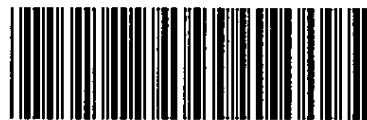


COMPANY LIMITED BY GUARANTEE  
REGISTRATION NUMBER 07411759  
(ENGLAND AND WALES)

**PARK ROAD ACADEMY PRIMARY SCHOOL**  
(A Company Limited by Guarantee)  
**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2012**

MONDAY



\*A1OF8NS9\*  
A27 24/12/2012 #286  
COMPANIES HOUSE

**HW**  
Chartered Accountants & Registered Auditors  
Bridge House  
157 Ashley Road  
Hale  
Altrincham  
Cheshire  
WA14 2UT

# **PARK ROAD ACADEMY PRIMARY SCHOOL**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2012**

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# **PARK ROAD ACADEMY PRIMARY SCHOOL**

## **REFERENCE AND ADMINISTRATION INFORMATION**

**YEAR ENDED 31 AUGUST 2012**

<b>Governors (Trustees):</b>	Mr N Carr (Director)*
	Mr J Marshall (Director)*
	Prof M Rose
	Mrs G Carr
	Mr D Hall
	Mr P Harding*
	Mr J Kenyon*
	Mr R Taylor
	Mrs M Tomlinson
	Mrs R McKinlay
	Mrs D White
	Mr P Wood (Director)

\* Members of the Personnel and Finance Committee

### **Senior Leadership Team.**

<b>Head Teacher</b>	Mr N Carr
<b>Deputy Head Teacher</b>	Mrs R McKinlay
<b>Assistant Head Teacher</b>	Ms K Hall
<b>EYFS &amp; Extended Services Manager</b>	Mrs Y Vickers
<b>School Office Manager</b>	Mrs L Richardson
<b>School Business Manager</b>	Mrs S Rocca

### **Registered Office &**

**Academy Site:** Park Road Academy Primary School, Freston Road  
Timperley, Altrincham, Cheshire WA14 5AP

**Company Registration Number.** 07411759

**Auditors** HW, Chartered Accountants & Registered Auditors  
Bridge House, Ashley Road, Hale, Altrincham WA14 2UT

**Bankers.** Lloyds TSB, Stamford New Road, Altrincham, Cheshire

# **PARK ROAD ACADEMY PRIMARY SCHOOL**

## **REPORT OF THE GOVERNORS AND DIRECTORS**

**YEAR ENDED 31 AUGUST 2012**

The governors and directors present their report with the financial statements of the charitable company for the year ended 31 August 2012

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

#### **Constitution**

The academy was incorporated on 19 October 2010 as a company limited by guarantee with no share capital, registration no 07411759. The company commenced operation as an academy on 1 January 2011. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy. The initial members of the charitable company were nominated by the governing body of Park Road Academy Primary School. The Articles of Association require the members of the charitable company to be responsible for the statutory and constitutional affairs of the charitable company and the management of the academy.

#### **Members' liability**

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

#### **Governors**

Three of the governors are directors of the charitable company for the purposes of the Companies Act 2006 and all governors are trustees for the purposes of charity legislation.

The governors who were in office at 31 August 2012 and served during the year are listed on page 1.

#### **Governors' indemnities**

The academy has insurance to cover governors' indemnity liability to the value of £1,000,000.

#### **Principal activities**

The principal objective and activity of the charitable company is the operation of Park Road Academy Primary School to provide education for pupils of different abilities between the ages of 3 and 11.

In accordance with the articles of association the charitable company has adopted a "Scheme of Governance" approved by the Secretary of State for Children, Schools and Families.

# **PARK ROAD ACADEMY PRIMARY SCHOOL**

## **REPORT OF THE GOVERNORS AND DIRECTORS (*Continued*)**

**YEAR ENDED 31 AUGUST 2012**

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

Parent governors are appointed through a nomination and then ballot system. Nominations are asked from both teaching staff and support staff. If there is more than one volunteer a ballot system is then used. One governor is from the local authority. The other governors are recommended to the governing body from the wider local community. All governors hold a period of office of 4 years then re-election is sought.

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

During the year under review the governors held four full governing body meetings and four finance sub-committee meetings. In addition, there have been various facilitated training events for the governors. The training and induction provided for new governors will depend on their existing experience. Where necessary, induction will provide training on charity, educational, legal and financial matters. All governors will be given a tour of the academy and the chance to meet staff and pupils. All 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 one or two new governors a year, induction tends to be done informally and is tailored specifically to the individual.

### **Organisational structure**

The academy's unified management structure consists of three levels, the governors, the senior leadership team (SLT) and business manager and the subject leaders. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by the use of budgets and making proper decisions about the direction of the academy, capital expenditure and senior staff appointments.

The SLT comprises of the head teacher, a deputy head teacher, an assistant head teacher, an EYFS and extended services manager, an office manager and a business manager. The SLT controls the academy at an executive level, implementing the policies laid down by the governors and reporting back to them. As a group, the SLT is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment panels for posts within the SLT always include a member of the governing body. Some spending and budgetary control is devolved to the school business manager, senior managers and co-ordinators, with limits above which must be countersigned by a senior member of staff.

