

Company Registration No. 08133047 (England and Wales)

**CHARLTON PARK ACADEMY**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

# CHARLTON PARK ACADEMY

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# CHARLTON PARK ACADEMY

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Governors and members</b>	B Allee (Resigned 9 November 2017) M Dale-Emberton (Accounting officer) S Goncalves L Hage G Harknett (Chair) M Lewis S McTigue (Resigned 23 June 2018) P Tregunno (Resigned 23 June 2018) S Trotter (Resigned 23 June 2018) J Firth	
<b>Senior management team</b>	M Dale-Emberton N Randall Webb J Zarb D Reid R Dunlop N Fallon S Batstone  S Drane  E Buck	- Principal - Principal Registrar - Assistant Head - Assistant Head - Assistant Head - Vice Principal - Associate Interim Deputy Head - CFO (resigned 31 December 2017) - CFO (appointed 1 January 2018)
<b>Company secretary</b>	M Dale-Emberton	
<b>Company registration number</b>	08133047 (England and Wales)	
<b>Registered office</b>	Charlton Park Academy Charlton Park Road Charlton London SE7 8HX	
<b>Independent auditor</b>	Wilkins Kennedy Audit Services Greytown House 221-227 High Street Orpington Kent BR6 0NZ	
<b>Bankers</b>	Lloyds Bank 19-21 Powis Street Woolwich London SE18 6HZ	

# CHARLTON PARK ACADEMY

## REFERENCE AND ADMINISTRATIVE DETAILS

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**Solicitors**

Stone King LLP  
16 St John's Lane  
London  
EC1M 4BS

# CHARLTON PARK ACADEMY

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2018

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The governors present their annual report together with the financial statements and independent auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates an Academy for pupils with special educational needs (high need) serving Greenwich, Bexley, Lewisham, Southwark and Bromley local authorities through parental preference. We had school roll of 203 school census. The academy is consistently oversubscribed, and spaces have had to be restricted due to space and accommodation constraints for complex high needs. The academy has a residential weekly boarding unit funded by high needs budget Royal Borough of Greenwich. This supports placement of pupils within the borough instead of extremely expensive independent specialist residential provision and keeps pupils together with families locally.

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

##### Constitution

The Academy Trust is a company limited by guarantee with no share capital (registration no. 08133047) and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy. The Governors act as the Trustees for the charitable activities of Charlton Park and some are also Directors of the charitable company for the purposes of company law. The charitable company is known as Charlton Park. Details of the Governors who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1.

Charlton Park was incorporated on 6 July 2012 and obtained Academy status from 01 August 2012.

##### 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.

##### Principal activities

The principal activity of the Academy is 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 an Academy offering a broad and balanced relevant curriculum.

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

The number of Governors shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

Subject to Articles 48-49 and 64, the Academy Trust shall have the following Governors:

- up to 8 Governors, appointed under Article 50;
- a minimum of 2 and up to 5 Parent Governors appointed under Articles 53-58;
- up to 2 Staff Governors, subject to Article 50A;
- the Principal;
- any Additional Governors, if appointed under Article 62, 62A or 68A;
- any Further Governors, if appointed under Article 63 or Article 68A.

The Academy Trust may also have any Co-opted Governor appointed under Article 59.

Each of the persons entitled to appoint members above shall have the right, from time to time by written notice delivered to the office, to remove any member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise.

The term of office for any Governor shall be 4 years, save that this time limit shall not apply to the Principal. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

# CHARLTON PARK ACADEMY

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### Policies and procedures adopted for the induction and training of governors

The Full Governing Body met 4 times during the year 1 September 2017 to 31 August 2018. The training and induction provided for new Governors will depend on their existing experience. All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All relevant Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors during a period, induction tends to be done informally and is tailored specifically to the individual training needs following an assessment using NGA materials. There is an expectation that all governors attend regularly, follow necessary and identified training by the board and keep up to date with national educational developments.

#### Organisational structure

The structure consists of three levels: the Trust Governors, Strategic Leadership Team, and Senior/Subject Team Leaders. The aim of the management structure is to devolve responsibility and encourage full engagement, responsibility and involvement in decision making at all levels.

The Governors are responsible for setting standards, general policy, adopting an annual work plan and budget, monitoring the Academy outcomes and by the appropriate use of financial and human resources, making major strategic decisions about the direction of the Academy, capital expenditure and participation in senior staff appointments.

The Strategic Leadership Team comprises of the Principal and Senior Vice Principal. They are responsible for the authorisation of spending within agreed budget plans and the appointment of staff. Limited spending control is devolved to Senior/Subject Leaders. The Resources Committee monitors spending via termly review.

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

Arrangements for setting pay and remuneration of key management personnel goes through a Pay Committee following pay committee terms of reference. Apart from any cost of living increases, there will be no pay increases for any strategic leaders as for many years, as at the top of their scale. No new or additional benefits will be granted. If the performance of the key management team was judged inadequate by Ofsted/EFA, then Governors expect salary sacrifice by senior staff responsible and accountable for inadequacies.

#### Related parties and other connected charities and organisations

##### **Objectives and activities**

##### Objects and aims

Charlton Park Academy is a mixed 11-19 special needs Academy which sees its strong pastoral, vibrant, innovative and inclusive culture as the most important of its many strengths. We foster care, nurture, support and respect for the individual.

The main objectives of the Academy are summarised below:

- a) To advance a high quality education and public service a 'Special Academy' organised to create outstanding special educational provision for pupils with Special Educational Needs locally, nationally and internationally.
- b) To provide for the benefit of the Community, highly specialised accessible facilities for recreation, leisure, learning and support for those who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving quality of life and opportunity.

