

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

**Consolidated Report and Financial Statements
Year ended 31 August 2019**

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

Parallel Learning Trust

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Parallel Learning Trust Reference and Administrative Details

Founding members	R F Pugh M Ward V M D C Da Silva
Directors	R A Neal (Chair) M P Jordan J W Wotherspoon (resigned 14 December 2018) M Martell R Newlove R F Pugh A Smith B Wallia (appointed 12 December 2018) L Farrow (appointed 27 March 2019)
Company Secretary	R F Pugh
Senior Management Team: Chief Executive Officer Trust Resources Manager	M P Jordan M Peake
Company Name	Parallel Learning Trust
Principal and Registered Office	Parallel Learning Trust Suite 1, Baker House, Horsley Road, Bromley, BR1 3LB
Company Registration Number	08605705 (England and Wales)
Independent Auditor	CTMP Accountants Ltd Chartered Accountants 838 Wickham Road Croydon, CR0 8ED
Bankers	Lloyds Bank Plc George Street Croydon, CR9 2NS
Solicitors	Geldards LLP 80 Coleman Street London EC2R 5BJ

Parallel Learning Trust

Directors' Report

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 2018 to 31 August 2019. 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 at 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 a further AP and SEMH academies have joined the Trust in 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 Management

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 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.

Directors' Indemnities

A Director may benefit from any indemnity insurance, up to £2,000,000, purchased at the Trust'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 beach 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.

Policies and Procedures 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

Parallel Learning Trust

Directors' Report

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 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, 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 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
- ESFA 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.

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 Governing Body

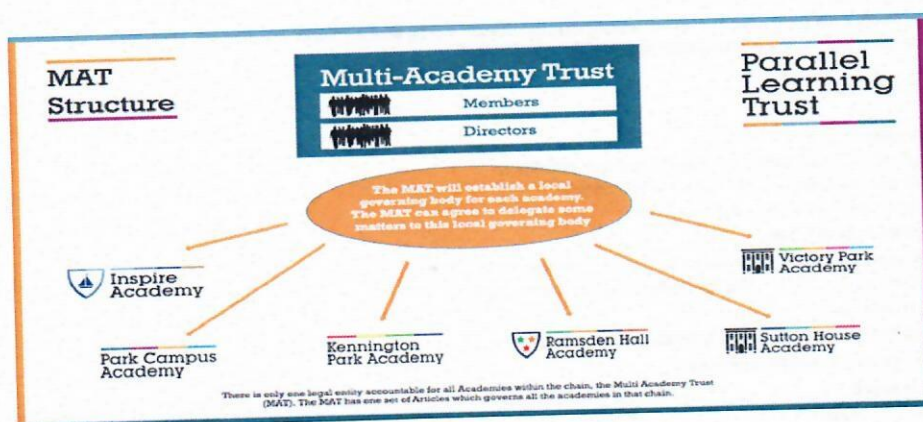
Parallel Learning Trust Directors' Report

The Executive Leadership Team consists of the Chief Executive, Headteachers/Heads of each academy, the central PLT team 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 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 schools, is responsible for the internal organisation, management and control of the schools; for advising the Trust Board members and implementing 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 schools
- The responsibility of the EHT for the internal organisation, management and control of schools
- 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.

Parallel Learning Trust

Directors' Report

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

2. Staffing and Performance Management and Safeguarding Including responsibilities for:

- a) Safeguarding
- b) Discipline
- c) Audit
- d) Staffing Overview

3. Pay Sub Committees

4. Academy Councils

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 Board:

- 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

In order to bring transparency and clarity, the Trust has incorporated wholly owned subsidiary, Logic Schools Services CIC, to provide central services to both academies from 01 September 2014 onwards. The subsidiary is included in the balance sheet as cost.

There are no related party transactions for the period.

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 Ensure the build projects in Medway and Southend are completed on time, on budget and provide significantly enhanced learning environments for respective academies ensuring that Inspire Academy has the physical environment to support it moving out of Special Measures.
- 2 Raise standard of financial awareness, skills and monitoring across all academies providing appropriately detailed information to Academy Councils and the Board to inform business plans.
- 3 To build a 'family' of Good and Outstanding cross-phase Academies that provide the best possible outcomes for children through successful sponsorship of at least 1 school provision in 2018-19.
- 4 Continue to build transferable leadership and infrastructure models for the successful delivery of learning in existing and new sponsored academies.
 - Successful leadership models are shared across Academies to promote outstanding teaching and learning

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

Parallel Learning Trust

Directors' Report

Disabled Persons

Lifts, ramps and disabled toilets have been installed to enable wheelchair access to all main areas of academies where possible. The policy of the Trust is to support the employment of disabled person both in recruitment and by retention of employees who become disabled whilst in employment and generally through in training and career development.

Employee Involvement

The Trust encourages staff contributions at all levels in matters involving employees. New staff are fully inducted and teachers take part in training before the start of and during the academic year

Trade Union Facility Time

There were no relevant union officials during the period.

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).

Parallel Learning Trust

Directors' Report

PLT Academy performance by Ofsted judgement criteria

Academy	Ofsted Judgement areas ¹					
	Overall effectiveness	Effectiveness of leadership and management	Quality of teaching, learning and assessment	Personal development, behaviour and welfare	Outcomes for pupils	Overall effectiveness at previous inspection
Ramsden Hall	3	2	2	3	2	2
Victory Park	2	2	2	2	2	4
Sutton House	3	3	3	3	4	4
Inspire	2	2	2	2	2	2
Kennington Park	2	2	2	2	2	2
Park Campus	3	3	3	3	3	2
Wandle Valley	2	2	2	2	2	2

1 – Outstanding; 2 – Good; 3 – Requires Improvement and 4 – Inadequate

As a summary, this information requires very little context setting as all of our sponsor projects have been through two levels of Board approval and the due diligence risk assessments presented.

During 2018-19 all provisions have considerably strengthened due to a combination of support from the executive team as well as embedding the core systems of the Trust in the following key areas;

- Academy self-evaluation
- Academy improvement planning
- Behaviour management system
- Progress system

Establishing these core systems across the Trust has been pivotal in driving improvement providing the executive team with the ability to develop consistency, refine approaches and compare and contrast performance in key areas of performance.

The support from PLT enabled Wandle Valley Academy (WVA) to make rapid and sustained progress since converting to join the Trust on 1 November 2018. There have been challenges with amalgamating new systems of an open academy mid-year. This has proved challenging in terms of assimilating back office functions, finance as well as behaviour management and progress systems. Support from PLT academies has enabled the provision to make sustained progress and feel more supported but WVA has not had access to the full professional development offer from PLT due to different term and INSET dates. All of this will be taken into the decision making of future conversions by the Trust Board.

Year 11 Examination performance on PLT academies 2018-19

The table below compares performance from all Year 11 pupils across PLT academies. VPA performed the strongest across all areas, a marked improvement from the previous year. In terms of headline achievements, only VPA and WVA scored higher than the PLT average for 9-1 inc. Eng and Maths with RHA also coming close. Out of the 6 academies, 4 are SEMH, the 2 AP academies have more able pupils and therefore should be achieving a lot higher than those at a SEMH academy where every single pupil has an EHCP, this highlights poor performance at PCA. Analysis is underway at all academies to make adaptations to the curriculum and delivery of lessons so that pupils can achieve more.