# **PARK ROAD ACADEMY PRIMARY SCHOOL**

## **REPORT OF THE GOVERNORS AND DIRECTORS (*Continued*)**

**YEAR ENDED 31 AUGUST 2012**

### **Risk management**

The academy produced a formal, written risk register last year. In this register, 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. The governors have implemented a number of systems to assess risks that the academy faces, especially in the operational areas (eg in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (eg vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

### **Connected organisations, including related party relationships**

There have been no related party transactions (see note 24 below). Staff governors are only remunerated as members of staff and in accordance with national pay scales.

### **Objectives and activities**

The principal objective and activity of the charitable company is the operation of Park Road Academy Primary School to provide education for pupils of different abilities between the ages of 3 and 11.

In accordance with the articles of association the charitable company has adopted a "Scheme of Governance" approved by the Secretary of State for Children, Schools and Families.

The main objectives of the academy for its first three years of operation are summarised below:

- to raise achievement and aspirations for all through the use of innovation and new technologies,
- to deliver a personalised curriculum which is fit for the 21<sup>st</sup> Century through an outstanding learning infrastructure, and
- to ensure that all pupils are actively engaged in the curriculum and are making good progress.

### **Equal opportunities policy**

The governors recognise that equal opportunities should be an integral part of good practice within the workplace. The academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

### **Disabled persons**

Ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to the main areas of the academy. The policy of the academy is to support recruitment and retention of pupils and employees with disabilities. The academy does this by adapting the physical environment, by making support resources available and through training and career development.

### **Public benefit**

The academy serves the local community, taking pupils from the Timperley area, regardless of race, gender or academic ability.

# PARK ROAD ACADEMY PRIMARY SCHOOL

## REPORT OF THE GOVERNORS AND DIRECTORS (*Continued*)

YEAR ENDED 31 AUGUST 2012

### Achievements and performance

The academy continues to achieve results above age expectation at the end of KS1 and KS2, demonstrating very good progress

Key Stage 1	L2+/Age Expectation		L3/Above Age Expectation	
2012	School	National	School	National
Reading	100%	87%	40%	27%
Writing	100%	83%	33%	14%
Maths	100%	91%	30%	22%

Key Stage 2	L4+/Age Expectation		L5/Above Age Expectation	
2012	School	National	School	National
English	100%	85%	60%	37%
Maths	100%	84%	77%	36%

A priority in the 2012/13 school development plan is achievement in maths at the higher levels at KS2

### Going concern

After making appropriate enquiries, the governing body has a reasonable expectation that the academy 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 accounting policies note of the financial statements.

### Key performance indicators

Ofsted the school was graded as Outstanding by Ofsted in 2008

Attendance 2011/2012 97.2% This figure is significantly above the national figure for similar schools

Oversubscribed 212 applicants for a 30 place reception class intake

### Financial review

The majority of the academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from EFA during the period ended 31 August 2012 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 EFA, and from other government bodies. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund.

# **PARK ROAD ACADEMY PRIMARY SCHOOL**

## **REPORT OF THE GOVERNORS AND DIRECTORS (*Continued*)**

### **YEAR ENDED 31 AUGUST 2012**

During the period ended 31 August 2012, total expenditure of £1,116,000 was covered by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds and before pensions transfer) was £59,000.

At 31 August 2012 the net book value of fixed assets was £4,215,000. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

Under accounting Standard FRS17, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided for support staff, to the restricted fund. This resulted in the pension fund showing a deficit of £53,000 which has been carried forward to 2013. It should be noted that this does not present a liquidity problem for the academy and that we are reviewing contributions to the pension scheme in order to see a reduction in the pension deficit in future years.

#### **Reserves policy and financial position**

##### **Reserves policy**

The governors review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure stream, 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 1 month of the GAG, approximately £61,000. 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 (total funds less the amount held in fixed assets restricted fund) is £66,000 and bank balances of £159,000 cover any immediate call on reserves.

##### **Financial and risk management objectives and policies**

Governors have carried out a formal assessment of risks and have taken steps to mitigate any identified. In addition, insurance is in place to cover any eventualities.

##### **Principal risks and uncertainties**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk or failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and reduce the risk to the academy trust policies, aims and objectives. The system evaluates the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Park Road Academy Primary School for the year ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

##### **Plans for future years**

The academy is planning to provide more creative space for the pupils at Early Years Foundation Stage and to review its curriculum to ensure the best quality of education for its pupils.



# **PARK ROAD ACADEMY PRIMARY SCHOOL**

## **REPORT OF THE GOVERNORS AND DIRECTORS *(Continued)***

**YEAR ENDED 31 AUGUST 2012**

### **Auditors**

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 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 audit business HW, Chartered Accountants has been appointed as the company's auditor. The audit report has therefore been issued by HW, Chartered Accountants.

The report of the governors was approved by the governors on 20/12/12 and signed on their behalf by Mr J Marshall, chair of governors.