##### Objectives, strategies and activities

Our community values opportunity, diversity and we seek to reduce barriers and give everyone an equal chance to learn, work and live, free from the action, or fear, of racism, discrimination, or prejudice.

Our students celebrate and enjoy all types of religious and non-religious festivals as well as participation in public events such as Children in Need and Anti-Bullying Week. We involve our staff and students in fund raising activities for hospice care and a variety of worthy causes such as Macmillan Cancer Support.

# CHARLTON PARK ACADEMY

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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Our creative students and staff achievements and talents are celebrated through many creative mediums such as Twitter, website, digital media, web presence, international visitors, pottery, poetry, Art exhibitions, music, visual arts, innovative use of augmentative communication and the spoken, signed and sung words. These are shared internationally and with our community through our digital display boards and our website. Local exhibitions at Charlton House, and family and school performances. Our website helps showcase the huge range of creative and enriching fun that our students get involved with, motivating and enhancing their strong desire for learning.

We aim to holistically develop the potential of all pupils academically, physically, socially, culturally and psychologically. Students enjoy good quality and variety of clubs to develop and nurture interests in other areas that they will be able to sustain within the community and for adult life. For example, the lunchtime chat club is a place for students to practice using communication devices and to develop their social skills. During this time, confidence has been built up and they now have a blog to chart their development. Other clubs range from sporting activities, radio club, band and creating sensory stories, so all our students' needs are supported very well to become independent and lifelong learners.

Staff are encouraged to continue to develop further as self-directed, reflective learners, through working collaboratively with others, and by using coaching strategies to enhance their own expertise. Through their passion and interests, teachers and support staff enthuse and inspire others to explore new ideas and will explore and try new mediums to create new learning pathways.

Parents and carers enjoy good relationships, open communication and are developing stronger parent partnership over time which ensure that their child realizes his/her potential. We are developing a greater understanding of family needs through our development of Profiles and Wiki's that help map and create pathways that together we can support the aspirations of young people and their families for future life and enrich experiences and develop skills and knowledge.

Governors fully support the aspirations of leaders to share expertise and support to all those that can benefit from it. This will include offering school to school support including inspection, consultancy and advice by leaders and staff using our significant, wide ranging specialist knowledge, expertise and intervention.

#### Public benefit

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the Trustees considers how planned activities will contribute to the aims and objectives set.

## **Strategic report**

### **Achievements and performance**

#### Review of 2017/18

By July 2018, the students of the Academy achieved further good results, with 94% of students making good or better progress, (100% secure) within the core subjects of English and Mathematics. Teaching by all adults is monitored by internal and external quality control to Ofsted standards are being good or better.

Strong personalised individual tracking, with monitoring peer reviewed, suitably benchmarked. Students make secure, good or better progress. Tracking data is used to demonstrate cumulative progress and use of knowledge and skills to widen and enhance skills learnt at CPA in everyday life.

# CHARLTON PARK ACADEMY

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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Our attendance at 96.4% is higher than most special schools in the country, fixed exclusions are rare and for specific reasons and are lower than the national average. We ensure adaptations in teaching and learning strategies ensure special needs are well met. Staff work with families, social care, health and education to secure and support moves to appropriate educational providers whenever we cannot meet specific needs. No permanent exclusions have occurred.

#### Targets for 2018/19

- Consistently provide high quality teaching and learning to prepare students well for adult life.
- Increase the effectiveness of team work, management and efficiency throughout the Academy
- Strengthen communication and promote even greater Academy/parent collaboration.

#### Key performance indicators

The Academy improvement plan identifies the following key performance indicators to be achieved by the Academy year on year pursuing exemplary practice:

- Achievement of Pupils – ensure students achieve and maximise their potential.
- Quality of Teaching – ensure that teaching and learning is always good.
- Behaviour and Safety – ensure that behaviour and safety is well managed.
- Quality of Leadership and Management - to ensure that staff and resources are effectively deployed.
- Overall Effectiveness- School leaders improve public value for money year on year.

#### Going concern

After making appropriate enquiries, the governing body 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.

#### **Financial review**

##### Financial report for the year

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2018, total expenditure of £8,414k (2017: £8,561k) was met by recurrent grant funding from the ESFA together with other incoming resources. The excess of expenditure over income for the year (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £95k (2017: £658k expenditure over income).

At 31 August 2018 the net book value of fixed assets was £18,706k (2017: £18,876). Movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Royal Borough of Greenwich Pension Fund, in which the Academy participates, showed a deficit of £2,631k at 31 August 2018 (2017: £2,840k).

# CHARLTON PARK ACADEMY

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### Financial position

The Academy held fund balances at 31 August 2018 of £17,926k (2017: £17,806k) comprising of £16,075k restricted funds (2017: £16,036k) and £1,851k (2017: £1,770k) of unrestricted general funds. Of the restricted funds, £18,706k (2017: £18,876k) is represented by tangible fixed assets.

The pension reserve which is considered part of restricted funds was £2,631k (2017: £2,840k) in deficit.

#### Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the appropriate level of free reserves should be equivalent to four weeks' expenditure, approximately £515k (2017: £640k).

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves of £1,851k (2017: £1,770k) (total funds less the amount held in fixed assets and restricted funds) is much less than needed. The Academy expect to utilise these reserves in the coming years, with contributions to planned expansion, capital expenditure, specialist equipment and refurbishment of premises and replacement of inefficient plant, lighting and heating.

#### Investment policy

Under the Memorandum and Articles of Association, the Academy has the power to invest funds not immediately required for its own purposes, in any way the Governors see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis

#### Principal risks and uncertainties

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. The Governors have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement on page 9.

The principal risks to income would be fluctuation in planned places and /or high needs top up funding. Any such unplanned reduction in income would severely impact upon committed staffing expenditure with consequential redundancy costs, that are not currently provided for.

