manager for the schools, is responsible for the internal organization, management and control of the schools; for advising PLT Board members and implementing the strategic framework. Incorporated in the role of advising the PLT Board are:

- Formulating aims and objectives, for adoption, amendment or rejection by the Board
- Formulating policies and targets for the PLT Board to consider adopting
- Reporting to the PLT Board on progress, at least once per year

Delegation of the PLT Board Functions

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

- The requirement of the PLT Board to fulfill a largely strategic function within schools
- The responsibility of the EHT for the internal organization, management and control of schools
- The requirement of the EHT to comply with any reasonable direction of the PLT Board members in carrying out a function delegated by the Board

The PLT 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

PARALLEL LEARNING TRUST
(A company limited by guarantee)

DIRECTORS' REPORT (continued)

structure model. Sub committees may also be established by the LGB as required.

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 have chosen the following model.

1) Finance, Resources and Premises Committee Including responsibilities for:

a) Health and Safety b) Appeals c) Charges and Lettings

2) Staffing and Performance Management Including responsibilities for:

a) Safeguarding b) Discipline c) Audit

3) Pay Sub Committee

4) Local Governing Bodies

The above committee structure will be reviewed annually.

Local Governing Bodies

The Terms of Reference for all LGB committees are provided in the Terms of Reference Continuation Handbook (ToRCH)

The following are required sub committees of the LGB:

- The Family Committee
- The Admissions and Reintegration Committee (these responsibilities will be carried out by the family committee in the case of Kennington Park Academy and Park Campus Academy)
- Local Finance/Budget Committee
(To include responsibility for Academy Health and Safety)
- The Standards and Curriculum Sub-Committee

Objectives and Activities

A. Object 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

PARALLEL LEARNING TRUST
(A company limited by guarantee)

DIRECTORS' REPORT (continued)

the generality of the foregoing by establishing, maintaining, carrying on, managing and developing:

- i. *Schools ('the mainstream Academies') offering a broad and balanced curriculum;*
- ii 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 provision Academies'); or
- iii Schools specifically organized to make special education provision for pupils with Special Educational Needs ('the Special Academies').

B. Objectives, strategies and activities

The Multi Academy Trust (MAT) seeks to place the expertise within the organization at the heart of learning communities through the range of provision, strategies and activities centered on our AP Academies. We work to provide the best possible learning outcomes for pupils who despite exclusion, missing education, illness or otherwise cannot access a mainstream school. Where possible we seek to return our pupils to mainstream provision, as ultimately this is the best place for their continued learning. We aim to prevent exclusion through early intervention which can be either short or long term. We work in partnership with local authorities and schools to support them to reduce the need to use fixed or permanent exclusion. We adopt a multi-disciplinary approach to early intervention supporting the school, parents, carers and individual pupils.

Under legislation local authorities are required to provide education for pupils who are excluded or missing school for illness or otherwise. Our curriculum offer allows us to reflect the national curriculum alongside personalised learning programmes which provide pupils the opportunity to make good and often outstanding progress in line with their emotional needs in a supported learning environment.

Whenever possible we aim when facilitate the return of pupils into mainstream education. We provide a supported environment to refocus the learning and behavior of pupils to enable appropriate reintegration into mainstream schools. Our alternative provision is positioned as an integral part of the local provision of education. Alternative Education provided by the Parallel Learning Trusts settings is not peripheral but is a valuable option for local schools as a resource to support them with their most challenging pupils.

The Parallel Learning Trust's objectives are to continue to develop and share our effective school models which deliver rapid improvements in attainment whilst supporting the ever changing academic and emotional needs of our learners. To that end the MAT has applied to the Department for Education to be an academy sponsor.

The Parallel Learning Trust (PLT) sees the role of academy sponsor as a long-term commitment to raising standards in the schools we sponsor and improving education provision and outcomes for all learners. As an Academy Trust we continue to build on our successful track record of school improvement and the ability to innovate, therefore improving the life chances and attainment of the young people in our schools. The PLT wants to formally support more schools, we believe we have a proven model that will be integral to the operation and governance of new or converter academies, we want to share our success and replicate our systems in other schools that need support and guidance.

The aims, objectives, ethos and vision of the PLT are clearly set out in our Governance Handbook:

The Parallel Learning Trust exists in order to enable and support our Academy provisions to ensure those learners' life chances are enhanced. We work with communities and partners to:

- Raise standards and improve learner outcomes
- Providing wrap around care and support, through multiagency working

PARALLEL LEARNING TRUST
(A company limited by guarantee)

DIRECTORS' REPORT (continued)

- Place the Academy at the heart of their community
- Provide a supportive infrastructure for all Academy provisions
- Enable our Academies to focus primarily on Teaching and Learning
- Enable staff to facilitate outstanding learning and learners
- Value our staff as lifelong learners and provide support and encouragement to develop professionally

We are proud to serve the communities of South London, where as an AP Academy we support both children and families that experience some of the highest levels of social deprivation and our learners have some of the highest levels of social, emotional and behavioural needs. As our results and recent OFSTED inspection shows, we add a huge amount of value to improving the life chances of our learners and have some of the best GCSE and value added results in the country for AP provision.