**Mr J Marshall**

**Chair of governors**

# **PARK ROAD ACADEMY PRIMARY SCHOOL**

## **GOVERNANCE STATEMENT**

**YEAR ENDED 31 AUGUST 2012**

### **Scope of responsibility**

As governors, we acknowledge we have overall responsibility for ensuring that the academy has an effective and appropriate system of control, financial and otherwise. We are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the academy and enable us to ensure the financial statements comply with the Companies Act. We also acknowledge responsibility for safeguarding the assets of the academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that

- the academy is operating efficiently and effectively,
- its assets are safeguarded against unauthorised use or disposition,
- the proper records are maintained and financial information used within the academy or for publication is reliable, and
- the academy complies with relevant laws and regulations

The governing body has delegated the day-to-day responsibility to the head teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Park Road Academy Primary School and the Secretary of State for Education. They are also responsible to the governing body and material weaknesses or breakdown 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 governing body has met four times during the year. Attendance during the meetings of the full governing body was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mr N Carr	4	4
Mr J Marshall	4	4
Prof M Rose	2	4
Mrs G Carr	4	4
Mr D Hall	3	4
Mr P Harding (Resigned June 2012)	2	4
Mr J Kenyon	2	4
Mr R Taylor	4	4
Mrs M Tomlinson	4	4
Mrs R McKinlay	4	4
Mrs D White	4	4
Mr P Wood	4	4

The finance committee is a sub-committee of the main governing body. Its purpose is to report to the full governing body on a timely basis the finance of the academy.

# **PARK ROAD ACADEMY PRIMARY SCHOOL**

## **GOVERNANCE STATEMENT *(continued)***

**YEAR ENDED 31 AUGUST 2012**

The finance committee is a sub-committee of the main governing body. Its purpose is to report to the full governing body on a timely basis the finance of the academy.

Attendance at meetings in the year was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mr N Carr	4	4
Mr D Hall	3	4
Mr P Harding (Resigned June 2012)	4	4
Mr J Kenyon	3	4
Mr J Marshall	4	4

### **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 risk to the academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Park Road Academy Primary School for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The governing body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls which have been implemented to mitigate those risks. The governing body is of the view that there is a formal on-going process identifying, evaluating and managing the academy's significant risks that have been in place for the period ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

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

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

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

# PARK ROAD ACADEMY PRIMARY SCHOOL

## GOVERNANCE STATEMENT (*continued*)

YEAR ENDED 31 AUGUST 2012

### Review of effectiveness

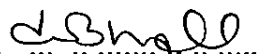
The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed an external responsible officer whose role includes giving advice on financial matters and, on a termly basis, performing a range of checks on the academy's financial system. The academy confirms that this function has been fully delivered in line with EFA's requirements and no material control issues arose.

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

- the work of the leadership and management within the academy trust who have responsibility for the development and maintenance of the internal control framework,
- the work of the finance committee,
- the work of the responsible officer,
- the work of the external auditors, and
- the financial management and governance self-assessment process

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

Approved by order of the members of the governing body on 20/12/12 2012 and signed on its behalf by



**Mr J Marshall**  
Chair



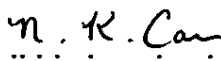
**Mr N Carr**  
Accounting officer

**PARK ROAD ACADEMY PRIMARY SCHOOL**  
**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**  
**YEAR ENDED 31 AUGUST 2012**

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

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

 .. ..

**Mr N Carr**  
**Accounting officer**

# **PARK ROAD ACADEMY PRIMARY SCHOOL**

## **STATEMENT OF GOVERNORS' RESPONSIBILITIES**

**YEAR ENDED 31 AUGUST 2012**

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

Company law requires the governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the academy and of the incoming resources and application of resources, including the income and expenditure, of the academy for the year. 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,
- make judgements and 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 academy will continue in operation

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the academy's transactions and disclose with reasonable accuracy at any time the financial position of the academy 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 academy 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 academy applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education Funding Agency and Department for Education have been applied for the purposes intended.

In so far as the governors are aware

- there is no relevant audit information of which the academy'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

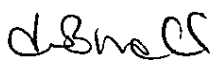
# **PARK ROAD ACADEMY PRIMARY SCHOOL**

## **STATEMENT OF GOVERNORS' RESPONSIBILITIES (*continued*)**

**YEAR ENDED 31 AUGUST 2012**

The governors are responsible for the maintenance and integrity of the corporate and financial information included on the academy'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 governing body on 20/12/12 and signed on its behalf by

.....  .....

**Mr J Marshall**

**Chair**

# **PARK ROAD ACADEMY PRIMARY SCHOOL**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARK ROAD ACADEMY PRIMARY SCHOOL**

**YEAR ENDED 31 AUGUST 2012**

We have audited the financial statements of Park Road Academy Primary School for the year ended 31 August 2012 which comprises the statement of financial activities (income and expenditure account and the statement of total recognised gains and losses), the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

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

### **Respective responsibilities of governors and auditor**

As explained more fully in the statement of governors' responsibilities set out on page 12, the governors (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

### **Scope of the audit of the financial statements**

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



# **PARK ROAD ACADEMY PRIMARY SCHOOL**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARK ROAD ACADEMY PRIMARY SCHOOL (*continued*)**

**YEAR ENDED 31 AUGUST 2012**

### **Opinion on financial statements**

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 2012, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency

