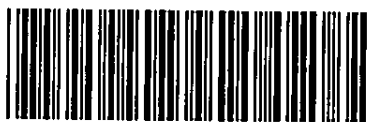


COMPANY LIMITED BY GUARANTEE
REGISTRATION NUMBER 07411759
(ENGLAND AND WALES)

PARK ROAD ACADEMY PRIMARY SCHOOL
(A Company Limited by Guarantee)
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2013

SATURDAY



A2NPLED3

A08 21/12/2013 #287
COMPANIES HOUSE

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

PARK ROAD ACADEMY PRIMARY SCHOOL

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

Contents

	Page
Reference and administrative details	1
Trustees' report	2
Governance statement	8
Statement on regularity, propriety and compliance	11
Statement of trustees' responsibilities	12
Independent auditors' report to the members	13
Independent reporting accountant's assurance report on regularity to the academy trust and the Education Funding Agency	15
Statement of financial activities incorporating income & expenditure account	17
Balance sheet	18
Cash flow statement	19
Notes to the financial statements	20

PARK ROAD ACADEMY PRIMARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

YEAR ENDED 31 AUGUST 2013

Trustees

Mr G Carr*
Mrs G Carr
Mr N Carr (resigned 1.4 13)
Mr D Hall
Ms K Hall* ** (appointed 1.4 13)
Mr J Kenyon* **
Mr J Marshall* **
Mrs R McKinlay* **
Prof M Rose
Mr R Taylor**
Mrs M Tomlinson
Mrs D White
Mr P Wood (resigned 31.1 13)

* Member of the personnel and finance committee

** Member of the audit committee

Senior management team

Co-head teacher	Mrs R McKinlay
Co-head teacher	Ms K Hall
Assistant head teacher	Mrs R Pressdee
EYFS & Extended services manager	Mrs Y Vickers
Office manager	Mrs L Richardson
Business manager	Mrs S Rocca

Registered office

Park Road Academy Primary School,
Frieston 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 Bank, Stamford New Road, Altrincham,
Cheshire

PARK ROAD ACADEMY PRIMARY SCHOOL

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2013

The trustees present their annual report together with the audited financial statements of the academy trust (academy) for the year ended 31 August 2013.

Structure, governance and management

Constitution

The academy is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy.

The trustees of Park Road Academy Primary School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Park Road Academy Primary School

Details of the trustees who served throughout the year except as noted are included in the reference and administrative details on page 1

Members' liability

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

Trustees' indemnities

The academy has insurance to cover trustees' 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

Method of recruitment and appointment or election of trustees

Parent trustees 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 trustee is from the local authority. The other trustees are recommended to the board of trustees from the wider local community. All trustees hold a period of office of 4 years then re-election is sought.

PARK ROAD ACADEMY PRIMARY SCHOOL

TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

Policies and procedures adopted for the induction and training of trustees

During the year under review the trustees held four full board of trustees meetings and four finance sub-committee meetings. In addition, there have been various facilitated training events for the trustees. The training and induction provided for new trustees will depend on their existing experience. Where necessary, induction will provide training on charity, educational, legal and financial matters. All trustees will be given a tour of the academy and the chance to meet staff and pupils. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. As there are normally only one or two new trustees 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 trustees, 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 trustees 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 the co-headteachers (2), an assistant headteacher, 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 trustees 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 board of trustees. 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.

Risk management

The academy has a formal, written risk register. In this register, the trustees 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 trustees 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

Details of related party transactions are detailed in note 26. Staff trustees are only remunerated as members of staff and in accordance with national pay scales.

PARK ROAD ACADEMY PRIMARY SCHOOL

TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

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

Objects and aims

The main objectives of the academy.-

- 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 21st Century through an outstanding learning infrastructure, and
- to ensure that all pupils are actively engaged in the curriculum and are making good progress

Objectives, strategies and activities

In order to achieve their objectives the academy will take steps to ensure the financial viability of the school and develop the curriculum to ensure that the academic and behavioural standards are maintained/improved.