To reduce these risks, the Accounting officer has agreed new arrangements with the Local authority commissioning officers to establish and refine accurate numbers, forecast places including high needs top up funding levels. This ensures that the academy provides suitable and adequate places in line with LA planned places. Having sufficient and suitable accommodation is essential for CPA to be able to offer these places. Resources and equipment and refurbishment of current accommodation must be met from current ringfenced reserves, to ensure that future numbers of places can be accommodated on site. Replacement of demountable buildings with permanent accommodation has to occur for CPA in order to meet LA place needs.

The impact of a national funding formula upon income is of secondary risk and concern. This is especially as a London Special academy with any impact upon any significant reduction in our income. Our 5year budget plan takes account of all major pressures and expected difficulties of national funding formula. Strategic Investment into infrastructure, priority repairs and maintenance remains priority, to ensure that the Accommodation is fully fit for future purpose. The 5 year maintenance plan is shared and discussed strategically by governors.

The principal risks and uncertainties that Charlton Park faces are mitigated by our risk management process that the Academy trust has now in place.

# CHARLTON PARK ACADEMY

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### Financial and risk management objectives and policies

The financial risks to which Charlton Park Academy is exposed to relate primarily to:

- Change in government and legislation
- Reduction in income due to changes in commissioning arrangements
- Reduction in income due to parent mobility due to SEN changes.

A risk arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £2,631k (2017 £2,840k).

#### **Fundraising**

The Academy Trust does not employ any professional fundraisers to fund raise on its behalf but all staff members and any volunteers involved in fundraising activities are trained in accordance with recognised standards so as to ensure that the public, including vulnerable people, are protected from unreasonable or intrusive approaches. The Academy Trust has not received any complaints about its fund raising activities.

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

The Trustees plan to provide more high need complex medical SEN places in London and outlying boroughs and when we have increased physical capacity in 2020 we may decide to include key stage 1 and 2 pupils as this has had positive response to public consultation we undertook in 2018. There is clearly identified increasing demand for high quality highly specialist SEN places. We move steadily towards Academy Sponsor and MAT status with our application for Academy Free Special opportunities and support special provision in difficulty.

The Academy makes good provision for personalised learning, support and intervention programmes for individual students. Safeguarding and quality of care is outstanding due to bespoke programmes aimed at raising achievement and meeting individual needs. We have high aspirations for developing strong personalised health and wellbeing plans. We are combining our strengths with the national priorities in health, education and wellbeing to create an integrated offer to model what schools could be doing within their community. As an Academy we have a strong community focus and strive to be an effective and thriving hub for our wider community through our SEN activities and events increasing parental engagement and participation.

Striving for excellence is evident in many aspects of Academy life, but particularly in the strong culture of collaboration, openness and commitment to professional learning.

In our special Academy, all families are carers. Our students need the support of family and wider community moving into their adult lives. Preparation and transition into adult life is a vital part of the Academy's role. Good governance of the Academy to meet these ends, depends on a proper reflection of needs and aspirations of the whole Academy community. This is best reflected by embedding co-operative values into the ethos and development with aspirations of associated partners in adult social care and continuing care in our community.

The Academy strives to improve the levels of performance of all students and to ensure appropriate access to further 19-25 education, opportunities and training for all students to carry on building upon knowledge, skills and experience gained at Charlton Park. We try to support young people that have left our school secure day opportunities and support with practical advice depending upon individual circumstances.

# CHARLTON PARK ACADEMY

## GOVERNORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2018*

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### **Auditor**

In so far as the governors are aware:

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

The governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on ..... and signed on its behalf by:

.....

G Harknett  
**Chair**

# CHARLTON PARK ACADEMY

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Scope of responsibility

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

The board of governors has delegated the day-to-day responsibility to the principal, 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 Charlton Park Academy and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The board of governors has formally met 4 times during the year. Attendance during the year at meetings of the board of governors was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
B Allee (Resigned 9 November 2017)	3	4
M Dale-Emberton (Accounting officer)	4	4
S Goncalves	1	4
L Hage	3	4
G Harknett (Chair)	4	4
M Lewis	4	4
S McTigue (Resigned 23 June 2018)	2	4
P Tregunno (Resigned 23 June 2018)	4	4
S Trotter (Resigned 23 June 2018)	2	4
J Firth	4	4

The board of governors has reduced in size over the last year. The board is recruiting and selecting suitable skilled governors to contribute to our medium and long term plan. Governors attend the national governors and also regional commissioner network training. They are reviewing the soft federation and partnerships it can make with similar sector providers.

The school residential and education inspections are both Ofsted good judged good and governance is effective work at both holding the senior leaders to account and ensuring that pupils needs are well met.

The external school SIP evaluates and reviews termly with key governors. They also attend monitoring meetings throughout the year to quality assure scrutiny. The effectiveness of the board of trustees, is kept under constant review by the SIP who is an experienced Ofsted inspector and qualified school improvement partner and this ensures that strategic intervention and progress is measured all year round.

# CHARLTON PARK ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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The Resources Committee is a subcommittee of the main Governing Body. Its terms of reference are as follows:

- To review the staffing structure of the Academy, monitor the financial performance, review the personnel policies, and advise the Governing Body accordingly on their findings;
- To establish and maintain appropriate terms and conditions of staff employment, training and development and oversee recruitment, performance monitoring, absence management, disciplinary procedures and severance procedures in accordance with the delegated arrangements;
- To examine financial plans and propose to the Governing Body a draft annual budget for the Academy for each year;
- To establish and maintain an up to date three-year financial plan;
- To ensure that proper financial procedures are in place and operating in accordance with the Academy's Finance Procedures;
- To monitor expenditure and income on a termly basis and report on progress and variations to the Governing Body;
- To ensure that financial and personnel decisions and policies conform to Health & Safety requirements and regulations and Equalities Law, plus standards and policies areas properly set by the Council;
- To advise the Governing Body on priorities, including Health and Safety, for the maintenance and development of the Academy's premises, overseeing arrangements for repairs, maintenance, and premises-related funding bids, and to decide on premises-related expenditure within the agreed budget. To establish and keep under review a Building Development Plan;
- To oversee arrangements, including Health and Safety, for the use of Academy premises by outside users, subject to governing body policy; and
- To establish and keep under review an Accessibility Plan.