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

In our opinion the information given in the governors' annual report for the financial period for which the financial statements are prepared is consistent with the financial statements

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

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

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



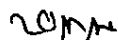
JOHN WHITTICK (Senior Statutory  
Auditor)

For and on behalf of

HW

Chartered Accountants  
& Statutory Auditor

Bridge House  
157 Ashley Road  
Hale  
Altrincham  
Cheshire  
WA14 2UT

Date 

# **PARK ROAD ACADEMY PRIMARY SCHOOL**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY**

**PERIOD 1 SEPTEMBER 2011 TO 31 AUGUST 2012**

### **Independent reporting Accountant's Assurance Report on regularity to Park Road Academy Primary School and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 22 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Park Road Academy Primary School during the year 1 September 2011 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to Park Road Academy Primary School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Park Road Academy Primary School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Park Road Academy Primary School and the EFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of the Park Road Academy Primary School Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Park Road Academy Primary School funding agreement with the Secretary of State for Education dated 1 January 2011 and the Academies Financial Handbook as published by DfES in 2006, 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 2011/12. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2011 to 31 August 2012 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 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

# **PARK ROAD ACADEMY PRIMARY SCHOOL**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY** *(continued)*

**PERIOD 1 SEPTEMBER 2011 TO 31 AUGUST 2012**

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. A summary of the work undertaken is listed below.

- We have confirmed that the activities conform with the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the governing body and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

# **PARK ROAD ACADEMY PRIMARY SCHOOL**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY** *(continued)*

**PERIOD 1 SEPTEMBER 2011 TO 31 AUGUST 2012**

### **Conclusion**

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2011 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



JOHN WHITTICK FCA  
HW, Chartered Accountants  
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Hale  
Altrincham  
Cheshire  
WA14 2UT

Date *20/11/12*

# PARK ROAD ACADEMY PRIMARY SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

FOR THE YEAR ENDED 31 AUGUST 2012

		Unrestricted	Restricted	Restricted	Total	8 month
	Note	funds	general	fixed asset	2012	period to
		£000	funds	funds	£000	31/8/2011
			£000	£000	£000	£000
<b>Incoming resources</b>						
Voluntary income		-	-	-	-	4,465
Activities for generating income	3	161	39	-	200	45
Funding for the academy's educational operations	4	-	844	-	844	565
<b>Total incoming resources</b>		161	883	-	1,044	5,075
<b>Resources expended</b>						
Cost of generating income	6	-	57	-	57	28
Academy's educational operations	7	-	911	141	1,052	617
Governance costs	8	-	7	-	7	24
<b>Total resources expended</b>	5	-	975	141	1,116	669
<b>Net incoming / (outgoing) resources before transfers</b>		161	(92)	(141)	(72)	4,406
Gross transfers between funds	15	(125)	115	10	-	-
<b>Net income/(expenditure) for the year</b>		36	23	(131)	(72)	4,406
<b>Other recognised gains and losses</b>						
(Losses) on defined benefit pension schemes		-	(30)	-	(30)	(23)
<b>Net movement in funds</b>		36	(7)	(131)	(102)	4,383
<b>Funds as at 1 September 2011</b>		35	2	4,346	4,383	4,383
<b>Funds as at 31 August 2012</b>	15	71	(5)	4,215	4,281	-

All of the academy trust's activities derive from continuing activities in the current financial year. The statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 22 to 40 form part of these financial statements

# PARK ROAD ACADEMY PRIMARY SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2012

	Note	2012 £000	2012 £000	2011 £000	2011 £000
<b>Fixed assets</b>					
Tangible assets	12		4,215		4,346
<b>Current assets</b>					
Debtors	13	18		27	
Cash at bank and in hand		159		106	
		<u>177</u>		<u>133</u>	
<b>Current liabilities</b>					
Creditors Amounts falling due within one year	14	58		73	
		<u></u>		<u></u>	
<b>Net current assets</b>			119		60
<b>Total assets less current liabilities</b>			4,334		4,406
Pension scheme liability	23		53		23
<b>Net assets including pension liability</b>			<u>4,281</u>		<u>4,383</u>
<b>Funds</b>					
<b>Restricted funds</b>					
Restricted fixed asset fund	15		4,215		4,346
Restricted general fund	15		48		25
Pension reserve	15		(53)		(23)
			<u>4,210</u>		<u>4,348</u>
<b>Unrestricted funds</b>					
General fund	15		71		35
<b>Total funds</b>			<u>4,281</u>		<u>4,383</u>

The financial statements were approved and authorised for issue by the governors on 20.12.2012 and signed on their behalf by



Mr J Marshall  
Governor and director

Company Limited by Guarantee, Registration Number 07411759

The notes on pages 22 to 40 form part of these financial statements

# **PARK ROAD ACADEMY PRIMARY SCHOOL**

## **CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 AUGUST 2012**

	<b>Note</b>	<b>2012 £000</b>	<b>8 months to 31 Aug 2011 £000</b>
<b>Net cash inflow from operating activities</b>	<b>17</b>	<b>63</b>	<b>106</b>
Capital expenditure	18	(10)	-
		<hr/>	<hr/>
<b>(Decrease)/increase in cash in the year</b>	<b>19</b>	<b>53</b>	<b>106</b>
		<hr/>	<hr/>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 31 August 2011		106	106
Net funds at 31 August 2012		159	-
		<hr/>	<hr/>