PLT Academy Qualification Comparison															
Year 11	Inspire (SEMH)		Park Campus (AP)		Ramsden Hall (SEMH)		Sutton House (SEMH)		Victory Park (AP)		Wandle Valley (SEMH)		PLT (Average)		
Number of Year 11 Pupils on roll	8		35		19		7		20		10		197		
	Number of Students	%	Number of Students	%	Number of Students	%	Number of Students	%	Number of Students	%	Number of Students	%	Number of Students	%	
% achieving at least five (9-4 or equivalent) qualifications (inc. English and Maths)	0	0.0%	1	3.0%	0	0.0%	0	0.0%	0	0%	0	0%	1	0%	
% achieving at least five (9-1 or equivalent) qualifications (inc. English and Maths)	0	0.0%	2	6.1%	2	10.5%	0	0.0%	12	60%	3	30%	19	15%	
% achieving at least five (9-1 or equivalent) qualifications	0	0.0%	7	21.0%	2	10.5%	1	14.2%	12	60%	4	40%	26	21%	
% achieving a GCSE qualification in both English & Maths (1-9)	3	60.0%	23	70.0%	12	63.1%	1	14.0%	12	60%	4	40%	55	44%	
% achieving a GCSE qualification in English (1-9)	4	80.0%	28	85.0%	9	47.0%	2	29.0%	17	85%	4	40%	64	52%	
% achieving a GCSE qualification in Maths (1-9)	3	60.0%	24	73.0%	10	58.0%	2	29.0%	12	60%	8	80%	59	51%	
% achieving a Functional Skills qualification in Maths (L1-L2)	L1	5	63.0%	4	12.0%	3	16.0%	1	14.0%	2	10%	0	0%	15	16%
	L2	0	0.0%	23	70.0%	0	0.0%	0	0.0%	0	0%	0	0%	23	10%
% achieving a Functional Skills qualification in English (L1-L2)	L1	2	25.0%	1	3.0%	3	16.0%	2	29.0%	2	10%	1	10%	11	13%
	L2	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0%	0	0%	0	0%

The following is a summary of key achievements and next steps for each of the academies currently within the Trust.

Parallel Learning Trust

Directors' Report

Inspire Academy Performance update : There is a small cohort of Year 11 pupils but this has grown year on year and is double the size of last year, it is also worth noting that the results, whilst are still low in comparison to some benchmarking data, are higher than the previous academic year and staff should be pleased with this outcome. It is important to note the consistent growth in size reflects renewed confidence from commissioners with the LA increasing numbers up from 40 to 50. The Yr 11 results form a similar profile to that of RHA with a high percentage of learners achieving either Eng or Maths but then the majority were unable to also achieve another 3, 9-1 grades therefore benchmarking below national average. Inspire Academy is a SEMH Special Academy for secondary aged students that was consistently graded as Inadequate by an EFA Consultant in 4 visits over a 2 ½ year period, furthermore, the provision was inspected by Ofsted in January 2016 and graded as Inadequate in all areas. In June 2018 a full DfE inspection confirmed that the provision had improved and was officially Good in all areas, evidencing the excellent work that the Trust does in supporting and enabling provisions to improve.

The priority has been to increase the number of qualifications achieved as well as securing entry into employment, further education or training with all pupils achieving this. One of the key challenges the provision faces for the next academic year is securing a minimum of 100% pupils achieving a at least a grade 1 in English and Maths with 75% achieving a 5 x grade 1-9's in summer 2020. The planned building programme has seen yet further delays. Initial refurbishment works in the summer of 2017 were of poor quality and have created numerous operational issues throughout the year, some of which remain unresolved. Failure to provide an appropriate solution will have a negative effect on the Trust. Upon conversion the Trust was given assurances that the delivery of the build programme would increase pupil numbers up to 80 in September 2018 from the current 40. This prevents the Trust from making the academy more efficient due to a combination of lower than expected pupil numbers and a more efficient staffing structure/pupil ratio. The DfE have now completed 2 separate build programmes but poor delivery and poor quality of build have resulted in unexpected closures which has disrupted the learning and support pupils have received as well as having a negative impact on the curriculum offer as well as the achievement of Yr 11 pupils. Making significant progress in the planned build programme is an absolute priority for 2019-20.

Park Campus Performance update : The provision performed less well than in other years both in terms of outcomes and in year progress. Leaders must ensure that staff use the PLT progress system as well as ensuring that there are monitoring procedures in place to regularly report and scrutinise the performance of pupils at all data entry points. It is also noted that the absence of a KS4 teacher from April had an impact on results. Only 6.1% (2 pupils) achieved 5 x 9-1 grades inc. Eng and Maths compared to 60% (12 pupils) at VPA the other AP provision in PLT. This academic year has presented the leadership team with significant successes and challenges with absence in key staffing positions having an impact on the smooth running of the provision. There have also been further complexities in other key areas with Lambeth LA removing all funding for the Outreach service resulting in no secondary aged pupils being reintegrated back into mainstream education, this was compounded by the fact that there is no FAP or formal mechanism for reintegrating pupils apart from direct approaches to schools/academies. In addition, the challenges for 2018-19 have been significant in relation to the safeguarding as Gang tensions and gang-related violence has been an overwhelming feature of our pupil cohort this year and has also been prevalent across the Lambeth School Community. Staff have worked hard this year working with young people, their families, the police and a range of partner agencies, to ensure that the Park Campus Academy remains a safe place to learn. Park Campus was also one of the few provisions of its type in the country to achieve the Level 3 Careers Mark Award underlining the value and work done to build brighter futures for Lambeth's young people. A key priority for 2019-20 is to raise achievement across KS4 with the aspirational aim of 100% of pupils achieving 5 x grades 1-9.

Wandle Valley Academy Performance update : This is the first set of data received from WVA but compared to the performance it had the previous year it is slightly improved and recorded the second highest amount of learners that achieved 5 x 9-1 GCSE grades inc. Eng and Maths which was 30% (3 pupils) and 40% (4 pupils) 9-1 grades. WVA would have performed much better if the vocational accreditations had delivered better results, this must be a focus area for improvement in the current academic year however the results were still notably better when compared to the previous academic year with the number of pupils achieving 1 or more Level 2 awards (inc. Eng and Mat) increasing from 67% in 2018 up to 83% in 2019.

Kennington Park Academy Performance update : One of the most concerning issues at KPA was the decrease in re-integrations to mainstream however this was anticipated as it coincided with LBL withdrawing all funding for the re-integration team and is not a reflection of KPA's performance. For 18-19 our overall progress was not as strong as for 17-18. End of KS1 and 2 results (SATs) were low when compared with mainstream national average but individual pupil progress from starting points is high. Progress dipped at the end of term 6-writing improved and Science remained the same, Science was the only subject that reached the internal target for expected and above progress. Teaching remains consistently good, a particular strength of the teaching currently is the focus on greater depth in maths through problem solving. Questioning is strong and encourages pupils to develop their ideas. The next challenge for staff is to ensure that all students, even those in disadvantaged groups achieve as well as others. Reintegration rates back to mainstream are good but it is noted that these had slowed slightly, as predicted, after the reduction in Outreach staff following a significant reduction in funding from LBL. A new development is the conversion of existing rooms to be used to deliver an SEMH resource base provision which is scheduled to be open from September 2018. This development is in response to meeting the needs of LBL, reduces their spend on the High Needs Funding Block as well as bringing in additional revenue into KPA. The senior team, led by the Headteacher, know the strengths and weaknesses of the academy very well. A new middle management tier of responsibilities has been developed to help build capacity and empower the staff team. The range of interventions available. These include reading and comprehension programmes, Lexia, play therapy, Speech & Language. The interventions are many and varied and are designed to meet the individual needs of pupils. The provision is making very good use of the new academy improvement plan format and has become the Trust wide lead for using this, shaping the way it is used to inform Governance of key achievements and areas of further development.