Attendance at meetings in the year was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
M Dale-Emberton (Accounting officer)	4	4
L Hage	4	4
G Harknett (Chair)	4	4
M Lewis	4	4
P Tregunno (Resigned 23 June 2018)	2	3

#### **Review of value for money**

As accounting officer the principal 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 academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of governors where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Review of staffing costs vs Agency costs
- Review of the Scheme of Delegation
- Improvement Investment Strategy
- Seeking varied and competitive quotes where possible
- Review of existing contract and services

# CHARLTON PARK ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Charlton Park Academy for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

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

### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of governors;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint a responsible officer. However, the Governors have appointed Wilkins Kennedy, to complete the internal audit function. Wilkins Kennedy'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 include:

- Testing of control systems
- Testing of control account/ bank reconciliation
- Review of policies and procedures and adherence thereon
- Review of governance and training of Governors

Wilkins Kennedy reports to the Governing body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The role is carried out by a separate office at Wilkins Kennedy with no connection to the audit team, this is to ensure the reviews are carried out independently.

The Governors confirm the internal auditor has delivered their schedule of work as planned, and no material control issues arose as a result of the internal auditor's work.

# CHARLTON PARK ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Review of effectiveness**

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- 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 board of governors on ..... and signed on its behalf by:

M Dale-Emberton  
**Accounting officer**

G Harknett  
**Chair**

# CHARLTON PARK ACADEMY

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

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

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

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

M Dale-Emberton  
**Accounting Officer**

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# CHARLTON PARK ACADEMY

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2018**

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

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors 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 governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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 governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of governors on ..... and signed on its behalf by:

G Harknett  
**Chair**

# CHARLTON PARK ACADEMY

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARLTON PARK ACADEMY

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### Opinion

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

In our opinion the financial statements:

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

### Basis for opinion

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

### Conclusions relating to going concern

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

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

### Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 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.

# CHARLTON PARK ACADEMY

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARLTON PARK ACADEMY (CONTINUED)

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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

### **Responsibilities of governors**

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

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

### **Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the 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 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# CHARLTON PARK ACADEMY

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARLTON PARK ACADEMY (CONTINUED)

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

**Catherine Cooper (Senior Statutory Auditor)**  
**for and on behalf of Wilkins Kennedy Audit Services**

.....

**Chartered Accountants**  
**Statutory Auditor**

Greytown House  
221-227 High Street  
Orpington  
Kent  
BR6 0NZ

# CHARLTON PARK ACADEMY

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CHARLTON PARK ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY

**FOR THE YEAR ENDED 31 AUGUST 2018**

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In accordance with the terms of our engagement letter dated 27 July 2015 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Charlton Park Academy during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Charlton Park Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Charlton Park Academy 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 Charlton Park Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Charlton Park Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Charlton Park Academy's funding agreement with the Secretary of State for Education dated 1 August 2012 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

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

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

# CHARLTON PARK ACADEMY

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

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

### **Reporting Accountant**

Wilkins Kennedy Audit Services  
Greytown House  
221-227 High Street  
Orpington  
Kent  
BR6 0NZ

Dated: .....

# CHARLTON PARK ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £'000	Restricted funds: General Fixed asset £'000 £'000		Total 2018 £'000	Total 2017 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	3	5	-	17	22	99
Charitable activities:						
- Funding for educational operations	4	-	6,979	-	6,979	6,751
Other trading activities	5	798	-	-	798	699
Investments	6	6	-	-	6	6
<b>Total</b>		<u>809</u>	<u>6,979</u>	<u>17</u>	<u>7,805</u>	<u>7,555</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	8	384	7,510	531	8,425	8,561
<b>Total</b>	7	<u>384</u>	<u>7,510</u>	<u>531</u>	<u>8,425</u>	<u>8,561</u>
<b>Net income/(expenditure)</b>		425	(531)	(514)	(620)	(1,006)
Transfers between funds	17	(344)	-	344	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains on defined benefit pension schemes	19	-	729	-	729	1,357
<b>Net movement in funds</b>		81	198	(170)	109	351
<b>Reconciliation of funds</b>						
Total funds brought forward		1,770	(2,840)	18,876	17,806	17,455
Total funds carried forward		<u>1,851</u>	<u>(2,642)</u>	<u>18,706</u>	<u>17,915</u>	<u>17,806</u>

# CHARLTON PARK ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information Year ended 31 August 2017	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	2017
		£'000	£'000	£'000	£'000
<b>Income and endowments from:</b>					
Donations and capital grants	3	13	-	86	99
Charitable activities:					
- Funding for educational operations	4	-	6,751	-	6,751
Other trading activities	5	699	-	-	699
Investments	6	6	-	-	6
<b>Total</b>		<u>718</u>	<u>6,751</u>	<u>86</u>	<u>7,555</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	8	202	7,925	434	8,561
<b>Total</b>	7	<u>202</u>	<u>7,925</u>	<u>434</u>	<u>8,561</u>
<b>Net income/(expenditure)</b>		516	(1,174)	(348)	(1,006)
Transfers between funds	17	(504)	266	238	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	19	-	1,357	-	1,357
<b>Net movement in funds</b>		12	449	(110)	351
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>1,758</u>	<u>(3,289)</u>	<u>18,986</u>	<u>17,455</u>
Total funds carried forward		<u>1,770</u>	<u>(2,840)</u>	<u>18,876</u>	<u>17,806</u>