All of the academy trust's cash flow derives from continuing activities in the current financial year

The notes on pages 22 to 40 form part of these financial statements

# **PARK ROAD ACADEMY PRIMARY SCHOOL**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2012**

### **Principal accounting policies**

#### **Format of financial statements**

The financial statements are prepared under the historic cost convention except for assets transferred at valuation and in accordance with applicable UK accounting standards (UK Generally Accepted Accounting Practice). The standard format for the financial statements as required by part 15 of the Companies Act 2006 has been adapted to provide more appropriate information which complies with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 ('Charities SORP') and the Academies Accounts Direction 2011/12 issued by the EFA. The principal accounting policies are set out below.

#### **Going concern**

The governors have assessed whether the use of going concern is appropriate, that is whether there are any material uncertainties related to events or conditions that may cast significant doubt in the ability of the company to continue as a going concern. The governors agree that going concern is appropriate for the company and have made this assessment in respect of one year from the date of approval of the financial statements.

#### **Incoming resources**

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

#### **Grants receivable**

Grants are included in the statement of financial activities on an accruals basis. The balance of income received for specific purposes but not matched to relevant expenditure during the year is shown in the relevant funds on the balance sheet. When income is received in advance of entitlement of receipt its recognition is deferred and included as deferred income within creditors. Where the academy is entitled to the funds before the income is received the income is accrued and included in debtors.

#### **Donated services and gifts in kind**

The value of donated services and gifts in kind provided to the academy is recognised in the statement of financial activities as incoming resources and resources expended at their estimated value to the academy in the year in which they are receivable, and where the benefit is both quantifiable and material.

#### **Fundraising activities and other income**

Fundraising activities are recognised in the period in which the activity takes place. Letting income is recognised the day the facility is let. Trip income is matched to the period in which the trips take place.

#### **Resources expended and the basis of apportioning costs**

Resources expended are recognised in the year in which they are incurred and include irrecoverable VAT where applicable. Costs have been attributed to particular headings allocated according to the nature of the expenditure.



# **PARK ROAD ACADEMY PRIMARY SCHOOL**

## **NOTES TO THE FINANCIAL STATEMENTS *(continued)***

**FOR THE YEAR ENDED 31 AUGUST 2012**

### **Principal accounting policies *(continued)***

#### **Costs of generating funds**

These costs are incurred in raising voluntary and trading income

#### **Charitable activities**

These are the costs incurred on the academy trust's educational operations

#### **Governance costs**

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

#### **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

Restricted funds comprise grants from the EFA and other donors which are to be used for specific purposes as explained in note 15

Restricted fixed asset funds are resources applied to specific capital purposes as imposed by the EFA and other funders where the asset acquired or created is held for a specific purpose

#### **Tangible fixed assets**

Tangible fixed assets acquired since the academy was established are included in the accounts at cost. Assets only above a value of £500 are recognised in the balance sheet.

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 or transferred to a restricted fixed asset fund (in the statement of financial activities) and carried forward in the balance sheet. The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

# **PARK ROAD ACADEMY PRIMARY SCHOOL**

## **NOTES TO THE FINANCIAL STATEMENTS *(continued)***

**FOR THE YEAR ENDED 31 AUGUST 2012**

### **Principal accounting policies *(continued)***

#### **Depreciation**

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. The transitional provision of FRS 15 has been followed on donated valued assets. The principal annual rates used

Leasehold land	nil
Leasehold buildings	50 years
Furniture and equipment	7 years
Computer equipment and software	3 years

#### **Leased assets**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

#### **Taxation**

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

#### **Pensions**

Academy staff are members of one of two pension schemes, both of which are multi-employer defined benefit schemes. More details of the schemes are given in note 22.

#### **Defined benefit schemes**

##### **Teachers' Pension Scheme**

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Department for Education. As the academy is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the academy has taken advantage of the exemption in Financial Reporting Standard (FRS) 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the academy in the year.

# **PARK ROAD ACADEMY PRIMARY SCHOOL**

## **NOTES TO THE FINANCIAL STATEMENTS (*continued*)**

**FOR THE YEAR ENDED 31 AUGUST 2012**

### **Principal accounting policies (*continued*)**

#### **Local Government Pension Scheme**

Non teaching members of staff are offered membership of the Local Government Pension Scheme (LGPS) which is managed by the relevant local authority. The LGPS is a defined benefit pension scheme and is able to identify the academy's share of assets and liabilities and the requirements of FRS 17 Retirement Benefits have therefore been followed.

The academy's share of the LGPS assets is measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet. Any movement in the asset or liability between balance sheet dates is reflected in the statement of financial activities.