The freedom that being a Multi Academy Trust affords us, allows us to impart and share the good practice to any converter schools or new academies, in the areas of curriculum innovation, strong support services in ICT, Finance, HR, Catering and Facilities management that will enable any schools we sponsor to focus on raising standards, school improvement, teaching and learning and ultimately outcomes for pupils.

The Strategic Objectives are summarised as follows:

1. To build a 'family' of outstanding cross-phase AP Academies that provide the best possible outcomes for young people by
 - Successful sponsorship of at least 1 additional London PRU
 - Building capacity to sponsor other AP settings over time
2. To build transferable leadership and infrastructure models for the successful delivery of learning in Alternative Provision as well as other school settings
 - Successful leadership models are shared across existing AP Academies to promote outstanding teaching and learning
 - Core services are delivered across existing AP Academies, freeing school leaders to focus on outstanding teaching and learning
3. To generate income through the trading of services, to include knowledge, resources, training, support and core infrastructure services to other schools and organisations
 - Logic Schools Services (wholly owned Community Interest Company of the PLT) develops a robust and deliverable Business plan to generate income through traded services
 - The CIC generates additional income of £150k in its first full year of trading (01.09.14–31.08.15)

These strategic objectives are underpinned by four key priorities for our schools and services:

Achievement

Robust tracking and monitoring of data informs teaching interventions that continue to narrow the achievement gap, deliver more opportunities for pupils to reintegrate to mainstream/special school settings, raise achievement and provide supportive learning environments for all learners through a personalised curriculum offer.

In the primary phase we would expect 90% of pupils working within age related expectations to exceed

PARALLEL LEARNING TRUST
(A company limited by guarantee)

DIRECTORS' REPORT (continued)

expectations and for those pupils working below age related expectations, to achieve 2 levels of progress across a key stage.

In the secondary phase we would expect continued growth in the number of students achieving a minimum of 5 GCSE's or equivalent (61% 5 A*-C 2013-14)

Teaching

That teaching over time, across all Key Stages and most subjects is outstanding and never less than consistently good to enable all learners to make sustained progress that leads to outstanding achievement.

In our settings we would expect that all teachers have consistently high expectations of all pupils and there is a consistency in teaching so that 100% is good or better through classroom practice, marking and assessment and the scrutiny of assessment data.

Behaviour and Safety

Ensuring our Academies are safe and stimulating learning environments where learners can make at least good progress in their academic, social and emotional learning. We would expect to see pupils' conduct being reflective of the Academies effective strategies to promote high standards and that there are excellent improvements in behavior over time for individuals and groups with particular behavior needs.

Leadership and Management

That our Academies continue to develop the capacity to raise standards of achievement teaching and learning by sharing best practice in a supportive way with all staff.

In each area we seek to be outstanding through judgments we make in leadership teams or through external validation, be that from the commissioned monitoring by our School Improvement Partner or by regulatory visits by OfSTED.

Strategic Report

Upon Academy conversion (1 July 2014) Local Governing bodies were set up for both Kennington Park Academy and Park Campus Academy.

The LGB takes the strategic role in the day-to-day governance of the Academy. Specifically:

- The LGB will interpret and shape the Boards vision and direction for the Academy.

The Board will determine the strategic direction for the Trust and for the academies. This will be interpreted by each LGB in the light of local requirements and the individual characteristics of each institution.

- The LGB serve as "champions" of the Education Charter in each Academy and to be "a champion" of the Academy in the locality.

The LGB will promote and support each academy in the local community by ensuring that a positive profile is maintained by pupil behavior, staff professionalism and positive publicity.

- The LGB act as "a sounding board" for the Headteacher and their leadership team, and represent the views of different parts of the Academy community to influence decision-making.

The role of the LGB is to be the "critical friend" of the Academy and to provide both support and challenge to the Headteacher and Senior Management team. They are responsible for representing the views of the Academy to the Trust Board.

PARALLEL LEARNING TRUST
(A company limited by guarantee)

DIRECTORS' REPORT (continued)

The LGB systematically and regularly monitors, evaluates and continually reviews the overall impact of the Academy and make suggestions for improvement. The LGB will account to the Board at least three times per year, with a full report annually, or as required by the Board, on the Academy's performance.

The following tables summaries the reviews that the LGB present on each Academies performance against the four key priorities:

AP Academy	Review Type	Date	Outcome	Next Review Date
Kennington Park	OfSTED	12.09.2011	Good in all areas	From 01.07.15
	SIA Report	July 2014	Good in all areas with Outstanding Leadership and Management	March 2015
Park Campus	OfSTED	08.03.2013	Good in all areas with Outstanding Leadership and Management	From 01.07.15
	SIA Report	July 2014	Good for Behaviour and Safety and Outstanding in other areas	March 2015

Both AP Academies follow the same self-evaluation and monitoring cycle and produce school development plans annually based upon review and evaluation of the previous plan.