# CHARLTON PARK ACADEMY

## BALANCE SHEET

AS AT 31 AUGUST 2018

		2018		2017	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	12		18,706		18,876
<b>Current assets</b>					
Debtors	13	268		253	
Cash at bank and in hand		2,000		2,442	
		<u>2,268</u>		<u>2,695</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	14	(305)		(784)	
<b>Net current assets</b>			1,963		1,911
<b>Total assets less current liabilities</b>			20,669		20,787
Creditors: amounts falling due after more than one year	15		(123)		(141)
<b>Net assets excluding pension liability</b>			20,546		20,646
Defined benefit pension scheme liability	19		(2,631)		(2,840)
<b>Net assets</b>			<u>17,915</u>		<u>17,806</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	17				
- Fixed asset funds			18,706		18,876
- Restricted income funds			(11)		-
- Pension reserve			(2,631)		(2,840)
<b>Total restricted funds</b>			<u>16,064</u>		<u>16,036</u>
<b>Unrestricted income funds</b>	17		1,851		1,770
<b>Total funds</b>			<u>17,915</u>		<u>17,806</u>

The financial statements on pages 21 to 46 were approved by the governors and authorised for issue on ..... and are signed on their behalf by:

.....  
G Harknett  
Chair

Company Number 08133047

# CHARLTON PARK ACADEMY

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

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		2018		2017	
	Notes	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Net cash used in operating activities	20		(84)		(140)
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		6		6	
Capital grants from DfE Group		6		11	
Capital funding received from sponsors and others		-		75	
Purchase of tangible fixed assets		(361)		(324)	
Proceeds from sale of tangible fixed assets		-		4	
		<u>        </u>		<u>        </u>	
<b>Net cash used in investing activities</b>			(349)		(228)
<b>Cash flows from financing activities</b>					
Repayment of other loan		(9)		-	
		<u>        </u>		<u>        </u>	
<b>Net cash used in financing activities</b>			(9)		-
			<u>        </u>		<u>        </u>
<b>Net decrease in cash and cash equivalents in the reporting period</b>			(442)		(368)
Cash and cash equivalents at beginning of the year			2,442		2,810
			<u>        </u>		<u>        </u>
<b>Cash and cash equivalents at end of the year</b>			2,000		2,442
			<u>        </u>		<u>        </u>

# CHARLTON PARK ACADEMY

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2018

---

#### 1 Accounting policies

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

##### 1.1 Basis of preparation

The 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 (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006 (other than in respect of the disclosure of remunerations received by staff governors under employment contracts - see note 11 for details).

Charlton Park Academy meets the definition of a public benefit entity under FRS 102.

##### 1.2 Going concern

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

##### 1.3 Income

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

###### Grants

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

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

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

###### 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.

# CHARLTON PARK ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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### 1 Accounting policies

(Continued)

#### Donated goods, facilities and services

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

Where it has been ascertained that the risks and rewards of property subject to long lease agreements lie substantially with the Academy, a reasonable estimate of the gross value is included within fixed assets and, with an appropriate credit to voluntary income (gift in kind), within the restricted fixed asset fund. The valuation is at an estimation of depreciated replacement cost on the basis that the assets represent specialised property and the open market value for existing use is not readily available.

#### Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

#### Donated fixed assets

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

### 1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### Charitable activities

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

# CHARLTON PARK ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

---

### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets acquired since the Academy was established are included in the accounts at cost. Assets costing less than £1,000 and a group of similar items costing £3,000 are written off in the period of acquisition. All other assets are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

The property has been included at the valuation provided by the ESFA when completing their desktop valuation.

The academy has a 125 year lease on the land and buildings with the Royal Borough of Greenwich.

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Land and buildings	Buildings 2%; Land is not depreciated
ICT Equipment	20%
Fixtures and fittings	33.3%
Motor vehicles	20%

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.

#### 1.6 Liabilities

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

#### 1.7 Leasing commitments

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

#### 1.8 Financial instruments

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

# CHARLTON PARK ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

---

#### 1 Accounting policies

(Continued)

##### Financial assets

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

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

##### Financial liabilities

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

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

#### 1.9 Taxation

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

#### 1.10 Pensions benefits

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

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

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

#### 1.11 Fund accounting

General funds represent those resources which may be used towards meeting any of the objects of the Academy at the discretion of the Governors.

# CHARLTON PARK ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **1 Accounting policies**

**(Continued)**

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

Restricted funds comprise all other restricted funds received and include grants from the ESFA and DfE.

#### **1.12 Agency Arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 26.

#### **1.13 Consolidation**

In the opinion of the Directors, the Academy and its subsidiary undertakings comprise a small group. The Academy has applied the exemption provided by S.398 of the Companies Act 2006 and has not prepared consolidated financial statements.

The Academy has also applied the exemption conferred by FRS102 paragraph 9 on the grounds that the subsidiary undertaking, Charlton Parkside, results are not material to the group.

# CHARLTON PARK ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 2 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### Critical areas of judgement

##### *Useful economic lives of tangible assets*

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property plant and equipment, and note 1.5 for the useful economic lives for each class of assets.

##### *Bad debts*

Debtors are regularly reviewed for recoverability, any debts which in the opinion of management are not recoverable are provided for as a specific bad debt.