Parallel Learning Trust Directors' Report

Ramsden Hall Academy Performance update : For the second year in a row RHA has ensured that a high amount of pupils in Year 11 achieved a qualification in Eng and Maths 63.1% (12/19 pupils) but they underperformed in ensuring that pupils achieved 5 or more 9-1 grades. The target for net academic year has to be for 100% of Year 11 pupils to achieve 9-1 grades including Eng and Maths. There was an Integrated Ofsted Inspection in Feb 2019 during which the education provision was graded as Good in 3 out of 4 key judgement areas but due to the residential part of the provision not meeting several national minimum standards and being subsequently graded as Requiring Improvement the overall judgement was restricted to Requiring Improvement.

An action plan was created post Ofsted to ensure this is delivered which included improving the physical condition of the residential provision and increase the frequency of monitoring from governance by converting to an Advisory Board. The Head of Care role has been created and settled in well since arriving in October 2018 and has also allowed leaders to supportively challenge the middle management tier with allocated responsibility positions. The Trust has been advised that the Priority Schools Building Programme Two (PSB2) ground works will not commence till autumn 2019. The final design has been agreed with MACE, Morgan Sindell and DfE in July 2019. As part of this the Heritage building will be 'red lined' from academy use and can only be utilised by the central Trust team. The proposal is to use this as an area hub base for the professionals that support RHA, VPA and SHA. The leadership team have worked in partnership with the Executive team to ensure that almost all physical improvements required for the residential quarters have been completed over the summer. RPA identified provider Wilson Towers, the ESFA identified insurance provider completed a visit on 3/7/19 which highlighted the strong culture of safety across the Trust. A new, external Standard 20 monitoring visit report provides external validation on residential quality, 6 times a year with reports going to each Advisory Board.

Sutton House Academy Performance update : The provision had the lowest number of Year 11 pupils (7) and therefore %'s are skewed. Whilst again it is noted that SHA recorded results that were well below national benchmarking it is also recognised that SHA recorded its best ever results and staff worked hard to ensure that those learners that were unable to achieve a GCSE grade 9-1 achieved a Level 1 grade in either Eng (14%) or Maths (28%). One of the key areas for review here is whether the curriculum offer is right for the pupils. Leaders must now ensure that pupils have access to an appropriate vocational accreditation. In the summer of 2019, 71% (5 students) got at least 1 level 2 award, a 4% increase from the previous year. It was a challenging year for the provision with substantial changes to key personnel. A new Headteacher has been appointed from April 2019, together with a re-allocation of responsibilities and the recruitment of a Teaching & Learning lead as well as a Behaviour lead, all of which has significantly strengthened and stabilised the provision. Throughout the duration of the year the curriculum offer has been reviewed and expanded with staff benefitting from support from across the Trust as well as developing local partnerships. The priority for the provision is to ensure 100% of pupils achieve 1 Level 2 award and ensure 0% NEET in summer 2020.

Victory Park Academy Performance update : The secured its best ever GCSE results and the leadership team should be commended for making brave calls during the year when reviewing data that showed some courses were not going to enable pupils to achieve and so alternative accreditations were implemented just after Christmas. 60% (12 pupils) achieved 9-1 grades inc. Eng and Maths which was the highest in the Trust. Percentage of pupils achieving at least five GCSE or equivalent qualifications in 2019 was 60.0% including English and Maths. The leadership team has strengthened considerably and the lead for Teaching & Learning has helped develop best practise across the Trust by developing and refining a triangulation table that creates an accurate position of this key area. Throughout the duration of the year the curriculum offer has been reviewed and expanded with staff benefitting from support from across the Trust as well as developing local partnerships. The priority for the provision is to ensure 100% of pupils achieve 1 Level 2 award and ensure 0% NEET in summer 2020.

Parallel Learning Trust

Directors' Report

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 is a significant strength and development achieved in 2018-19.

Trust wide developments / Key achievements

We have undertaken a Trust audit and developed Trust wide Inset for our behaviour management training, to ensure the level of knowledge and understanding reaches a minimum standard. This involved all academies ensuring the behaviour lead and a member of the admin team attended the one day training. From this we are able to work with our provider and produce bespoke training for academies in either the London or Essex hub resulting in improved succession planning. Examples of this can be seen through the creation of the standardised behaviour report template, which enables far more effective analysis through a common language, but also the ability to drive and improve the way we report, as we have a number of professionals all offering recommendations on the same format. Risk Assessments have also been standardised by the Behaviour Leads and the process of developing a PLT standardised template, based on the good practice identified within the academies by Ofsted, DfE guidance, and our own knowledge and experience of what make a practical and effective tool has started and is a target for 2019-20. The initial version of this Risk assessment is being trialled, following Steering group consultation, with the trust wide rollout from January 2020.

One of the key achievements about the Trust in 2018-19 is the development of Executive Leadership Team meetings (ELT) and Trust wide Steering groups in each of the main areas of the Ofsted framework. This has helped share best practise and build capacity in line with Sir David Carter's model of 'Capacity givers and takers' (October 2017). Across all academies there has been a range of formal middle management positions to improve succession planning. The key concept has been to embed the Trust wide core systems of; Academy self-evaluation, Academy improvement planning, Behaviour management system and Progress system.

The development of these core systems have allowed the executive team to compare and contrast performance, identifying and building on strengths and supportively challenging areas for further development through cross pollinating the strengths of other PLT provisions.

	A	B	C	
Academy Type	Attendance	Fixed Term Excl Rate (No.)	RPI Rate (No.)	No on roll
Inspire Academy	86.6%	0.01 (14)	0.01 (20)	41
Ramsden Hall Academy	74.3%	0.003 (11)	0.009 (32)	96
Sutton House Academy	63.7%	0.012 (18)	0.028 (71)	60
Wandle Valley Academy	70.7%	0.016 (42)	0.006 (15)	79
SEMH Average	73.58%	0.010 (21)	0.013 (35)	69
Park Campus Academy	59.9%	0.019 (37)	0.019 (16)	75
Victory Park Academy	64.1%	0.004 (10)	0.005 (11)	70
Kennington Park Academy	91.23%	0 (0)	0.021 (30)	44
AP Average	70.84%	0.039 (16)	0.015 (19)	63
PLT Academy Average	72.4%	0.009 (19)	0.014 (28)	66

Going Concern

After making appropriate enquiries and taking into account the disclosures made in notes 1 and 27 to the accounts, the board of Directors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Parallel Learning Trust

Directors' Report

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.

Financial Review

The Trust has taken the decision to review the Finance function after identifying this as an area for further refinement. An external advert for a new CFO proved unsuccessful in June 2019. A tremendous amount of work has been completed in improving core systems and improving clarity of functions within the finance team and how it interfaces with the individual academies which as a result of more frequent monitoring and training as well as a change in personnel has vastly improved the integrity and accuracy in the data. The Finance committee has approved a new financial structure which further refines responsibilities and processes and creates a more robust cross checking system that will strengthen practice. As part of the review of the Finance function the Trust is exploring outsourcing to an external organisation to provide additional rigour. In accordance with the Academies Financial Handbook update in April 2019 the Finance Committee adopts an internal scrutiny process whereby the committee identify key lines of enquiry and request specific deep dives into these areas and scrutinise further information as and when appropriate. The Trust are exploring externalising the scrutiny process for 2019-2020.