Public benefit

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

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	
2013	School	National	School	National
Reading	100%	89%	40%	29%
Writing	100%	85%	33%	15%
Maths	100%	91%	30%	23%
Key Stage 2	L4+/Age Expectation		L5/Above Age Expectation	
2013	School	National	School	National
Reading	100%	86%	73%	44%
Writing	100%	83%	57%	30%
Maths	100%	85%	60%	41%
Grammar, Punctuation & Spelling	100%	74%	90%	47%

PARK ROAD ACADEMY PRIMARY SCHOOL

TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

Key Stage 2	L6/Exceeding Expectation	
2013	School	National
Reading	0%	0%
Writing	7%	2%
Maths	23%	6%
Grammar, Punctuation & Spelling	10%	2%

Going concern

After making appropriate enquiries, the board of trustees 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 2012/2013 96.6% This figure is above the national figure for similar schools.

Oversubscribed 216 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 2013 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.

During the year ended 31 August 2013, total expenditure of £1,219,000 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 £36,000.

At 31 August 2013 the net book value of fixed assets was £4,095,000. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

PARK ROAD ACADEMY PRIMARY SCHOOL

TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

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 £52,000 which has been carried forward to 2014. 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.

The academy has been assessing its staffing and consultancy costs and has redeployed resources so that these costs will be reduced in the coming year without detriment to the high standards of education achieved.

Teacher supply costs

Teacher supply costs have increased due to three long term sickness absences and one maternity leave absence.

Whilst these staff absences were covered by staff absence insurance, the daily absence rate is lower than the actual cost of these absences.

Financial and risk management objectives and policies

Trustees 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's 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 2013 and up to the date of approval of the annual report and financial statements.

Reserves policy

The trustees 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 trustees have determined that the appropriate level of free reserves should be equivalent to 1 month of the GAG, approximately £65,000. 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 £111,000 and bank balances of £204,000 cover any immediate call on reserves.

Investment policy

No specific investments are entered into. It is the school's policy to use any existing funds to improve/maintain the fabric of the building and ensure that the curriculum meets the needs of the pupils. The impact of investments is identified through the educational development of the pupils.

PARK ROAD ACADEMY PRIMARY SCHOOL

TRUSTEES' REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

Plans for future periods

The academy has plans to extend the nursery, subject to carrying out market research to identify a need in the community

Auditor

In so far as the trustees are aware.

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the trustees 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.

Approved by order of the board of trustees on. 18/4/13 . . . and signed on its behalf by -



.....
Mr J Marshall
Chair of trustees

PARK ROAD ACADEMY PRIMARY SCHOOL

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2013

Scope of responsibility

As trustees, 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 board of trustees 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 board of trustees and material weaknesses or breakdown in internal control

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The board of trustees has met three times during the year. Attendance during the meetings of the full board of trustees was as follows:

Trustee	Meetings attended	Out of possible
Mr G Carr	1	1
Mrs G Carr	3	3
Mr N Carr (Resigned)	2	2
Mr D Hall	3	3
Ms K Hall	0	1
Mr J Kenyon	3	3
Mr J Marshall	2	3
Mrs R McKinlay	3	3
Prof M Rose	3	3
Mr R Taylor	3	3
Mrs M Tomlinson	3	3
Mr P Wood (Resigned)	0	1
Mrs D White	3	3

PARK ROAD ACADEMY PRIMARY SCHOOL

GOVERNANCE STATEMENT *(continued)*

YEAR ENDED 31 AUGUST 2013

The personnel and finance committee is a sub-committee of the main board of trustees. Its purpose is to report to the full board of trustees on a timely basis the finance of the academy

Attendance at meetings in the year was as follows -

Trustee	Meetings attended	Out of possible
Mr N Carr	3	3
Mr J Kenyon	4	4
Mr J Marshall	4	4
Mrs R McKinlay	1	4
Ms K Hall	1	1

The purpose of the system of Internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy's 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 year ended 31 August 2013 and up to the date of approval of the annual report and financial statements

Capacity to handle risk

The board of trustees 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 board of trustees 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 year ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees,
- 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 2013

Review of effectiveness

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees 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 board of trustees on .. 18/11/13 .. and signed on its behalf by

..... J Marshall
Mr J Marshall
Chair of trustees

..... K Hall -
Ms K Hall
Accounting officer

PARK ROAD ACADEMY PRIMARY SCHOOL

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

YEAR ENDED 31 AUGUST 2013

As accounting officer of Park Road Academy Trust I have considered my responsibility to notify the academy trust's board of trustees 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's board of trustees 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

K Hall - 18/12/13

Ms K Hall
Accounting officer

PARK ROAD ACADEMY PRIMARY SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

YEAR ENDED 31 AUGUST 2013

The trustees (who act as trustees of Park Road Academy Primary School and are also directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' 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 trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees 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 charitable company will continue in operation.