There are no other key assumptions concerning the future or other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### 3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Capital grants	-	17	17	11
Other donations	5	-	5	88
	<u>5</u>	<u>17</u>	<u>22</u>	<u>99</u>

# CHARLTON PARK ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	2,086	2,086	2,113
Other DfE group grants	-	75	75	76
	-	2,161	2,161	2,189
<b>Other government grants</b>				
Local authority grants	-	4,818	4,818	4,498
<b>Other funding</b>				
Other incoming resources	-	-	-	64
<b>Total funding</b>	-	6,979	6,979	6,751

### 5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Hire of facilities	1	-	1	25
Catering income	29	-	29	21
CENMAC	535	-	535	538
Other income	233	-	233	115
	798	-	798	699

### 6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Short term deposits	6	-	6	6

# CHARLTON PARK ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 7 Expenditure

	Staff costs £'000	Non Pay Expenditure		Total 2018 £'000	Total 2017 £'000
		Premises £'000	Other £'000		
Academy's educational operations					
- Direct costs	5,210	271	223	5,704	5,895
- Allocated support costs	1,068	669	984	2,721	2,666
	<u>6,278</u>	<u>940</u>	<u>1,207</u>	<u>8,425</u>	<u>8,561</u>

#### Net income/(expenditure) for the year includes:

	2018 £'000	2017 £'000
Fees payable to auditor for:		
- Audit	10	10
- Other services	7	3
Operating lease rentals	2	-
Depreciation of tangible fixed assets	531	434
Net interest on defined benefit pension liability	70	80
	<u>70</u>	<u>80</u>

### 8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
<b>Direct costs</b>				
Educational operations	384	5,320	5,704	5,895
<b>Support costs</b>				
Educational operations	-	2,721	2,721	2,666
	<u>384</u>	<u>8,041</u>	<u>8,425</u>	<u>8,561</u>

# CHARLTON PARK ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

<b>8 Charitable activities</b>		<b>(Continued)</b>	
		<b>2018</b>	<b>2017</b>
		<b>£'000</b>	<b>£'000</b>
<b>Analysis of support costs</b>			
Support staff costs		1,068	1,095
Depreciation		260	166
Technology costs		108	89
Premises costs		409	525
Other support costs		851	774
Governance costs		25	17
		<u>2,721</u>	<u>2,666</u>
<b>9 Staff</b>			
<b>Staff costs</b>			
Staff costs during the year were:			
		<b>2018</b>	<b>2017</b>
		<b>£'000</b>	<b>£'000</b>
Wages and salaries		4,103	4,531
Social security costs		339	362
Pension costs		995	850
		<u>5,437</u>	<u>5,743</u>
Staff costs		5,437	5,743
Agency staff costs		820	622
Staff restructuring costs		10	8
Staff development and other staff costs		11	50
		<u>6,278</u>	<u>6,423</u>
Total staff expenditure			
		6,278	6,423
Staff restructuring costs comprise:			
Severance payments		10	8
		<u>10</u>	<u>8</u>

### **Non statutory/non-contractual staff severance payments**

Included in staff restructuring costs is one non-statutory/non-contractual severance payment totalling £10,000 (2017: £7,566).

# CHARLTON PARK ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 9 Staff

(Continued)

#### Staff numbers

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

	2018 Number	2017 Number
Teachers	35	25
Administration and support	147	172
Management	7	6
	<u>189</u>	<u>203</u>

#### Higher paid staff

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

	2018 Number	2017 Number
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£140,001 - £150,000	1	1
	<u>1</u>	<u>1</u>

#### Key management personnel

The key management personnel of the academy trust comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance) received by key management personnel for their services to the academy trust was £638k (2017: £671k).

# CHARLTON PARK ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 10 Governors' remuneration and expenses

One or more of the governors has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as governors.

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

M Dale-Emberton (principal):

- Remuneration £145,000 - £150,000 (2017: £145,000 - £150,000)
- Employer's pension contributions £15,000 - £20,000 (2017: £10,000 - £15,000)

J Firth (Staff):

- Remuneration £0 - £5,000 (2017: £0 - £5,000)
- Employer's pension contributions £nil (2017: £nil)

B Allee (Staff);

- Remuneration £0 - £5,000 (2017: £0 - £5,000)
- Employer's pension contributions £nil (2017: £nil)

The other staff Governors listed above only received remuneration for their role as a member of staff and the salaries have been aggregated as the Governors believe any further detailed breakdown would be prejudicial to the structure of the Governing Board.

During the year, travel payments totalling £20 (2017: £4,217 were reimbursed or paid directly to one governor (2017: one governors).

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

#### 11 Governors and officers insurance

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

# CHARLTON PARK ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 12 Tangible fixed assets

	Land and buildings £'000	ICT Equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>					
At 1 September 2017	19,807	289	353	313	20,762
Additions	124	97	121	19	361
At 31 August 2018	19,931	386	474	332	21,123
<b>Depreciation</b>					
At 1 September 2017	1,332	197	178	179	1,886
Charge for the year	271	52	150	58	531
At 31 August 2018	1,603	249	328	237	2,417
<b>Net book value</b>					
At 31 August 2018	18,328	137	146	95	18,706
At 31 August 2017	18,475	92	175	134	18,876

Included in cost of land and buildings is land of £6,403K (2017: £6,403K) which is not depreciated.

Additions to land and buildings includes Hydro Therapy Pool refurbishment.

### 13 Debtors

	2018 £'000	2017 £'000
Trade debtors	101	159
VAT recoverable	62	45
Other debtors	70	-
Prepayments and accrued income	35	49
	268	253

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

	2018 £'000	2017 £'000
Other loans	19	10
Trade creditors	121	118
Other taxation and social security	86	92
Other creditors	40	84
Accruals and deferred income	39	480
	305	784

# CHARLTON PARK ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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<b>15 Creditors: amounts falling due after more than one year</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Other loans	123	141
	<u>          </u>	<u>          </u>
<b>Analysis of loans</b>		
Not wholly repayable within five years by instalments	46	65
Wholly repayable within five years	96	86
	<u>          </u>	<u>          </u>
	142	151
Less: included in current liabilities	(19)	(10)
	<u>          </u>	<u>          </u>
Amounts included above	123	141
	<u>          </u>	<u>          </u>
<b>Loan maturity</b>		
Debt due in one year or less	19	10
Due in more than one year but not more than two years	19	19
Due in more than two years but not more than five years	56	57
Due in more than five years	48	65
	<u>          </u>	<u>          </u>
	142	151
	<u>          </u>	<u>          </u>

During the year ended 31 August 2016, the Academy received funding from Salix Finance Limited, this is in relation to CIF funding for the replacement roof and lighting grant.