The Finance function has undergone significant changes in key positions throughout the Trust and the Board approved the proposal to move to a "Hub" model for the Finance Team. This structure is being used for a trial period of 6 months commencing 1st July 2019. In addition to this, monthly management reporting is now regularly occurring and in the June cycle, management account commentaries have been prepared by finance staff in three Academies. A priority for the next financial year is to refine this process and review other financial systems and structures in successful medium sized MAT's to learn from their best practise of a Hub structure and financial reporting.

The statutory accounts for 2018-19 present a surplus in reserves, excluding pension deficit, of £24.7mi (2017-18 £18.6mi). The SOFA shows in year surplus of £4.4mi (2017-18 loss £322k). This represents a significant improvement over the previous year. The directors will continue to maintain high standards on teaching and learning, within the constraints of budgets that are sustainable and focus further on planning long term through investing in quality and efficiency. Detailed movements on various funds during the year may be seen on the Statement of Financial Activities.

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 £100,000 over the next 3 years. 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 of reserves. The Finance Committee have challenged the executive team to deliver a strategy that ensures all academies operate within a 4-5% surplus budget situation by end of 2018-19 financial year.

Principal Risks and Uncertainties

During 2018-19 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. This has been externally validated at the Trusts annual MAT audit with the RSC in November 2018. 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 Good Ofsted judgement at INSPIRE special free school in June this year
- the Progress 5 measure you have developed and how you are using this to benchmark the performance of your 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 Lambeth Council
- the cross-Trust relationships you have developed with The Spring Partnership Trust and Rivermead Inclusive Trust

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.

Parallel Learning Trust

Directors' Report

Government funding

PLT has considerable reliance on continued government funding through the EFA and Top Up Funding from Local Authorities. In the accounting period 93% 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.

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

The Board have agreed that the future growth plan be more considered and is now projected at 1 academy per year for each of the next 3 years. The Trust was approached by a local SAT that has expressed an interest of joining PLT, through lengthy discussions with the RSC the provision joined PLT in November 2018. PLT is also worked with LBL to develop a new SEMH resource base provision at both KPA and PCA for up to 16 pupils at each site, this will generate additional £384k income each for PCA and KPA. The Trust have also been exploring an extension of the Lewisham commissioning arrangement aimed for Autumn 2019.

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. This has been proven difficult as LBL had not calculated this figure for 4 years however the Board have agreed that a strategy must be created to meet this risk area.

Future growth

- Considerable focus and investment is placed on maintaining and managing key relationships
- By ensuring the academies in PLT Trust is rigorous in delivering high quality education and training ESFA and local government
- The Trust has been invited to submit 2 Special Free School Applications in Essex and Isle of Sheppey aligned with target areas for growth

Auditor

Insofar as the Directors are aware:

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

Directors' report, incorporating a strategic report, was approved by order of the board of Directors, as the company directors, on 16/12/19 and signed on the board's behalf by:



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R A Neal

Chair of Directors

Parallel Learning Trust

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 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	Meetings attended	Out of a possible
R A Neal - (Chair)	5	5
R Newlove – (Vice Chair)	3	5
M Jordan (CEO)	5	5
M Martell	4	5
A Smith	3	5
R Pugh	4	5
B Wallia (appointed 12 December 2018)	1	3
L Farrow (appointed 27 March 2019)	2	3
J Wotherspoon (resigned 14 December 2018)	2	5

The finance and general purposes committee is a sub-committee of the main board of Directors. Its purpose is to provide guidance to the Trust on all matters under its remit. 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
R Pugh – (Chair)	3	3
M Jordan	3	3
R Newlove	3	3
A Smith	1	3
M Martell	3	3
B Wallia (appointed 12 December 2018)	1	1

Review of Value for Money

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

The accounting officer considers how the 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 academy 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.

Parallel Learning Trust

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 on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Capacity to Handle Risk

The board of Directors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Directors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2019 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 academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- 1 comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Directors
- 2 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
- 3 setting targets to measure financial and other performance
- 4 clearly defined purchasing (asset purchase or capital investment) guidelines
- 5 delegation of authority and segregation of duties
- 6 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 a Trust Resources Manager to carry out a programme of internal checks.

The Trust Resources Manager's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- 1 testing of payroll systems
- 2 testing of purchase systems
- 3 testing of control account/ bank reconciliations

On a quarterly basis, the Trust Resources Manager reports to the board of Directors, through the finance and general purposes committee on the operation of the systems of control and on the discharge of the board of Directors' financial responsibilities.


Review of Effectiveness

As accounting officer the chief executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- 1 the work of the Trust Resources Manager
- 2 the work of the external auditor
- 3 the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the board of Directors on 16 December 2019 and signed on its behalf by:



R A Neal
Chair of Directors



M P Jordan
Accounting Officer

Parallel Learning Trust

Statement of Regularity, Propriety and Compliance

As accounting officer of Parallel Learning Trust I have considered my responsibility to notify the academy trust board of Directors and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust board of Directors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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.



.....
M P Jordan

Director

Dated: 16 December 2019

Parallel Learning Trust

Statement of Directors' Responsibilities

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 and the financial statements in accordance with the Annual 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:

- 1 select suitable accounting policies and then apply them consistently
- 2 observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019
- 3 make judgments and accounting estimates that are reasonable and prudent
- 4 state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 5 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 on 16 December 2019 and signed on its behalf by:



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M P Jordan

Director

Parallel Learning Trust

Independent Auditor's Report on the Consolidated Financial Statements to the Members of Parallel Learning Trust

Opinion

We have audited the consolidated financial statements of Parallel Learning Trust and its subsidiary for the year ended 31 August 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, parent company's balance sheet, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standards 102 'The Financial Reporting Standards applicable in the UK and the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction issued by the Education and Skills Funding Agency ("ESFA").

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

In our opinion the consolidated financial statements:

- 1 give a true and fair view of the state of the group's and of the company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- 2 have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- and
- 3 have been prepared in accordance with the requirements of the Companies Act 2006.
- 4 have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, 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.

Material uncertainty related to going concern

In forming our opinion on the consolidated financial statements, which are not modified, we have considered the adequacy of the disclosure made in notes 1 and 27 to the consolidated financial statements concerning the group's and company's ability to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis and the validity of this depends on the directors succeeding in negotiating an affordable payment plan to settle its debts with London Borough of Lambeth and continuing with the successful implementation of the restructuring strategy aimed to reduce costs and securing additional funding. Otherwise the group will require additional funding in order to meet its obligations as they fall due. These conditions, along with other matters explained in note 1 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group's and parent company's ability to continue as a going concern. The consolidated financial statements do not include the adjustment that would result if the group and parent company were not able to continue as a going concern.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated 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.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the consolidated financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Parallel Learning Trust

Independent Auditor's Report on the Consolidated Financial Statements to the Members of Parallel Learning Trust

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' 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 consolidated 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 for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 16, the directors are responsible for the preparation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the company'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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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/auditors-responsibilities. This description forms part of our auditor's report.