The trustees 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 trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform to the requirements both of propriety and 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 trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the trustees 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 trustees 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.



Mr J Marshall
Chair of trustees

PARK ROAD ACADEMY PRIMARY SCHOOL

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARK ROAD ACADEMY PRIMARY SCHOOL

YEAR ENDED 31 AUGUST 2013

We have audited the financial statements of Park Road Academy Primary School for the year ended 31 August 2013 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2013 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 trustees and auditor

As explained more fully in the statement of trustees' responsibilities set out on page 12, the trustees (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 trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

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

PARK ROAD ACADEMY PRIMARY SCHOOL

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

YEAR ENDED 31 AUGUST 2013

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' 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
157A Ashley Road
Hale
Altrincham
Cheshire WA14 2UT

18/1/13

PARK ROAD ACADEMY PRIMARY SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE PARK ROAD ACADEMY PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY

YEAR ENDED 31 AUGUST 2013

In accordance with the terms of our engagement letter dated 22 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies' Accounts Direction 2013, 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 period 1 September 2012 to 31 August 2013 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 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 Park Road Academy Primary School and the EFA, for our work, for this report, or for the conclusion we have formed

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

The accounting officer is responsible, under the requirements of Park Road Academy Primary School's funding agreement with the Secretary of State for Education dated 1 January 2011 and the Academies Financial Handbook, extant from 1 September 2012, 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 2013. 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 2012 to 31 August 2013 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 2013 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

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

PARK ROAD ACADEMY PRIMARY SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE PARK ROAD ACADEMY PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY *(continued)*

YEAR ENDED 31 AUGUST 2013

The work undertaken to draw our conclusions includes:

- We have confirmed that the activities conform to 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 board of trustees, and conform to the limits set by the Department for Education
- Formal representations have been obtained from the board of trustees 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

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 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

HW, Chartered Accountants
Bridge House, 157A Ashley Road
Hale
Altrincham
Cheshire WA14 2UT

HW

18/08/13

PARK ROAD ACADEMY PRIMARY SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT
AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 AUGUST 2013

		Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total 2013 £000	Total 2012 £000
	Note					
Incoming resources						
Incoming resources from generated funds						
Voluntary income	3	5	-	-	5	-
Activities for generating funds	4	207	19	-	226	200
Incoming resources from charitable activities						
Funding for the academy's educational operations	5	-	904	-	904	844
Total incoming resources		212	923	-	1,135	1,044
Resources expended						
Cost of generating funds	7	62	-	-	62	57
Academy's educational operations	8	93	910	146	1,149	1,052
Governance costs	9	-	8	-	8	7
Total resources expended	6	155	918	146	1,219	1,116
Net incoming/(outgoing) resources before transfers		57	5	(146)	(84)	(72)
Gross transfers between funds	16	-	(26)	26	-	-
Net income/(expenditure) for the year		57	(21)	(120)	(84)	(72)
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	16,25	-	9	-	9	(30)
Net movement in funds		57	(12)	(120)	(75)	(102)
Reconciliation of funds						
Funds brought forward to 1 September 2012	16	71	(5)	4,215	4,281	4,383
Funds carried forward at 31 August 2013		128	(17)	4,095	4,206	4,281

All of the academy's activities derive from continuing operations during the above two financial periods

A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities


PARK ROAD ACADEMY PRIMARY SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2013

	Notes	2013 £000	2013 £000	2012 £000	2012 £000
Fixed assets					
Tangible assets	13		4,095		4,215
Current assets					
Debtors	14	15		18	
Cash at bank and in hand		204		159	
		<u>219</u>		<u>177</u>	
Creditors. Amounts falling due within 1 year	15	<u>56</u>		<u>58</u>	
Net current assets			<u>163</u>		<u>119</u>
Total assets less current liabilities			4,258		4,334
Net assets including pension liability					
Pension scheme liability	25		52		53
Net assets including pension liability			<u>4,206</u>		<u>4,281</u>
Funds of the academy:					
Restricted funds					
Fixed asset fund(s)	16		4,095		4,215
General fund(s)	16		35		48
Pension reserve	16		<u>(52)</u>		<u>(53)</u>
Total restricted funds			4,078		4,210
Unrestricted funds	16		128		71
Total funds			<u>4,206</u>		<u>4,281</u>