Lesson observations, learning walks, book-looks and work scrutiny are ongoing in each Academy. The following table summarises the lesson observation data at 30 June 2014:

AP Academy	Inadequate		Requires Improvement		Good		Outstanding	
	No	%	No	%	No	%	No	%
Kennington Park	0	0	0	0	15	71	6	29
Park Campus	0	0	0	0	17	100	8	47

The cycle of observations begins in October of each academic year.

Outcomes for Learners

Kennington Park Academy 2013-2014 Pupil Progress (Teacher Assessments)

KS1	Below Expected Progress	Expected Progress	Good Progress	Outstanding Progress	Expected + Progress	Good + Progress
Reading	13%	13%	7%	67%	87%	74%
Writing	33%	13%		54%	67%	54%
Maths				100%	100%	100%
Science			7%	93%	100%	100%
ICT	31%			69%	69%	69%

KS2	Below Expected Progress	Expected Progress	Good Progress	Outstanding Progress	Expected + Progress	Good + Progress
Reading	12.5%	12.5%	3%	72%	87.5%	75%
Writing	22%	22%		56%	78%	56%
Maths	6.5%	12%	6.5%	75%	93.5%	81.5%
Science	4%	7%	7%	82%	96%	89%
ICT	3%	15%	7%	75%	97%	82%

PARALLEL LEARNING TRUST
(A company limited by guarantee)

DIRECTORS' REPORT (continued)

KS1 and 2	Below Expected Progress	Expected Progress	Good Progress	Outstanding Progress	Expected + Progress	Good + Progress
Reading	13%	13%	2%	72%	87%	75%
Writing	23%	17%		60%	77%	60%
Maths	6.5%	10%	6.5%	77%	93.5%	83.5%
Science	2%	5%	7%	86%	98%	93%
ICT	12%	10%	4%	74%	88%	78%

KS1 SATs results –end of Y2

KS1 = 2b is the **Age Related Expectation**.

The vast majority of our pupils enter with achievement well below **ARE**. They are also not with us from Reception.

Reading	Writing	Maths	Science
P x 2	P x 2	P x 2	P x 2
L1 x 5	L1 x 7	L1 x 5	L1 x 3
L2 x 4	L2 x 2	L2 x 3	L2 x 3
L3 x 0	L3 x 0	L3 x 1	L3 x 3

KS2 SATs results – end of Y6

KS2 = 4b is the Age Related Expectation. The vast majority arrive with achievement well below ARE – even on P levels.

Data on all Y6 pupils at the end of KS2 (We expect all our pupils –even those not eligible –i.e. achieving below L3- to undertake the end of KS2 SATs tests, as we feel that this a useful experience for them.

Reading	SPaG	Maths	Science
12% NS	22% NS	9% NS	20% L2
	34% L3	45% L3	47% L3
63% L4	22% L4	19% L4	27% L4
25% L5	22% L5	27% L5	6% L5

Despite pupil's attainment on entry being well below Age Related expectation, the vast majority of pupils make rapid progress, especially in Maths and Science.

Of the Y6 cohort on roll in 2013-14-

- 75% arrived on P7- L2 in reading = 88% left on L4+
- 63% arrived on P7-L2 in writing = 75% left on L3 + (44% left at L4+)
- 56% arrived on P7-L2 in Maths = 81% left on L3 + (46% L4+)
- 63% arrived on P7-L2 in Science = 80% left on L3 + (33% L4+)

Key areas for improvement are Reading and Writing, where the target of 80% Good+ was not met. As a result targets have been adjusted to take into consideration whether pupils are working within age related expectations upon entry; for those who are not the progress measure has been adjusted to target 2 levels of progress across the key stage if applicable.

PARALLEL LEARNING TRUST
(A company limited by guarantee)

DIRECTORS' REPORT (continued)

Park Campus Academy KS4 Results

	2010	2011	2012	2013	2014	Increase 2013-14
COHORT SIZE	24	20	22	21	18	
5 A-C EM	4%	10%	32%	29%	39%	10%
5 A-C	4%	20%	55%	57%	61%	4%
1 A-C	25%	75%	86%	95%	100%	5%
5 A-D EM	4%	25%	50%	38%	44%	6%
5 A-D	13%	30%	59%	62%	67%	5%
1 A-D	42%	80%	86%	95%	100%	5%
5 A-G EM	17%	40%	68%	81%	89%	8%
5 A-G	17%	40%	68%	81%	94%	13%
1 A-G	100%	95%	95%	100%	100%	0%
SCAAT	106	170	211	287	285	-2
SCAAT CAPPED				264	282	18