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Cemal Munir BA(Hons), FCA
Senior statutory auditor
for and on behalf of

CTMP Accountants Ltd
Chartered Accountants
838 Wickham Road
Croydon, CR0 8ED

Dated: 30th December 2019

Parallel Learning Trust

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

In accordance with the terms of our engagement letter dated 6th February 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 ended 31 August 2019 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 Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 ended 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- 1 An assessment of risk of material irregularity and impropriety across the trust major activities.
- 2 Testing and review of any areas identified in 1 above by reference to supporting evidence and representations by the directors
- 3 Consideration of evidence obtained through the work in 1 and 2 above and the work completed as part of the audit of the accounts in order to support our conclusion on the regularity, propriety and compliance.

Parallel Learning Trust

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

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 year ended 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
CTMP Accountants Ltd
838 Wickham Rd
Croydon CR0 8ED

Dated: *30th December 2019*

Parallel Learning Trust

Consolidated Statement of Financial Activities for the year ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2019 £000	Total 2018 £000
Income and endowments from:						
Donations and capital grants	3	5	-	-	5	-
Transfer from local authority on conversion	34	226	(1,577)	1,819	1,824	36
Charitable activities:				5,191	3,840	102
Funding for the academy trust's educational operations	4	1,112	10,837	-	11,949	10,329
Provision of boarding activities	4,33	-	842	-	842	779
Other trading activities	5	733	-	-	733	177
Investments	6	1	-	-	1	-
Total		2,077	10,102	7,010	19,189	11,423
Expenditure on:						
Raising funds	7	-	-	-	-	-
Charitable activities:						
Academy trust educational operations	7	2,146	11,552	332	14,030	11,043
Provision of boarding activities	33	63	672	-	735	698
Other		-	-	-	-	4
Total		2,209	12,224	332	14,765	11,745
Net income / (expenditure)		(132)	(2,122)	6,678	4,424	(322)
Transfers between funds	18		(109)	109	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	18,29	-	(2,679)	-	(2,679)	412
Net movement in funds		(132)	(4,910)	6,787	1,745	90
Reconciliation of funds						
Total funds brought forward		571	(9,074)	20,314	11,811	11,721
Total funds carried forward		439	(13,984)	27,101	13,556	11,811

All of the Trust's activities derive from continuing operations during the above two financial periods. The results of Logic School Services C.I.C have been consolidated within the financial statements of the Trust.

Parallel Learning Trust

Balance Sheets as at 31 August 2019

Company Number 08605705

	Notes	Group 2019 £000	Company 2019 £000	Group 2018 £000	Company 2018 £000
Fixed assets					
Intangible assets	12	-	-	-	-
Tangible assets	13	27,101	27,101	20,314	20,314
		<u>27,101</u>	<u>27,101</u>	<u>20,314</u>	<u>20,314</u>
Current assets					
Stock	14	5	5	6	6
Debtors	15	1,023	1,096	2,246	2,793
Cash at bank and in hand		1,153	1,130	475	469
		<u>2,181</u>	<u>2,231</u>	<u>2,727</u>	<u>3,268</u>
Liabilities					
Creditors: Amounts falling due within one year	16	(2,228)	(2,276)	(4,410)	(4,759)
Net current assets/(liabilities)		<u>(47)</u>	<u>(45)</u>	<u>(1,683)</u>	<u>(1,491)</u>
Total assets less current liabilities		27,054	27,056	18,631	18,823
Creditors: Amounts falling due after more than one year	17	(2,323)	(2,323)	-	-
Net assets excluding pension liability		<u>24,731</u>	<u>24,733</u>	<u>18,631</u>	<u>18,823</u>
Defined benefit pension scheme liability	29	(11,175)	(11,175)	(6,820)	(6,820)
Total net assets		<u>13,556</u>	<u>13,558</u>	<u>11,811</u>	<u>12,003</u>
Funds of the academy trust:					
Restricted funds					
. Fixed asset fund	18	27,101	27,101	20,314	20,314
. Restricted income fund	18	(2,809)	(2,809)	(2,254)	(2,254)
. Pension reserve	18	(11,175)	(11,175)	(6,820)	(6,820)
Total restricted funds		<u>13,117</u>	<u>13,117</u>	<u>11,240</u>	<u>11,240</u>
Unrestricted income funds	18	439	441	571	763
Total funds		<u>13,556</u>	<u>13,558</u>	<u>11,811</u>	<u>12,003</u>

The financial statements on pages 23 to 46 were approved by the directors, and authorised for issue on 16 December 2019 and are signed on their behalf by:



R A Neal
Chair of Directors

Parallel Learning Trust

Consolidated Statement of Cash Flows for the year ended 31 August 2019

	Notes	2019 £000	2018 £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	22	5,978	(208)
Cash flows from investing activities			
Cash flows from investing activities	24	(5,300)	(75)
Cash flows from financing activities			
Cash flows from financing activities	23	-	-
Change in cash and cash equivalents in the reporting period		678	(283)
Cash and cash equivalents at 1 September 2017		475	758
Cash and cash equivalents at the 31 August 2018	25	1,153	475

Parallel Learning Trust

Notes to the Financial Statements for the period ended 31 August 2019

1 Statement of Accounting Policies

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

Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), 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 (FRS102)), the Academies Accounts Direction 2018 to 2019 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.
The financial statements are presented in sterling to the nearest thousand pounds.

Basis of consolidation

The consolidated statement of financial activities and group balance sheet consolidate the financial statements of the company and its subsidiary made up at the balance sheet date.

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 company 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 and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

These financial statements are prepared on the Going Concern basis of accounting, the validity of which, depends on obtaining sufficient funding from the Education & Skills Funding Agency ("ESFA"), the continued support from the Trust's primary local authority, the London Borough of Lambeth ("LBL") and the Trust's cost reduction programme as set out below.

The trust continued during the year with its cost reduction programme which was implemented in March 2017.

As stated in previous year's accounts, negotiations to improve the cash inflows through High Needs top-up Funding and the increase in the School Direct Commission fees is ongoing with the LBL.

The LBL issued a claim against the company on 27th January 2017 for unpaid payroll services of £3,379,923, together with a court fee of £10,000. They also claim ongoing interest and costs. In addition, they claim that further sums are due to them (although these are not currently part of the legal action and the directors have not seen any documents which verify the claims) being:

- Shortfall in pension contributions £929,000
- Other charges for services provided totalling £28,779

In response, the company has filed a counterclaim, claiming various sums in relation to funding and unpaid invoices of £896,055.60, together with other funding claims, some of which continue to escalate but which have previously been estimated at approximately £379,036.

On the directors request, ESFA is acting as an arbitrator and the directors met with LBL with a view to agreeing an affordable solution to this problem. The Trust made pre-agreed repayments of £28,333 per month since February 2019 based on trust budget and LBL agreed to receive these payments. The directors have also agreed to bi-annual reviews with LBL with a view to exploring if repayments could be increased, subject to affordability, in order for the debt to be settled as soon as possible.

The reason for treating £929,000 as contingent liabilities is further explained in note 27 to the accounts.

Income

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

• Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Parallel Learning Trust

Notes to the Financial Statements for the period ended 31 August 2019

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

- **Sponsorship Income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other Income**

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

- **Donated goods, facilities and services**

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

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 a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets

Intangible assets costing **£1,000** or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software - 10 years

Tangible Fixed Assets

Assets costing **£250** or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Parallel Learning Trust

Notes to the Financial Statements for the period ended 31 August 2019

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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset, less their estimated residual value, over its expected useful life, as follows

- | | |
|---|--------------------------|
| • Freehold and long leasehold buildings | amortised over 125 years |
| • Fixtures, fittings and equipment | 20% reducing balance |
| • Computer and IT equipment | 20% straight line |

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

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

Liabilities

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

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

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

Investments

The academy's shareholding in the wholly owned subsidiary, Logic School Services C.I.C, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 29, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Parallel Learning Trust

Notes to the Financial Statements for the period ended 31 August 2019

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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.