The financial statements on pages 17 to 35 were approved by the trustees, and authorised for issue on 18/09/2013 and are signed on their behalf by



Mr J Marshall
Chair of trustees and director

Company limited by guarantee, registration number 07411759

PARK ROAD ACADEMY PRIMARY SCHOOL
CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2013

	Notes	2013 £000	2012 £000
Net cash Inflow from operating activities	19	71	63
Capital expenditure	20	(26)	(10)
(Decrease)/Increase in cash in the year	21	<u>45</u>	<u>53</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2012		159	106
Net funds at 31 August 2013		<u>204</u>	<u>159</u>

All of the cash flows are derived from continuing activities in the current financial period.

PARK ROAD ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2013

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention except for assets transferred at valuation in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice' Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The trustees have made their assessment in respect of a period of one year from the date of approval of the financial statements and confirm that going concern is appropriate for the academy

Incoming resources

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods have been provided or on completion of the service.

Donated services and gifts in kind

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

PARK ROAD ACADEMY PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

1 Accounting policies (continued)

Resources expended

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

Costs of generating funds

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

Charitable activities

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

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Assets costing £500 or more whether an individual item or part of a capital project are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. 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's depreciation policy.

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

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

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.

PARK ROAD ACADEMY PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (*continued*)

FOR THE YEAR ENDED 31 AUGUST 2013

1 Accounting policies (*continued*)

Leased assets

Rentals under 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 benefits

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the academy

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the government actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 25, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose

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

PARK ROAD ACADEMY PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2013. The academy changed its funding agreement by deed of variation dated 15 January 2013.

3 Voluntary income

	Unrestricted funds 2013 £000	General restricted funds 2013 £000	Fixed asset restricted funds 2013 £000	Total 2012 £000
Donations	5	-	-	-
	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>

4 Activities for generating funds

	Unrestricted funds 2013 £000	General restricted funds 2013 £000	Fixed asset restricted funds 2013 £000	Total 2012 £000
Income from facilities and services	6	-	-	29
Other school activities	18	19	-	7
Catering income	41	-	-	39
Nursery and club fees	142	-	-	125
	<u>207</u>	<u>19</u>	<u>-</u>	<u>200</u>

5 Funding for academy's educational operations

	Unrestricted funds 2013 £000	General restricted funds 2013 £000	Fixed asset restricted funds 2013 £000	Total 2012 £000
DfE/EFA revenue grants				
General Annual Grant (GAG) (note 2)	-	780	-	736
Capital grants	-	-	-	7
NLG grant	-	2	-	-
Other DfE/EFA grants	-	1	-	-
	<u>-</u>	<u>783</u>	<u>-</u>	<u>743</u>
Other government grants				
Local authority grants	-	121	-	101
	<u>-</u>	<u>904</u>	<u>-</u>	<u>844</u>

PARK ROAD ACADEMY PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

6 Resources expended

	Non pay expenditure				
	Staff costs	Premises	Other costs	Total	Total
	£000	£000	£000	2013	2012
				£000	£000
Academy's educational operations					
Direct costs	428	131	245	804	715
Allocated support costs	203	78	64	345	337
	<u>631</u>	<u>209</u>	<u>309</u>	<u>1,149</u>	<u>1,052</u>
Costs for generating income	-	-	62	62	57
Governance costs	-	-	8	8	7
	<u>631</u>	<u>209</u>	<u>379</u>	<u>1,219</u>	<u>1,116</u>

The method used for the apportionment of support costs is disclosed in the accounting policies

Incoming/outgoing resources for the year include:

	2013	2012
	£000	£000
Operating leases	1	1
Fees payable to auditor:		
Audit	5	3
Depreciation of owned fixed assets	<u>146</u>	<u>141</u>