Academic progress at KS4 is outstanding as identified by our School Improvement Advisor (SIA). Pupils at the Park Campus Academy make rapid and sustained progress compared to pupils in similar provisions both with our local statistical neighbours and nationally. Most notable is the progress made from their baseline starting points, for example Year 11 progress to June 2014,

English: 94% of pupils making expected or better progress, 56% exceeding expected progress

Maths: 94% of pupils making expected or better progress, 47% exceeding expected progress

This can be evidenced also by the pupils attainment at GCSE which has gained significant recognition through the PiXL Club, which awarded the Park Campus Academy the Collins PiXL Award for Outstanding GCSE results 2014. Students have the opportunity to sit up to 11 GCSE or equivalent qualifications, of our 2013 - 2014 cohort 61% of pupils achieved five good GCSEs at grade C or above. It should also be noted that those vulnerable young people further supported though access to the pupil premium grant performed equally well or better in most cases that the cohort as a whole.

All Pupils at KS4 either reintegrate back to mainstream schools or are fully supported to further education or training with 100% of our pupils going on to Employment Education or Training (EET).

At KS3 the focus for pupils is make sufficient improvement in the behaviour to enable a successful return to mainstream provision or to facilitate a successful transition to an appropriate specialist provision. A significant number of pupils at KS3 are successfully reintegrated to their own or new mainstream provision.

PARALLEL LEARNING TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

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 Executive Headteacher, as Accounting Officer, for ensuring financial controls conform to 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 Directors' responsibilities statement. The board of directors has formally met 2 times from the date of incorporation. Attendance during the year at meetings of the board of directors was as follows:

Directors/directors	Meetings attended	Out of a possible
R A Neal	2	2
V M D C Da Silva	2	2
R Newlove	2	2
R F Pugh	2	2
M Ward	2	2
R Leonard, Executive Headteacher	2	2

Governance reviews:

On a regular basis (annually) the Chair will consult with individual directors to consider their contribution to the organisation and identify any areas where the directors would benefit from additional training or support.

The Trust Board will collectively review its performance at regular intervals, again preferably annually. It should also review the performance of the Chair person. The Board will review its effectiveness in Summer of 2015 in line with the PLT's planning cycle.

The Finance, resources and premises Committee is a committee of the main board of directors. Its purpose is to provide guidance to the Trust on all matters under its remit (Finance, Resources Premises Health and Safety, Appeals and Asset Management). The Trust must take all decisions concerning the adoption and implementation of these recommendations.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
M Ward	2	2
R F Pugh	1	2
V M D C Da Silva	2	2

PARALLEL LEARNING TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (Continued)

The Audit Committee is also a sub-committee of the main board of directors. Its purpose is to:

- 1 To consider matters relating to internal control and external auditors
- 2 To receive a report from the responsible officer
- 3 To monitor the effectiveness of the systems for internal control
- 4 Review statement of internal control
- 5 To receive and review reports from the responsible officer/Auditors and make appropriate recommendations to the Finance Committee
- 6 Agree and monitor Financial Procedures/ Processes
- 7 Consider reports/recommendations from auditors
- 8 Monitor audit recommendations ensuring they are implemented accordingly
- 9 Monitor and take responsibility for the Risk Register

Although incorporation was on 11 July 2013, Academy Conversions did not take place until 1 July 2014 and therefore this sub-committee did not meet. The appointment of the external auditor CTM Partnership Ltd was dealt with at the first Full Board of Directors meeting held on 1 October 2014

Attendance at PLT Board meeting 1 October 2014 was as follows:

Director	Meetings attended	Out of a possible
R Neal	1	1
R Newlove	1	1
M Ward	1	1
R F Pugh	1	1
R Leonard	1	1
V M D C Da Silva	1	1

PARALLEL LEARNING TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

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 priorities 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 for Parallel Learning Trust for the period from 1 July 2014 to 31 August 2014 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 period from 1 July 2014 to 31 August 2014 and up to the date of approval of the annual report and financial statements. The board of directors regularly reviews this process.

The Risk and Control Framework

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

The board of directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Directors have appointed CTM Partnership Ltd, the external auditors, to perform audit checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a bi-annual basis, the auditors report to the board of directors on the operation of the systems of control and on the discharge of the board of directors' financial responsibilities.

PARALLEL LEARNING TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

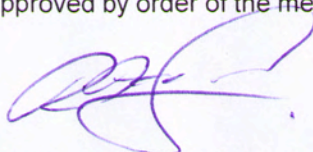
Review of Effectiveness

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

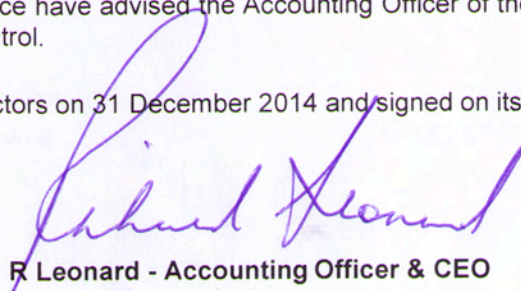
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Finance and General Purposes Committee and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place have advised the Accounting Officer of the implications of the result of their review of the system of internal control.