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the 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 with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The long leasehold premises valuations were not available at the time of the preparation of the accounts for the period ended 31 August 2019. Therefore, these were included in the accounts at best estimates provided by the directors.

The present value of the Local Government Pension Scheme (LGPS) 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 August 2019 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

Critical areas of judgement

In the absence of professional open market valuations of the premises by ESFA the directors have used their best judgement to estimate the values of the buildings based on insurance valuations.

Parallel Learning Trust

Notes to the Financial Statements for the year ended 31 August 2019

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2019 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2019.

3 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Capital Grants	-	1,819	1,819	33
Donated fixed assets	-	-	-	-
Donations	5	-	5	3
	5	1,819	1,824	36

4 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
DfE / ESFA grants				
. General Annual Grant (GAG)	-	5,350	5,350	4,531
. Start Up Grants	-	-	-	-
. Other DfE/ESFA grants	-	462	462	-
	-	5,812	5,812	4,531
Other Government grants				
. Local authority grants	1,112	5,867	6,979	6,516
. Special educational projects	-	-	-	-
	1,112	5,867	6,979	6,516
Other income from the academy trust's educational operations	-	-	-	61
	1,112	11,679	12,791	11,108

5 Other Trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
School Commission Income	489	-	489	180
Hire of facilities	27	-	27	13
Other Trading Activities	200	-	200	-
Net income/(loss) from Subsidiary	17	-	17	(16)
	733	-	733	177

6 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Short term deposits	1	-	1	-
	1	-	1	-

Parallel Learning Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

7 Expenditure

	Staff Costs	Non Pay Expenditure		Total	Total
	£000	Premises £000	Other £000	2019 £000	2018 £000
Expenditure on raising funds	-	-	-	-	-
Academy's educational operations:					
. Direct costs	8,509	574	871	9,954	7,324
. Allocated support costs	1,026	221	2,829	4,076	3,723
Boarding activities:					
. Direct costs	109			109	101
. Allocated support costs	563	57	6	626	597
	<u>10,207</u>	<u>852</u>	<u>3,706</u>	<u>14,765</u>	<u>11,745</u>

Net income/(expenditure) for the period includes:

	2019 £000	2018 £000
Operating lease rentals	6	15
Depreciation	332	248
(Gain)/loss on disposal of fixed assets	-	-
Amortisation of intangible fixed assets (included within Charitable Activities – Academy trust educational operations)	-	4
Fees payable to auditor for:		
- audit	43	39
- other services	4	4
	<u>4</u>	<u>4</u>

8 Charitable Activities

	Total 2019 £000	Total 2018 £000
Direct costs – educational operations	9,954	7,324
Direct costs – boarding	109	101
Support costs – educational operations	4,076	3,723
Support costs – boarding	626	597
	<u>14,765</u>	<u>11,745</u>

Analysis of support costs

	Boarding	Educational operations	Total	Total
	£000	£000	2019 £000	2018 £000
Support staff costs	563	1,589	2,152	2,707
Depreciation	11	331	342	248
Technology costs	-	50	50	75
Premises costs	46	278	324	572
Other support costs	6	197	203	679
Governance costs	-	43	43	39
Provision for doubtful debts	-	1,588	1,588	-
Total support costs	<u>626</u>	<u>4,076</u>	<u>4,702</u>	<u>4,320</u>

Parallel Learning Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

9 Staff

a. Staff costs

Staff costs during the period were:

	Total 2019 £000	Total 2018 £000
Wages and salaries	7,549	7,062
Social security costs	766	660
Operating costs of defined benefit pension schemes	1,378	1,131
	9,693	8,853
Supply staff costs	425	182
Staff restructuring costs	89	162
	10,207	9,197
Staff restructuring costs comprise:		
Redundancy payments	38	-
Severance payments	26	106
Other restructuring costs	25	56
	89	162

b. Non statutory/non contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payment of £26,650 (2018:£106,000). The non-statutory /non-contractual severance payments individually were for £9,947; £3,015; £6,552; £2,037 and £5,099.

c. Staff numbers

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

	2019 No.	2018 No.
Teachers	140	59
Administration and support	106	97
Management	22	15
	268	171

d Higher paid staff

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

	2019 No.	2018 No.
£60,001 - £70,000	7	10
£70,001 - £80,000	2	5
£80,001 - £90,000	-	3
£90,001 - £100,000	1	-
£100,001 - £110,000	1	-
£110,001 - £120,000	-	-
£120,001 - £130,000	-	-
£130,001 - £140,000	-	-
£140,001-£150,000	1	-
£150,001-£160,000	-	1
£160,001-£170,000	-	-
£170,001-£180,000	-	-
£180,001-£190,000	-	-

e Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £262,532 (2018: £242,582).

Parallel Learning Trust
Notes to the Financial Statements for the year ended 31 August 2019
(continued)

10 Related Party Transactions - directors' Remuneration and Expenses

One or more directors has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff directors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of directors' remuneration and other benefits was as follows:

M Jordan (Chief Executive and director):

- . Remuneration £145,000 - £150,000 (2018: £150,000 - £155,000)
- . Employer's pension contributions paid £nil (2018: nil)

During the period ended 31 August 2019, travel and subsistence expenses totalling £2,657 were reimbursed or paid directly to 1 director (2018: £4,958 to 1 director).

11 Directors' and Officers' Insurance

In accordance with normal commercial practice the academy has opted into risk protection arrangements (RPA) to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides unlimited professional indemnity cover other than libel and slander where limit is £1m each and every loss and in annual aggregate per academy whose Academy Trust is a member and the cost for the period ended 31 August 2019 was £9,080 (2018: £10,449). The cost of this insurance is included in the total insurance cost.

12 Intangible Fixed Assets - group & company

Cost	Computer Software £000	Total £000
At 1 September 2018	-	-
Disposal	-	-
At 31 August 2019	-	-
Amortisation		
At 1 September 2018	-	-
Charged in year	-	-
At 31 August 2019	-	-
Carrying amount		
At 31 August 2019	-	-
At 31 August 2018	-	-

Parallel Learning Trust
Notes to the Financial Statements for the year ended 31 August 2019
(continued)

13 Tangible Fixed Assets - group & company

	Freehold Land and Buildings £000	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Hardware £000	Motor Vehicles £000	Total £000
Cost						
At 1 September 2018	-	20,533	503	106	23	21,165
Additions	-	6,948	65	106	-	7,119
Disposals	-	-	-	-	-	-
At 31 August 2019	-	27,481	568	212	23	28,284
Depreciation						
At 1 September 2018	-	502	245	86	18	851
Charged in year	-	213	64	50	5	332
Disposals	-	-	-	-	-	-
At 31 August 2019	-	715	309	136	23	1,183
Net book values						
At 31 August 2019	-	26,766	259	76	-	27,101
At 31 August 2018	-	20,031	258	20	5	20,314

The trust's transactions relating to land and buildings included:

Revaluation of long leasehold premises by Education and Skills Funding Agency

The long leasehold premises valuations were not available at the time of the preparation of the accounts for the period ended 31 August 2019. Therefore, these were included in the accounts at best estimates provided by the directors.

A formal valuation will be carried out by the ESFA in due course.