# PARK ROAD ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2012

	2012 £000	8 months to 31 Aug 2011 £000
<b>1 General Annual Grant (GAG)</b>		
<b>a. Results and carry forward for the year</b>		
GAG brought forward from previous year	89	-
GAG allocation for current year	736	549
<b>Total GAG available to spend</b>	<b>825</b>	<b>549</b>
Recurrent expenditure from GAG	(810)	(579)
Fixed assets purchased from GAG	(10)	-
<b>GAG carried forward to next year</b>	<b>5</b>	<b>(30)</b>
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	(88)	(66)
<b>GAG to surrender to DfES</b> (12% rule breached if result is positive)	<b>(83)</b>	<b>(96)</b>
	(no breach)	(no breach)
<b>b. Use of GAG brought forward from previous year for recurrent purposes</b> (Of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)		
Recurrent expenditure from GAG in current year	(810)	(579)
GAG allocation for current year	736	549
GAG allocation for previous year x 2%	11	-
<b>GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year</b> (2% rule breached if result is positive)	<b>(63)</b>	<b>(30)</b>
	(no breach)	(no breach)

# PARK ROAD ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2012

**2 Net income**

Net income stated after charging

	Year to 31 Aug 12 £000	8 months to 31 Aug 11 £000
Directors' remuneration	-	-
Operating leases - other	1	1
Depreciation of owned fixed assets	141	70
	<hr/>	<hr/>

**3 Activities for generating income**

	2012 £000 Unrestricted	2012 £000 General restricted	2012 £000 Fixed asset restricted	8 months to 31 Aug 11 £000 Total
Income from facilities and services	29	-	-	15
Other school activities	7	-	-	7
Catering income	-	39	-	23
Nursery and club fees	125	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	161	39	-	45
	<hr/>	<hr/>	<hr/>	<hr/>

**4 Funding for the academy's educational operations**

	Restricted 2012 £000	Restricted 2011 £000
EFA capital grants		
▪ Devolved Formula Capital allocation	7	7
EFA revenue grants		
▪ General Annual Grant (GAG)	736	517
▪ Start-up grant	-	25
▪ VAT grant	-	7
Other grants		
▪ Local authority grants	101	9
	<hr/>	<hr/>
<b>Total grants receivable</b>	844	565
	<hr/>	<hr/>

# PARK ROAD ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2012

5	Resources expended	Staff costs £000	Depreciation £000	Other costs £000	Total 2012 £000	8 months to 31 Aug 11 Total £000
	Academy's educational operations					
	■ Direct costs	422	127	166	715	435
	■ Allocated support costs	177	14	146	337	182
		<hr/> 599	<hr/> 141	<hr/> 312	<hr/> 1,052	<hr/> 617
	Costs for generating income	-	-	57	57	28
	Governance costs	-	-	7	7	24
		<hr/> 599	<hr/> 141	<hr/> 376	<hr/> 1,116	<hr/> 669
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
6	Costs for generating income	2012 £000 Unrestricted	2012 £000 General restricted	2012 £000 Fixed asset restricted	8 months to 31 Aug 11 £000 Total	
	Catering expenses	-	57	-	28	
		<hr/>	<hr/>	<hr/>	<hr/>	
		-	57	-	28	
		<hr/>	<hr/>	<hr/>	<hr/>	

# PARK ROAD ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2012

7	Charitable activities - academy's				8 months to
	Educational operations	2012	2012	2012	31 Aug 11
		£000	£000	£000	£000
		Unrestricted	General restricted	Fixed asset restricted	Total
	Teaching and educational support staff	-	404	-	258
	Consultant head fees	-	61	-	15
	Nursery staff	-	18	-	12
	Depreciation	-	-	127	56
	Educational supplies	-	91	-	94
	Staff development costs	-	2	-	-
	Agency costs	-	12	-	-
		-	588	127	435
	<b>Allocated support costs</b>				
	Support staff costs	-	177	-	91
	Depreciation	-	-	14	14
	Recruitment costs	-	1	-	-
	Maintenance of premises and equipment	-	42	-	26
	Cleaning	-	17	-	-
	Rent and rates	-	13	-	5
	Insurance	-	16	-	9
	Irrecoverable VAT	-	-	-	7
	Telephone	-	1	-	-
	Other support costs	-	33	-	13
	Heat and light	-	15	-	10
	Printing and stationery	-	7	-	7
	Advertising	-	1	-	-
		-	323	14	182
	<b>Total charitable activities</b>		911	141	617
8	Governance costs				8 months to
		2012	2012		31 Aug 11
		£000	£000		£000
		Unrestricted	General restricted		Total
	Pension fund valuation	-	-		3
	Auditors' remuneration				
	Audit of financial statements	-	3		3
	Responsible Officer	-	1		-
	Governors costs	-	3		1
	Conversion costs	-	-		17
		-	7		24

# PARK ROAD ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2012

### 9 Staff costs

The average number of persons (including senior management team) employed by the academy during the year ended 31 August 2012 was as follows

	2012	8 months to 31 Aug 11
	No.	No.
<b>Charitable activities</b>		
Teachers and teaching assistants	16	11
Administration and support	10	8
Management	4	2
	<u>30</u>	<u>21</u>
<b>Staff costs comprise</b>		<b>8 months to 31 Aug 11</b>
	<b>2012</b>	<b>£000</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	498	301
Social security costs	32	21
Other pension costs	69	42
	<u>599</u>	<u>364</u>

No employee's emoluments were greater than £60,000

### 10 Governors' remuneration and expenses

Principal and staff governors (trustee governors) only received remuneration in respect of services they provided undertaking the roles of head teacher and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy in respect of their role as governors. The role of headteacher is performed by Mr N Carr through Town Gate Consultants Limited. The details of this are noted in the related party note 25. During the year ended 31 August 2012, no travel and subsistence expenses were reimbursed to the governors. Related party transactions involving the governors are set out in note 25.