Approved by order of the members of the board of directors on 31 December 2014 and signed on its behalf, by:



R A Neal - Chair of Directors



R Leonard - Accounting Officer & CEO

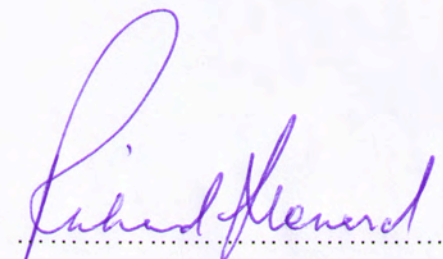
PARALLEL LEARNING TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Parallel Learning Trust I have considered my responsibility to notify the academy board of directors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

A handwritten signature in blue ink, appearing to read 'R Leonard', is written over a horizontal dotted line.

R Leonard - Accounting Officer

PARALLEL LEARNING TRUST
(A company limited by guarantee)

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD FROM 11 JULY 2013 31 AUGUST 2014

The Directors who act as governors of Parallel Learning Trust and are also the directors of the charitable company for the purposes of company law, are responsible for preparing the Directors' report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of 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;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of directors on 31 December 2014 and signed on its behalf by:



R A Neal - Chair of Directors

PARALLEL LEARNING TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARALLEL LEARNING TRUST LIMITED

We have audited the financial statements of Parallel Learning Trust for the period from 11 July 2013 to 31 August 2014, which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction issued by the Education Funding Agency.

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

Respective responsibilities of directors and auditors

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

PARALLEL LEARNING TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARALLEL LEARNING TRUST LIMITED
(continued)

Emphasis of matters

Without qualifying our opinion we draw attention to two matters referred to in note 24 to the financial statements.

Firstly, the Local authority is disputing the payroll liability included in the signed transferred agreement (TA) between the trust and itself. The directors are of the opinion that the TA is legally binding and therefore no additional liability exists.

Secondly, at the balance sheet date there was no actuarial valuation carried out by the Local Authority in respect of Local Government Pension Scheme. It was therefore not possible to qualify any deficit or surplus at that date, which may have otherwise been included in the financial statements.

The ultimate outcomes of these matters cannot presently be determined and therefore no provision has been made in the financial statements in respect of these matters.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



CT Munir FCA
Senior statutory auditor
for and on behalf of

CTM Partnership Ltd
Chartered Accountants
Statutory Auditors
838 Wickham Rd
Croydon
CR0 8ED

Date: 31 December 2014

PARALLEL LEARNING TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO PARALLEL LEARNING TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 1 August 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Parallel Learning Trust during the period from 1 July 2014 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Parallel Learning Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Parallel Learning Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Parallel Learning Trust and EFA, 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 14 March 2013 and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 July 2014 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

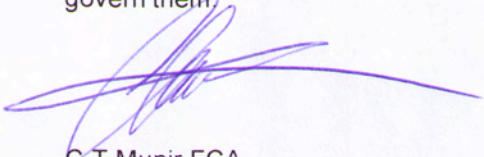
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

PARALLEL LEARNING TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO PARALLEL LEARNING TRUST AND THE EDUCATION FUNDING AGENCY (continued)

Conclusion

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



C T Munir FCA

CTM Partnership Ltd

Chartered Accountants
Statutory Auditor
838 Wickham Rd
Croydon
CR0 8ED

Date: 31 December 2014

PARALLEL LEARNING TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of recognised gains and losses)
FOR THE PERIOD FROM 11 JULY 2013 TO 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted general funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £
Incoming resources					
Incoming resources from generated funds:					
Activities for generating funds	2	85,397			85,397
Transfer from Lambeth on conversion			240,440	13,859,447	14,099,887
Incoming resources from charitable activities:					
Funding for the academy trust's educational operations	3		718,998		718,998
Total incoming resources		85,397	959,438	13,859,447	14,904,282
Resources expended					
Costs of generating funds:					
Academy trust educational operations	5		762,534	25,679	788,213
Governance costs	4		9,600		9,600
Total resources expended			772,134	25,679	797,813
Net incoming resources before transfer, carried forward		85,397	187,304	13,833,768	14,106,469

PARALLEL LEARNING TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE PERIOD FROM 11 JULY 2013 TO 31 AUGUST 2014

Note	Unrestricted fund 2014 £	Restricted general fund 2014 £	Restricted fixed asset fund 2014 £	Total fund 2014 £
Net incoming resources before transfer, carried forward	85,397	187,304	13,833,768	14,106,469
Net income for the year	85,397	187,304	13,833,768	14,106,469
Net movement in funds for the year	85,397	187,304	13,833,768	14,106,469
Total funds at 31 August 2014	85,397	187,304	13,833,768	14,106,469

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

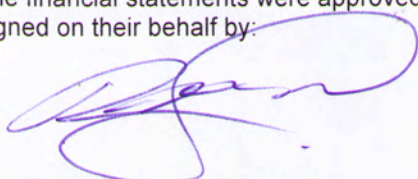
The notes on pages 28 - 44 form part of these financial statements.