There will be no cash impact of this treatment or impact on the GAG reserves of the School as the asset is kept in a separate restricted fixed asset fund on the face of the Statement of Financial Activities (SOFA).

Parallel Learning Trust

Notes to the Financial Statements for the year ended 31 August 2019

14 Stock

	Group 2019 £000	Company 2019 £000	Group 2018 £000	Company 2018 £000
Clothing	2	2	2	2
Catering	3	3	4	4
	<u>5</u>	<u>5</u>	<u>6</u>	<u>6</u>

15 Debtors

	2019 £000	2019 £000	Group 2018 £000	Company 2018 £000
Trade debtors	462	461	1,881	1,871
VAT recoverable	192	192	193	193
Other debtors	291	291	128	128
Amount owed by subsidiary	-	74	-	557
Prepayments and accrued income	78	78	44	44
	<u>1,023</u>	<u>1,096</u>	<u>2,246</u>	<u>2,793</u>

16 Creditors: Amounts falling due within one year

	Group 2019 £000	Company 2019 £000	Group 2018 £000	Company 2018 £000
Trade creditors	1,119	1,119	418	408
Other taxation and social security	164	150	184	169
ESFA creditor: abatement of GAG	-	-	-	-
Other creditors	137	137	3,467	3,462
Amount owed by subsidiary	-	74	-	379
Accruals and deferred income	808	796	341	341
	<u>2,228</u>	<u>2,276</u>	<u>4,410</u>	<u>4,759</u>

17 Creditors: Amounts falling due after more than one year

	Group 2019 £000	Company 2019 £000	Group 2018 £000	Company 2018 £000
Trade creditors	2,323	2,323	-	-
	<u>2,323</u>	<u>2,323</u>	<u>-</u>	<u>-</u>

Parallel Learning Trust

Notes to the Financial Statements for the year ended 31 August 2019

18 Funds - group

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
Restricted general funds					
General Annual Grant (GAG)	(457)	5,350	(5,599)	-	(706)
Start Up Grant	(292)	-	-	-	(292)
Pupil Premium	(170)	315	(315)	-	(170)
Provision for boarding	631	842	(735)	-	738
Other grants	(1,966)	3,595	(5,575)	(109)	(4,055)
Pension reserve	(6,820)	-	-	(2,679)	(9,499)
	<u>(9,074)</u>	<u>10,102</u>	<u>(12,224)</u>	<u>(2,788)</u>	<u>(13,984)</u>
Restricted fixed asset funds					
Transfer on conversion	20,653	5,191	-	-	25,844
DfE/ESFA capital grants	128	1,819	-	109	2,056
Capital expenditure from GAG	(467)	-	(332)	-	(799)
Private sector capital sponsorship	-	-	-	-	-
	<u>20,314</u>	<u>7,010</u>	<u>(332)</u>	<u>109</u>	<u>27,101</u>
Total restricted funds	<u>11,240</u>	<u>17,112</u>	<u>(12,556)</u>	<u>(2,679)</u>	<u>13,117</u>
Total unrestricted funds	<u>571</u>	<u>2,077</u>	<u>(2,209)</u>	<u>-</u>	<u>439</u>
Total funds	<u>11,811</u>	<u>19,189</u>	<u>(14,765)</u>	<u>(2,679)</u>	<u>13,556</u>

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

Analysis of academies by fund balance	2019 £000	2018 £000
Parallel Learning Trust	(2,451)	(1,452)
Park Campus Academy	(910)	(685)
Kennington Park Academy	126	(32)
Ramsden Hall Academy	445	398
Inspire Academy	2,002	249
Sutton House Academy	(306)	(178)
Victory Park Academy	461	209
Wandle Valley Academy	(1,562)	-
Logic School Services C.I.C	(175)	(192)
Total before fixed assets and pension reserve	<u>(2,370)</u>	<u>(1,683)</u>
Restricted fixed asset fund	27,101	20,314
Pension reserve	(11,175)	(6,820)
Total	<u>13,556</u>	<u>11,811</u>

Parallel Learning Trust

Notes to the Financial Statements for the year ended 31 August 2019

18 Funds - group (continued)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excluding Depreciation)	Total
	2019 £000	2019 £000	2019 £000	2019 £000	2019 £000
PLT	216	331	31	1,590	2,168
Park Campus Academy	1,604	265	57	377	2,303
Kennington Park Academy	892	148	27	151	1,218
Ramsden Hall Academy	1,813	176	165	424	2,578
Inspire Academy	807	169	172	119	1,267
Sutton House Academy	737	143	140	90	1,110
Victory Park Academy	1,086	171	199	283	1,739
Wandle Valley Academy	1,463	186	80	321	2,050
Academy Trust	8,618	1,589	871	3,355	14,433

The trust is carrying a net deficit of £2,370K on restricted general funds (excluding pension reserve) plus unrestricted funds because of the following:

- Short fall in Top-up fees for our London based academies, KPA and PCA
- Delay's in capital building works (Medway) resulting in loss of fee income
- Impact of support on external partners

The trust's deficit recovery plan includes the following action to return these funds to surplus:

- Reviewing the current staffing structure in line with the current fees
- Strict budgetary controls to ensure all academies breakeven if not generating surplus
- Review the overall cost structure for each of our settings to negotiate right level of top-up fee with our commissioners
- Sharing resources to reach a minimum saving target level

Parallel Learning Trust

Notes to the Financial Statements for the year ended 31 August 2019

19 Analysis of Net Assets between Funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	27,101	27,101
Current assets	1,548	633	-	2,181
Current liabilities	(1,109)	(1,119)	-	(2,228)
Non-current liabilities	-	(2,323)	-	(2,323)
Pension scheme liability	-	(11,175)	-	(11,175)
Total net assets	439	(13,984)	27,101	13,556

20 Capital Commitments

	2019 £000	2018 £000
Contracted for, but not provided in the financial statements	-	-

21 Commitments under operating leases

Operating Leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £000	2018 £000
Amount due within one year	10	12
Amount due between one and five years	3	10
Amount due after five years	-	-
	13	22

22 Reconciliation of Net Income/(expenditure) to Net Cash Flow from Operating Activities

	2019 £000	2018 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	4,424	(322)
<u>Adjusted for:</u>		
Depreciation charges	332	247
Amortisation of goodwill	-	4
Pension deficit of incoming academy	1,676	-
Capital grants from DfE and other capital income	(1,819)	-
(Increase)/decrease in stocks	1	(1)
(Increase)/decrease in debtors	1,223	(433)
Increase/(decrease) in creditors	141	297
Net cash provided by / (used in) Operating Activities	5,978	(208)

Parallel Learning Trust

Notes to the Financial Statements for the year ended 31 August 2019

23 Cash Flows from Financing Activities

	2019	2018
	£000	£000
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash provided by / (used in) financing activities	-	-

24 Cash Flows from Investing Activities

	2019	2018
	£000	£000
Purchase of intangible fixed assets	-	-
Purchase of fixed assets	-	-
Fixed assets inherited on conversion	(2,284)	-
Capital grants from DfE/ESFA	(4,835)	(75)
Net cash provided by / (used in) investing activities	1,819	-
	(5,300)	(75)

25 Analysis cash and cash equivalents

	At 31 August	At 31 August
	2019	2018
	£000	£000
Cash in hand and at bank	1,153	475
Notice deposits (less than 3 months)	-	-
Total cash and cash equivalents	1,153	475

26 Investments – Logic School Services C.I.C

The academy's shareholding in the wholly owned subsidiary, Logic School Services C.I.C registered in England and Wales (Company number (09092126) , is included in the balance sheet at the cost of the share capital owned less any impairment. The following is a summary of the financial statements of Logic School Services C.I.C. which have been included in the consolidated financial statements.