The ESFA have a partnership programmes with Salix Finance Limited as part of the Academies Capital Maintenance Grants.

The loans are 100% interest- free and are repaid using the savings expected from energy bills every March and September until the project has paid itself back. The Secretary of State has provided automatic consent for academies to enter into a loan agreement through Salix Finance Limited.

<b>16 Deferred income</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Deferred income is included within:		
Creditors due within one year	-	439
	<u>          </u>	<u>          </u>
Deferred income at 1 September 2017	439	455
Released from previous years	(439)	(455)
Resources deferred in the year	-	439
	<u>          </u>	<u>          </u>
<b>Deferred income at 31 August 2018</b>	<b>-</b>	<b>439</b>
	<u>          </u>	<u>          </u>

# CHARLTON PARK ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 17 Funds

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	2,086	(2,097)	-	(11)
Other DfE / ESFA grants	-	75	(75)	-	-
Other government grants	-	4,818	(4,818)	-	-
Pension reserve	(2,840)	-	(520)	729	(2,631)
	<u>(2,840)</u>	<u>6,979</u>	<u>(7,510)</u>	<u>729</u>	<u>(2,642)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	-	17	-	(17)	-
General Fixed Assets	18,876	-	(531)	361	18,706
	<u>18,876</u>	<u>17</u>	<u>(531)</u>	<u>344</u>	<u>18,706</u>
<b>Total restricted funds</b>	<u>16,036</u>	<u>6,996</u>	<u>(8,041)</u>	<u>1,073</u>	<u>16,064</u>
<b>Unrestricted funds</b>					
General funds	1,770	809	(384)	(344)	1,851
	<u>1,770</u>	<u>809</u>	<u>(384)</u>	<u>(344)</u>	<u>1,851</u>
<b>Total funds</b>	<u>17,806</u>	<u>7,805</u>	<u>(8,425)</u>	<u>729</u>	<u>17,915</u>

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

General Annual Grant: Income received from the ESFA to cover the normal running costs of the Academy.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Other DfE/ESFA grants: This includes the pupil premium and the Year 7 catch up.

Other government grants: This includes SEN funding, additional pupil premium, and DSG funding received from the Local Authority.

Other restricted funds: This includes restricted donations and other non government restricted grants, including donation for a minibus.

DfE/ESFA capital grants - This includes the Devolved Formula Capital grant.

The transfer of funds relate to the purchase of fixed assets during the period and the excess of expenditure over GAG.

# CHARLTON PARK ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 17 Funds

(Continued)

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

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	423	2,113	(2,802)	266	-
Other DfE / ESFA grants	34	76	(110)	-	-
Other government grants	-	4,498	(4,498)	-	-
Other restricted funds	-	64	(64)	-	-
Pension reserve	(3,746)	-	(451)	1,357	(2,840)
	<u>(3,289)</u>	<u>6,751</u>	<u>(7,925)</u>	<u>1,623</u>	<u>(2,840)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	-	11	-	(11)	-
General Fixed Assets	18,986	75	(434)	249	18,876
	<u>18,986</u>	<u>86</u>	<u>(434)</u>	<u>238</u>	<u>18,876</u>
<b>Total restricted funds</b>	<u>15,697</u>	<u>6,837</u>	<u>(8,359)</u>	<u>1,861</u>	<u>16,036</u>
<b>Unrestricted funds</b>					
General funds	1,758	718	(202)	(504)	1,770
	<u>1,758</u>	<u>718</u>	<u>(202)</u>	<u>(504)</u>	<u>1,770</u>
<b>Total funds</b>	<u>17,455</u>	<u>7,555</u>	<u>(8,561)</u>	<u>1,357</u>	<u>17,806</u>

# CHARLTON PARK ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 17 Funds

(Continued)

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

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	423	4,199	(4,899)	266	(11)
Other DfE / ESFA grants	34	151	(185)	-	-
Other government grants	-	9,316	(9,316)	-	-
Other restricted funds	-	64	(64)	-	-
Pension reserve	(3,746)	-	(971)	2,086	(2,631)
	<u>(3,289)</u>	<u>13,730</u>	<u>(15,435)</u>	<u>2,352</u>	<u>(2,642)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	-	28	-	(28)	-
General Fixed Assets	18,986	75	(965)	610	18,706
	<u>18,986</u>	<u>103</u>	<u>(965)</u>	<u>582</u>	<u>18,706</u>
<b>Total restricted funds</b>	<u>15,697</u>	<u>13,833</u>	<u>(16,400)</u>	<u>2,934</u>	<u>16,064</u>
<b>Unrestricted funds</b>					
General funds	1,758	1,527	(586)	(848)	1,851
	<u>1,758</u>	<u>1,527</u>	<u>(586)</u>	<u>(848)</u>	<u>1,851</u>
<b>Total funds</b>	<u>17,455</u>	<u>15,360</u>	<u>(16,986)</u>	<u>2,086</u>	<u>17,915</u>