### 11 Governors' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.



# PARK ROAD ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2012

12	Fixed assets	Freehold land & buildings £000	Furniture & equipment £000	Computer equipment & software £000	Total £000
	Cost				
	At 1 September 2011	4,160	68	188	4,416
	Additions	-	7	3	10
	At 31 August 2012	4,160	75	191	4,426
	Depreciation				
	At 1 September 2011	22	7	41	70
	Charged in year	66	11	64	141
	At 31 August 2012	88	18	105	211
	Net book values				
	At 31 August 2012	4,072	57	86	4,215
	At 31 August 2011	4,138	61	147	4,346
13	Debtors				8 months to 31 Aug
				2012	2011
				£000	£000
	Prepayments and accrued income			15	8
	VAT recoverable			3	13
	Other debtors			-	6
				18	27
14	Creditors amounts falling due within one year				8 months to 31 Aug
				2012	2011
				£000	£000
	Other creditors			-	34
	Accruals and deferred income			58	39
				58	73

# PARK ROAD ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2012

15 Funds	Balance at 1 9 11 £000	Incoming resources £000	Resources expended £000	Losses & transfers £000	Balance at 31 8 12 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	25	736	(810)	97	48
Local authority grants	-	101	(101)	-	-
Devolved Formula Capital	-	7	(7)	-	-
Other income	-	39	(57)	18	-
	<u>25</u>	<u>883</u>	<u>(975)</u>	<u>115</u>	<u>48</u>
<b>Pension reserve</b>	(23)	-	-	(30)	(53)
<b>Restricted fixed asset funds</b>	4,346	-	(141)	10	4,215
<b>Total restricted funds</b>	<u>4,348</u>	<u>883</u>	<u>(1,116)</u>	<u>95</u>	<u>4,210</u>
<b>Unrestricted funds</b>					
Unrestricted funds	35	161	-	(125)	71
<b>Total unrestricted funds</b>	<u>35</u>	<u>161</u>	<u>-</u>	<u>(125)</u>	<u>71</u>
<b>Total funds</b>	<u>4,383</u>	<u>1,044</u>	<u>(1,116)</u>	<u>(30)</u>	<u>4,281</u>

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objects of the academy and are restricted to both the day to day running of the academy and capital expenditure

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objects of the academy

Unrestricted funds are funds to which the governing body may use in the pursuance of the academy's objects and are expendable at the discretion of the governors

# PARK ROAD ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2012

### 16 Analysis of net assets between funds

Fund balances as at 31 August 2012 are represented by

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets	-	-	4,215	4,215
Current assets	71	106	-	177
Current liabilities	-	(58)	-	(58)
Pension scheme liability	-	(53)	-	(53)
	<u>71</u>	<u>(5)</u>	<u>4,215</u>	<u>4,281</u>

### 17 Reconciliation of net income to net cash inflow from operating activities

	2012 £000	8 months to 31 Aug 2011 £000
Net (deficit)/income	(72)	4,406
Depreciation	141	70
Fixed asset donation	-	(4,416)
Decrease/(Increase) in debtors	9	(27)
(Decrease)/Increase in creditors	(15)	73
<b>Net cash inflow from operating activities</b>	<u>63</u>	<u>106</u>

### 18 Capital expenditure and financial investment

	2012 £000	8 months to 31 Aug 2011 £000
Purchasing of tangible fixed assets	(10)	(4,416)
Donations	-	4,410
Capital grants	-	6
<b>Net cash outflow from capital expenditure &amp; financial investment</b>	<u>(10)</u>	<u>-</u>

# PARK ROAD ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2012

### 19 Analysis of changes in net funds

	As at 31.8.2012 £000	As at 31.8.2011 £000	Cashflows £000
Cash in hand and at bank	159	106	53

### 20 Lease commitments

	2012		2011	
At 31 August 2012 the academy has annual commitments under non-cancellable leases as follows	Land and Buildings £000	Other £000	Land and Buildings £000	Other £000

#### Expiry date :

Expiring within 2 to 5 years	-	1	-	1
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### 21 Contingent liabilities

During the year 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 Secretary of State for Education 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

- (a) the value at that time of the academy's site and premises and other assets held for the purpose of the academy and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the funding agreement

# **PARK ROAD ACADEMY PRIMARY SCHOOL**

## **NOTES TO THE FINANCIAL STATEMENTS *(continued)***

**FOR THE YEAR ENDED 31 AUGUST 2012**

### **22 Pension commitments**

#### **The Teachers' Pension Scheme**

##### **Pension and similar obligations**

The academy'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 Tameside Metropolitan Borough Council 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 was 31 March 2004 and of the LGPS 31 August 2012

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

##### **Teachers' Pension Scheme**

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above act

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases) From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return

The Government Actuary ("GA"), using normal actuarial principles, conducts formal actuarial reviews of the TPS The aim of the reviews is to specify the level of future contributions

# **PARK ROAD ACADEMY PRIMARY SCHOOL**

## **NOTES TO THE FINANCIAL STATEMENTS (*continued*)**

### **FOR THE YEAR ENDED 31 AUGUST 2012**

#### **22 Pension commitments (*continued*)**

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

The last valuation of the TPS related to the year 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's full time equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

# PARK ROAD ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2012

### 22 Pension commitments (continued)

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

#### Local Government Pension Scheme

The academy is one of several employing bodies included within the Local Government Pension Scheme (LGPS).