	2019	2018
	£000	£000
Turnover	10	7
Cost of Sales	-	(9)
Gross Profit	10	(2)
Administrative expenses	(13)	(14)
Loss before taxation	(3)	(16)
Corporation tax	20	-
Loss after corporation tax	17	(16)
Profit/(loss) brought forward	(192)	(176)
Called up share	-	-
Net liabilities at 31 August 2019	(175)	(192)

Parallel Learning Trust

Notes to the Financial Statements for the year ended 31 August 2019

27 Contingent Liabilities

At the balance sheet date there is an outstanding claim (not subject to court actions) by the London Borough of Lambeth (LBL) in relation to pension contribution arrears of £929,000.

The directors have not received any substantiated evidence from LBL regarding £929,000 and therefore do not accept any liability in respect of these claims. On that basis no provision has been made in the accounts. Should this claim prove to be successful the net assets of the Trust will decrease accordingly.

28 Members' Liability

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

Notes continued on the next page

Parallel Learning Trust

Notes to the Financial Statements for the period ended 31 August 2019

29 Pension and Similar Obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the following Local Authorities:

- London Borough of Lambeth
- Essex County Council
- Medway Council
- Southend Borough Council
- London Borough of Sutton

Both are multi-employer defined benefit pension schemes.

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

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.

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million, giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- The assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £744K (2018: £500K).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The academy 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.

Parallel Learning Trust

Notes to the Financial Statements for the year ended 31 August 2019

29 Pension and Similar Obligations (continued)

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 2019 was £1081k (2018: £328k), of which employer's contributions totalled £834k (2018: £248k) and employees' contributions totalled £247k (2018: £80k). The agreed contribution rates for future years are 20.1 per cent for employers and 5.50 per cent for 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	At 31 August 2019	At 31 August 2018
Rate of increase in salaries	4.00%	4.00%
Rate of increase for pensions in payment/inflation	2.80%	2.80%
Discount rate for scheme liabilities	5.90%	5.90%
Inflation assumption (CPI)	2.70%	2.70%
Commutation of pensions to lump sums	50.00%	50.00%

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

	At 31 August 2019	At 31 August 2018
<i>Retiring today</i>	32.5	22.5
Males	35.7	24.9
Females		
<i>Retiring in 20 years</i>	35.0	24.7
Males	38.3	27.2
Females		

Sensitivity Analysis

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the mortality assumption. These exclude PCA and KPA.

	£000's	£000's	£000's
Adjustment to discount rate	0.1%	0.0%	-0.1%
Present value of total obligation	0	2,610	2,674
Projected service cost	2,548	204	210
Adjustment to long term salary increase	0.1%	0.0%	-0.1%
Present value of total obligation	0	2,610	2,603
Projected service cost	2,617	204	204
and deferred revaluation	0.1%	0.0%	-0.1%
Present value of total obligation	0	2,610	2,555
Projected service cost	2,667	204	199
Adjustment to life expectancy assumptions	+1 Year	None	-1 Year
Present value of total obligation	0	2,610	2,514
Projected service cost	2,711	204	197

Parallel Learning Trust

Notes to the Financial Statements for the year ended 31 August 2019

Pension and Similar Obligations (continued)

The academy's share of the assets in the scheme were:

	Fair value at 31 August 2018 £000	Fair value at 31 August 2018
Equity instruments	£000	£000
Gifts	3,018	1,617
Other bonds	483	111
Property	335	162
Cash	476	242
Absolute return funds	88	282
Alternative assets	62	35
Other managed funds	236	178
Target Return Portfolio	124	76
Total market value of assets	-	-
	4,822	2,703

Amounts recognised in the statement of financial activities

	2019 £000	2018 £000
Current service cost (net of employee contributions)	969	627
Interest on obligation	234	-
Net interest cost	0	77
Administration expenses	1	0
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Total operating charge	1,204	704

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

	2019 £'000	2018 £'000
At 1 September		
Upon conversion	14,823	5,102
Current service cost	-	-
Interest cost	1,047	627
Changes in financial assumptions	407	133
Changes in demographic assumptions	3,419	(711)
Employee contributions	(970)	0
Actuarial (gain)/loss	116	38
Estimated benefits paid net of transfer in	-	-
Past Service Costs, including curtailments	(101)	36
Benefits paid	106	-
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	65	-
	18,912	5,225

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

	2019 £'000	2018 £'000
At 1 September		
Conversion of academy trusts	6,436	1,970
Interest income	-	-
Return on plan assets (excluding net interest on the net defined pension liability)	184	56
Administration expenses	317	70
Actuarial gain/(loss)	-2	0
Employer contributions	-	0
Employee contributions	722	390
Benefits paid	181	38
Effect of non-routine settlements	(101)	(19)
At 31 August	-	-
	7,737	2,505

Parallel Learning Trust
Notes to the Financial Statements for the year ended 31 August 2019
(continued)

30 Related Party Transactions

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

31 Events after the end of the reporting period

Since the balance sheet date there was no events to report.

32 Agency arrangements

The trust had a number of agency arrangements with various different providers during the last academic year.

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Parallel Learning Trust
Notes to the Financial Statements for the year ended 31 August 2019
(continued)

33 Academy Boarding Trading Account

	2019 £'000	2019 £'000	2019 £'000	2018 £'000	2018 £'000	2018 £'000
Income						
Fee income					-	
Grants		842			779	
Other income					-	
		<u> </u>	842		<u> </u>	779
Expenditure						
Direct costs						
Goods and services	42			39		
Other direct costs	67			62		
Bad debt write offs	-			-		
Total direct costs	<u> </u>	109	<u> </u>	101		
Indirect costs						
Staff costs	563			504		
Utilities	14			16		
Insurance	4			4		
Buildings maintenance	28			31		
Depreciation	11			12		
Other indirect costs	6			7		
Total indirect costs	<u> </u>	626	<u> </u>	574		
Stock costs						
Opening stock	-			-		
Less closing stock	-			-		
Stock adjustment	<u> </u>	-	<u> </u>	-		
Total operating costs			<u> </u>		<u> </u>	675
Surplus on Boarding			107			104
Surplus brought forward at 1 September 2018			<u> </u>	631		<u> </u>
Surplus carried forward at 31 August 2019			<u> </u>	<u> </u>		<u> </u>
			738			631

Parallel Learning Trust
Notes to the Financial Statements for the year ended 31 August 2019
(continued)

34 Transfer from Local Authority

On 1 November 2018 Wandle Valley School was transferred into Parallel Learning Trust (PLT) and became part of the PLT under the Academies Act 2010 and all the operations and assets and liabilities were transferred to PLT Limited from London Borough of Sutton for nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with corresponding amounts recognised in the Statement of Financial Activities under the heading transfer from local authority on conversion.

The following table sets out funds transferred from the local authority during the year.

	Total	Unrestricted	Restricted	Restricted
	£000	Funds	General	Fixed Asset
	£000	£000	Funds	Funds
			£000	£000
Tangible fixed assets	5,191	-	-	5,191
Current assets	521	422	99	-
Current liabilities	(196)	(196)	-	-
Defined benefit pension scheme liability	(1,676)	-	(1,676)	-
Net assets / (liabilities)	3,840	226	(1,577)	5,191