#### 18 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	18,706	18,706
Current assets	2,268	-	-	2,268
Creditors falling due within one year	(305)	-	-	(305)
Creditors falling due after one year	(123)	-	-	(123)
Defined benefit pension liability	-	(2,631)	-	(2,631)
<b>Total net assets</b>	<u>1,840</u>	<u>(2,631)</u>	<u>18,706</u>	<u>17,915</u>
Balance to allocate	11	(11)	-	-
Per balance sheet	1,851	(2,642)	18,706	17,915

# CHARLTON PARK ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 18 Analysis of net assets between funds

(Continued)

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	Funds
	£'000	£'000	£'000	£'000
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	18,876	18,876
Current assets	1,770	925	-	2,695
Creditors falling due within one year	-	(784)	-	(784)
Creditors falling due after one year	-	(141)	-	(141)
Defined benefit pension liability	-	(2,840)	-	(2,840)
<b>Total net assets</b>	<b>1,770</b>	<b>(2,840)</b>	<b>18,876</b>	<b>17,806</b>

### 19 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 Royal Borough of Greenwich. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' 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

Not less than every four years 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.

# CHARLTON PARK ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 19 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £241k (2017: £225k).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.0% for employers and 5.5 to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £305k.

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.

<b>Total contributions made</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Employer's contributions	305	254
Employees' contributions	114	95
	<hr/>	<hr/>
Total contributions	419	349
	<hr/> <hr/>	<hr/> <hr/>
<b>Principal actuarial assumptions</b>	<b>2018</b>	<b>2017</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	3.80	4.2
Rate of increase for pensions in payment/inflation	2.30	2.7
Discount rate for scheme liabilities	2.65	2.6
Inflation assumption (CPI)	2.30	2.7
	<hr/> <hr/>	<hr/> <hr/>

# CHARLTON PARK ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 19 Pension and similar obligations

(Continued)

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

	<b>2018</b>	<b>2017</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
- Males	22.7	22.6
- Females	24.8	24.7
Retiring in 20 years		
- Males	24.9	24.8
- Females	27.1	27.0
	<u>          </u>	<u>          </u>

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

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Discount rate + 0.1%	-157	-151
Discount rate - 0.1%	+161	155
Mortality assumption + 1 year	+242	233
Mortality assumption - 1 year	-234	-225
Pension increases and deferred revaluation +0.1%	+147	140
Pension increases and deferred revaluation -0.1%	-144	137
Salary increase +0.1%	+14	14
Salary increase -0.1%	-14	-14
	<u>          </u>	<u>          </u>

# CHARLTON PARK ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 19 Pension and similar obligations

(Continued)

#### Defined benefit pension scheme net liability

Scheme assets	4,439	3,964
Scheme obligations	(7,070)	(6,804)
	<u>          </u>	<u>          </u>
Net liability	(2,631)	(2,840)
	<u>          </u>	<u>          </u>

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

	2018 Fair value £'000	2017 Fair value £'000
Equities	397	376
Other bonds	768	722
Cash	47	41
UK and overseas Unit Trusts	1,141	666
Property	454	391
Other assets	1,632	1,768
	<u>          </u>	<u>          </u>
Total market value of assets	4,439	3,964
	<u>          </u>	<u>          </u>

The actual return on scheme assets was £103,000 (2017: £225,000).

#### Amount recognised in the Statement of Financial Activities

	2018 £'000	2017 £'000
Current service cost	755	625
Interest income	(108)	(80)
Interest cost	178	160
	<u>          </u>	<u>          </u>
Total operating charge	825	705
	<u>          </u>	<u>          </u>

#### Changes in the present value of defined benefit obligations

	2018 £'000	2017 £'000
At 1 September 2017	6,804	7,274
Current service cost	755	622
Interest cost	178	160
Employee contributions	114	95
Actuarial gain	(734)	(1,212)
Benefits paid	(47)	(135)
	<u>          </u>	<u>          </u>
At 31 August 2018	7,070	6,804
	<u>          </u>	<u>          </u>

# CHARLTON PARK ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 19 Pension and similar obligations (Continued)

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

	2018 £'000	2017 £'000
At 1 September 2017	3,964	3,528
Interest income	108	80
Actuarial loss/(gain)	(5)	145
Employer contributions	305	254
Employee contributions	114	95
Benefits paid	(47)	(135)
Effect of non-routine settlements	-	(3)
At 31 August 2018	4,439	3,964

### 20 Reconciliation of net expenditure to net cash flow from operating activities

	2018 £'000	2017 £'000
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(620)	(1,006)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(17)	(86)
Investment income receivable	(6)	(6)
Defined benefit pension costs less contributions payable	450	371
Defined benefit pension net finance cost	70	80
Depreciation of tangible fixed assets	531	430
(Increase)/decrease in debtors	(4)	25
(Decrease)/increase in creditors	(488)	52
<b>Net cash used in operating activities</b>	<b>(84)</b>	<b>(140)</b>

### 21 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Education and Skills Funding Agency the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

# CHARLTON PARK ACADEMY

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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### 22 Capital commitments

	2018 £'000	2017 £'000
Expenditure contracted for but not provided in the financial statements	-	174

### 23 Related party transactions

Owing to the nature of the academy trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and in accordance with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

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

#### Expenditure related party transactions

Royal Borough of Greenwich is a local authority organisation, in which Sarah McTigue, Governor, is employed. There are no transactions with the Academy in which Sarah McTigue would have any control over amounts paid or grants received.

#### Income related party transactions

Charlton Parkside, a company limited by guarantee, is a subsidiary of Charlton Park Academy. During the year the Academy loaned the company £70k repayable on demand. At the year end the Academy were owed £70,000 (2017: £Nil).

### 24 Members' liability

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

### 25 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the academy trust received £7,871 (2017: £5,471) and disbursed £7,871 (2017: £7,954) from the fund. A creditor of £Nil (2017: £nil) is recognised in the balance sheet.