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The total contribution made for the year ended 31 August 2012 was £31,000 of which employer's contributions totalled £22,000 and employees' contributions totalled £9,000. The agreed contribution rates for the year ended 31 August 2012 varied depending on the pay scale.

The actual gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £153,000 loss (2011: £123,000 loss).

The following information is based upon a full actuarial valuation of the fund at 31 August 2012 by a qualified independent actuary.

The major assumptions used by the actuary were

	At 31.8.12	At 31.8.11
Discount rate for liabilities	4.1%	5.4%
Rate of increase in pensions in payment & deferred pensions	2.2%	2.6%
Expected return on assets	4.8%	6.0%
Rate of increase in salaries	4.0%	4.4%

# PARK ROAD ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2012

### 22 Pension commitments (continued)

The mortality assumptions used in the valuation of the liabilities were as follows

	2012 years	2011 Years
Longevity at age 65 for current pensioners		
Men	20 1	20 1
Women	22 9	22 9
Longevity at age 65 for future pensioners		
Men	22 5	22 5
Women	25 0	25 0

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

	Long-term rate of return expected at 31 August 2012	Value at 31 August 2012 £000	Long-term rate of return expected at 31 August 2011	Value at 31 August 2011 £000
Equities	5.5%	88	6.8%	59
Bonds	3.4%	26	4.6%	18
Property	3.7%	6	4.8%	5
Cash	2.8%	8	3.9%	7
<b>Total fair value of assets</b>		<u>128</u>		<u>89</u>
<b>Present value of scheme liabilities - funded</b>		(181)		(112)
<b>Surplus / (deficit) in the scheme</b>		<u>(53)</u>		<u>(23)</u>

Actual return on employer's assets for the year was £9,000

#### Analysis of amount chargeable to income and expenditure account

	2012 £000	8 months to 31 Aug 2011 £000
Employer service cost (net of employee contributions)	20	10
Interest cost	7	4
Expected return on employer assets	(6)	(4)
<b>Total operating charge</b>	<u>21</u>	<u>10</u>



# PARK ROAD ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2012

### 22 Pension commitments (continued)

#### Analysis of pension finance income / (costs)

	2012 £000	8 months to 31 Aug 2011 £000
Expected return on employer's share of scheme asset	20	10
Interest on pension liabilities	(7)	(4)
<b>Pension finance income / (costs)</b>	<b>13</b>	<b>6</b>

#### Total charge to the income and expenditure account

The estimated value of employer contributions for the year ended 31 August 2013 is £22,000

#### Changes in the fair value of scheme assets are as follows:

	2012 £000	8 months to 31 Aug 2011 £000
Fair value of scheme assets at 1 September 2011	89	78
Expected return on scheme assets	6	4
Actuarial gains / (losses)	2	(6)
Contributions by employer	22	9
Contributions by members	9	4
<b>Fair value of scheme assets at 31 August 2012</b>	<b>128</b>	<b>89</b>

	2012 £000	8 months to 31 Aug 2011 £000
Scheme liabilities at 1 September 2011	112	105
Current service costs	20	10
Interest cost	7	4
Contributions by members	9	4
Actuarial losses / (gains)	33	(11)
<b>Scheme liabilities at 31 August 2012</b>	<b>181</b>	<b>112</b>

#### Amounts for the current and previous year

	2012 £000	8 months to 31 Aug 2011 £000
Present value of funded liabilities	(181)	(112)
Fair value of scheme assets	128	89
<b>Surplus / (deficit) in the scheme</b>	<b>(53)</b>	<b>(23)</b>

# PARK ROAD ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2012

### 23 Pension commitments (continued)

The two-year history of experience adjustments is as follows

	2012 £000	8 months to 31 Aug 2011 £000
Present value of defined benefit obligations	181	112
Fair value of share of scheme assets	128	89
Surplus/(Deficit) in the scheme	<u>(53)</u>	<u>(23)</u>
Experience adjustments on share of scheme assets	<u>2</u>	<u>(6)</u>
Experience adjustments on scheme liabilities:	<u>33</u>	<u>(11)</u>

### 24 Members' liability

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

### 25 Related parties

Governors who are also members of the staff of the academy have been paid in accordance with national agreed levels as members of staff. During the year Town Gate Consultants Limited have invoiced the academy £61,035 for the services of Mr N Carr as consultant head teacher. £6,270 is due to him and is disclosed in prepayments. Mr N Carr is a director of both Town Gate Consultants Limited and Park Road Academy Primary School.