PARALLEL LEARNING TRUST
(A company limited by guarantee)
REGISTERED NUMBER:08605705

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £
Fixed assets			
Tangible assets	12		13,833,768
Investments	13		1
			<u>13,833,769</u>
Current assets			
Debtors	14	538,156	
Cash at bank and in hand		222,303	
		<u>760,459</u>	
Creditors: amounts falling due within one year	15	(381,092)	
			<u>379,367</u>
Net current assets			<u>14,213,136</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	16		(106,667)
Defined benefit pension scheme liability			-
			<u>14,106,469</u>
Net assets including pension scheme liabilities			
Funds of the academy			
Restricted funds:			
Restricted general fund	17	187,304	
Restricted fixed asset fund	17	13,833,768	
		<u>14,021,072</u>	
Restricted funds excluding pension liability			
Pension reserve		-	
			<u>14,021,072</u>
Total restricted funds			85,397
Unrestricted fund	17		<u>14,106,469</u>
Total funds			

The financial statements were approved by the directors, and authorised for issue on 31 December 2014 and are signed on their behalf by:



R A Neal - Chair of Directors

The notes on pages 28-44 form part of these financial statements.

PARALLEL LEARNING TRUST
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE PERIOD FROM 1 JULY 2014 TO 31 AUGUST 2014

	Note	2014 £
Net cash flow from operating activities	20	94,459
Cash transferred on conversion		127,844
(Decrease)/Increase in cash in the year		222,303

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD FROM 1 JULY 2014 TO 31 AUGUST 2014

		2014 £
(Decrease)/Increase in cash in the period	21	222,303
Net funds at 31 August 2014		222,303

The notes on pages 28-44 form part of these financial statements.

PARALLEL LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

1. STATEMENT OF ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention, with the exception of long leasehold premises, which are included at directors' valuation (see note 1.6). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 FUND ACCOUNTING

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

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

1.3 INCOMING RESOURCES

All incoming resources are included in the statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

PARALLEL LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.4 RESOURCES EXPENDED

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

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

Charitable activities are costs incurred in the academy's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

1.5 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 to continue as a going concern. The Directors make this assessment in respect of a period of one year from the date of approval of the financial statements.

PARALLEL LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS

All assets costing more than £2,000 are capitalised at cost, net of depreciation and any provision for impairment except for the school premises, which were transferred to the Trust on conversion to an Academy under long leases. These long leasehold properties together with its fixtures and equipment have been included in the balance sheet at the Trust's insurers' valuation.

The insurance valuation by Zurich was based on information provided to them by the Local Authority (Lambeth). A formal valuation will be carried out by the EFA in 2015 and any changes will be reflected in the financial statements for the year ending 31 August 2015.

- **Park Campus Academy**

These premises are held under a Lease dated 1 July 2014 made between (1) The London Borough of Lambeth and (2) Parallel Learning ("the Trust"). The Lease grants a term of 125 years from 1 July 2014 at a nominal rent. The Lease is subject to restrictions against disposal without the consent of the Secretary of State for Education and for termination if the Trust ceases to be funded as an academy.

- **Kennington Park Academy**

These premises are held under a short-term lease dated 1 July 2014 is made between (1) The London Borough of Lambeth and (2) Parallel Learning Trust. This Lease demises the site for a term from 1 July 2014 expiring on 1 December 2015 with provisions for surrender on practical completion of certain works to be carried out by the Landlord as described below. The Lease is subject to restrictions against disposal without the consent of the Secretary of State for Education and for termination if the Trust ceases to be funded as an academy.

A conditional Agreement for Lease dated 1 July 2014 is made between (1) The London Borough of Lambeth and (2) Parallel Learning Trust. The Agreement is conditional upon agreement between Lambeth and the Trust of a scheme of works, and on Lambeth obtaining planning permission and other necessary consents for the scheme of works. The intended scheme of works is for the creation of an ASD unit for Lambeth and alterations to the PRU for the Trust. Following completion of the scheme, Lambeth is to grant to the Trust a lease of the altered PRU premises for a term of 125 years at a nominal rent. The Lease will be subject to restrictions against disposal without the consent of the Secretary of State for Education and for termination if the Trust ceases to be funded as an academy.

1.7 DEPRECIATION

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	over life of the lease
Fixtures and fittings	-	20% straight line
Computer equipment	-	20% reducing balance

PARALLEL LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.8 STOCKS AND WORK IN PROGRESS

There were no material amounts of stocks at the balance sheet date.

1.9 TAXATION

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

1.10 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 22, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

1.11 INVESTMENTS

The academy's shareholding in the wholly owned subsidiary, Logic School Services C.I.C, is included in the balance sheet at cost.

PARALLEL LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

2. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
School commission income	85,397		85,397
	85,397		85,397

3. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Restricted funds 2014 £	Total funds 2014 £
DfE/EFA revenue grants		
General annual grant	295,037	295,037
Other grants	14,685	14,685
Other Dfe/EFA grants	50,000	50,000
	359,722	359,722
Other government grants		
Local authority grants	348,110	348,110
Special educational projects	11,166	11,166
	359,276	359,276
	718,998	718,998

4. GOVERNANCE COSTS

	Restricted funds 2014 £	Total funds 2014 £
Auditors' remuneration	9,600	9,600

PARALLEL LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

5. CHARITABLE ACTIVITIES

Direct costs	Educational Operation £	Total 2014 £
Technology costs	16,173	16,173
Educational supplies	7,141	7,141
Passport to employability	15,985	15,985
Examination fees	271	271
Staff development	10,883	10,883
Educational consultancy	70,653	70,653
Other direct costs	26,146	26,146
Wages and salaries	449,271	449,271
National insurance	38,599	38,599
Pension cost	61,477	61,477
	696,599	696,599

Support Costs	Educational Operation £	Total 2014 £
Motor expenses	2,176	2,176
Maintenance of premises and equipment	14,822	14,822
Rent and Rates	1,831	1,831
Cleaning	3,508	3,508
Energy costs	608	608
Insurance	6,642	6,642
Wages and salaries	1636	1636
Legal and Professional Fee	3,533	3,533
General Stationery	2,984	2,984
Agency Cost	28,195	28,195
Depreciation	25,679	25,679
	91,614	91,614
Total direct and support costs	788,213	788,213

PARALLEL LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

6. RESOURCES EXPENDED

	Staff costs 2014 £	Premises 2014 £	Other costs 2014 £	Total 2014 £
Academy's educational operation:				
Direct costs	326,623	14,822	22,737	364,182
Support costs	222,725		201,306	424,031
Charitable activities	549,348	14,822	224,043	788,213
Governance			9,600	9,600
	549,348	14,822	233,643	797,813

7. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2014 £	Support costs 2014 £	Total 2014 £
Educational operations	696,599	91,614	788,213

8. NET INCOMING RESOURCES

This is stated after charging:

	2014 £
Depreciation of tangible fixed assets:	
- owned by the Trust	25,679
Auditors' remuneration	<u>9,600</u>

PARALLEL LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

9. STAFF

a. Staff costs

Staff costs during the period were as follows:

Staff costs were as follows:	2014
	£
Wages and salaries	449,271
Social security costs	38,599
Other pension costs (Note 25)	61,477
	<u>549,347</u>

b. Staff numbers

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

	2014
	No.
Charitable activities:	
Teachers	28
Administration and support	35
Management	3
	<u>66</u>

c. Higher paid staff

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

	2014
	No.
In the band £60,001 - £70,000	2
In the band £70,001 - £80,000	1
In the band £100,001 - £110,000	<u>1</u>

PARALLEL LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

10. DIRECTORS' REMUNERATION AND EXPENSES

The Executive Head teacher only receives remuneration in respect of services he provides undertaking the role of head teacher and not in respect of his services as a director. Other directors did not receive any payments for services or expenses from the academy in respect of their roles as directors.

R Leonard (Head teacher and director)	£100,001 - £110,000
---------------------------------------	---------------------

11. DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and this cost is included in the total insurance cost of £39,854 for the period from 1 July 2014 to 30 June 2015.

PARALLEL LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

12. TANGIBLE FIXED ASSETS

	Long leasehold premises	Furniture and computer equipment	Total
COST	£	£	£
Additions	13,634,447	225,000	13,859,447
At 31 August 2014	13,634,447	225,000	13,859,447
DEPRECIATION			
Charge for the period	18,179	7,500	25,679
At 31 August 2014	18,179	7,500	25,679
NET BOOK VALUE			
At 31 August 2014	13,616,268	217,500	13,833,768

13. INVESTMENTS

	2014 £
Cost of investment in subsidiary – additions and at 31 August 2014	<u>1</u>

The Trust incorporated a wholly owned subsidiary in the UK, Logic School Services C.I.C, on 18 June 2014 with an issued share capital of 1 ordinary share of £1 each. The main aim of Logic School Services C.I.C is to provide both financial and non-financial services to schools and other academies. Logic School services C.I.C commenced trading on 1 September 2014. On the balance sheet date the subsidiary company had no assets and liabilities and therefore no consolidated accounts are presented.

PARALLEL LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

14. DEBTORS

	2014 £
Trade debtors	429,223
EFA funding	60,750
Other debtors	48,183
	<hr/> 538,156 <hr/>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £
Trade creditors	94,515
Local Authority payroll debt	270,265
Other taxes and social security costs	70
Accruals and deferred income	16,242
	<hr/> 381,092 <hr/>

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

Local Authority payroll debt	<hr/> 106,667 <hr/>
------------------------------	----------------------------

The above amount is payable by 6 equal monthly installments of £17,777.78 and is interest free.

PARALLEL LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

17. STATEMENT OF FUNDS

	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds					
School commissioning	85,397				85,397
Restricted general funds					
General Annual Grant (GAG)	894,753	(772,134)	50,000		172,619
Start up Grant	50,000		(50,000)		-
Others	14,685				14,685
	959,438	(772,134)	-	-	187,304
Restricted fixed assets funds					
On conversion to academy:					
Long leasehold premises	13,634,447	(18,179)			13,616,268
Equipment and fixture and fittings	225,000	(7,500)			217,500
	13,859,447	(25,679)			13,833,768
Total restricted funds	14,818,885	(797,813)			14,021,072
Total of funds	14,909,282	(797,813)			14,106,469

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

PARALLEL LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 2014 £	Restricted Funds 2014 £	Unrestricted Fixed asset Funds 2014 £	Total funds 2014
Tangible fixed assets			13,833,768	13,833,768
Investments	1			1
Current assets	85,397	675,062		760,459
Creditors due within one year		(381,092)		(381,092)
Creditors due after one year		(106,667)		(106,667)
	85,398	187,303	13,833,768	14,106,469

19. FINANCIAL COMMITMENTS

Operating Leases

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

	2014 £
Expiring within one year	10,854
Expiring within two and five years inclusive	14,887
	25,741

PARALLEL LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

20. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014 £
Net incoming resources before valuation	14,106,469
Fixed assets inherited on conversion	(13,859,447)
Cash transferred on conversion	(127,845)
Deprecation on fixed assets	25,679
Decrease/(increase) in debtors	(538,156)
(Decrease)/increase in creditors	487,759
NET CASH INFLOW FROM OPERATIONS	94,459

21. ANALYSIS OF CHANGES IN NET FUNDS

	At 30 June 2014 £	Cash flows £	At 31 August 2014 £
Cash at bank and in hand	222,303	222,303	222,303
NET FUNDS	222,303	222,303	222,303

PARALLEL LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

22. PENSION COMMITMENTS

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

The pension costs are generally assessed in accordance with the advice of independent qualified actuaries. AEP Lambeth converted to academy status on 1 July 2014; however London Borough of Lambeth will be conducting the actuarial valuation as at 30 June 2014. The assessment has not been finalised and therefore accounts for the period ended 31 August 2014 does not contain the valuation.

However, there are no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

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

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

Parallel Learning Trust has not been provided information of valuation which will be undertaken by London Borough of Lambeth. Therefore, the accounts for the period ended 31 August 2014 does not contain the valuation.

PARALLEL LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

22. PENSION COMMITMENTS (continued)

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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

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

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

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate director-administered funds. The valuation has not been finalised by Lambeth Council and the contribution rate will be established once the valuation has been finalised. The total contribution by the company for the pension ending 31 August 2014 is £24,058.

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.

PARALLEL LEARNING TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

23. RELATED PARTY TRANSACTIONS

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

24. CONTINGENT LIABILITIES

Payroll Liability

The Trust ("PLT") entered into two Transfer Agreements both dated 1 July 2014 with the London Borough of Lambeth ("Lambeth") and The Management Committee of the Lambeth Alternative Education Provision ("the Management Committee") under which PLT borrowed a total of £320,000 from Lambeth in respect of payroll items representing the outstanding amount owed by the Management Committee to Lambeth as at 30 June 2014 under arrangements for processing of the Management Committee's payroll by Lambeth and subsequent recovery by Lambeth from the Management Committee's delegated budget in the following month, after the giving of credit for certain recoveries. The Transfer Agreements also provide for the transfer of any surplus of the Management Committee as at 30 June 2014 to PLT. As at 31 August 2014, neither the amount of the recoveries nor the actual surplus or deficit the Management Committee as at 30 June 2014 had been finally ascertained. Since 31 August 2014 Lambeth have alleged that the Transfer Agreements overstate the recoveries by £198,694.98 and in consequence such amount is repayable by PLT on demand. PLT's contingent liability of £198,694.98 stated in the accounts represents the liability to make such repayment if properly repayable. PLT disputes the overstatement and liability to repay such amount and considers the Transfer Agreements is legally binding on Lambeth. The accounts therefore do not include a provision for £198,694.68.

Local Government Pension Scheme Deficit

According to the Transfer Agreements for both academies any deficit on conversion date of 1 July 2014 will be met by the Trust. Notwithstanding this, the directors maintain that there was no such deficit on conversion based on representation made to them by the Local Authority. At the time of signing the financial statements it was not possible to obtain these representations in writing. A formal actuarial valuation will be carried out by the Local Authority experts on the request of the directors in the forthcoming financial year. The directors are confident that this actuarial valuation will confirm that there is no deficit as 31 August 2014.