7 Costs for generating income

	Unrestricted funds	General restricted funds	Fixed asset restricted funds	Total
	2013	2013	2013	2012
	£000	£000	£000	£000
School activities	10	-	-	-
Catering and vending costs	52	-	-	57
	<u>62</u>	<u>-</u>	<u>-</u>	<u>57</u>

8 Charitable activities - academy's educational operations

	Unrestricted funds	General restricted funds	Fixed asset restricted funds	Total
	2013	2013	2013	2012
	£000	£000	£000	£000
Direct costs				
Teaching and educational support staff costs	-	409	-	404
Consultant head fees	-	55	-	61
Nursery staff	19	-	-	18
Depreciation	-	-	131	127
Educational supplies	19	118	-	91
Staff development costs	-	3	-	2
Agency costs	-	50	-	12
	<u>38</u>	<u>635</u>	<u>131</u>	<u>715</u>

PARK ROAD ACADEMY PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

8 Charitable activities - academy's educational operations (continued)

	Unrestricted funds 2013 £000	General restricted funds 2013 £000	Fixed asset restricted funds 2013 £000	Total 2012 £000
Allocated support costs				
Support staff costs	44	159	-	177
Depreciation	-	-	15	14
Additional pension costs	-	8	-	-
Recruitment costs	-	-	-	1
Maintenance of premises and equipment	-	16	-	42
Cleaning	4	15	-	17
Rent & rates	3	10	-	13
Insurance	1	16	-	16
Energy costs	3	12	-	15
Telephone	-	1	-	1
Printing and stationery	-	2	-	7
Advertising	-	-	-	1
Other support costs	-	36	-	33
	<u>55</u>	<u>275</u>	<u>15</u>	<u>337</u>
	<u>93</u>	<u>910</u>	<u>146</u>	<u>1,052</u>

9 Governance costs

	Unrestricted funds 2013 £000	General restricted funds 2013 £000	Fixed asset restricted funds 2013 £000	Total 2012 £000
Auditor's remuneration				
Audit of financial statements	-	5	-	3
Responsible Officer	-	1	-	1
Trustees' costs	-	2	-	3
	<u>-</u>	<u>8</u>	<u>-</u>	<u>7</u>

10 Staff costs	2013 £000	2012 £000
Staff costs during the period were.		
Wages and salaries	526	498
Social security costs	33	32
Pension costs	72	69
	<u>631</u>	<u>599</u>

Supply staff agency costs were £49,262 (2012 - £12,479).

PARK ROAD ACADEMY PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

10 Staff costs (continued)

The average number of persons (including senior management team) employed by the academy during the year, and the full time equivalents, was as follows.

	2013 Number	2013 Full-time equivalent	2012 Number	2012 Full-time equivalent
Charitable activities				
Teachers	6	6	6	6
Administration and support	22	14	20	12
Management	5	5	4	4
	<u>33</u>	<u>25</u>	<u>30</u>	<u>22</u>

No employees were paid an annual salary of more than £60,000 (2012 - none)

11 Related party transactions - trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. The value of trustees' remuneration was as follows:

R McKinlay (co-head and trustee)	£45,001 - £50,000	(2012: £40,001 - £45,000)
K Hall (co-head and trustee)	£40,001 - £45,000	(2012: £35,001 - £40,000)
D White (staff trustee)	£35,001 - £40,000	(2012: £35,001 - £40,000)
D Hall (staff trustee)	£20,001 - £25,000	(2012: £20,001 - £25,000)

During the year ended 31 August 2013 no travel and subsistence expenses were reimbursed to trustees (2012 - £0). Related party transactions involving the trustees are set out in note 26.

12 Trustees' and officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees 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 2013

13 Tangible fixed assets

	Leasehold land & buildings £000	Furniture & equipment £000	Computer equipment £000	Total £000
Cost				
At 1 September 2012	4,160	75	191	4,426
Additions	-	19	7	26
Disposals	-	-	-	-
At 31 August 2013	4,160	94	198	4,452
Depreciation				
At 1 September 2012	88	18	105	211
Charged in year	67	13	66	146
Disposals	-	-	-	-
At 31 August 2013	155	31	171	357
Net book values				
At 31 August 2013	4,005	63	27	4,095
At 31 August 2012	4,072	57	86	4,215

14 Debtors	2013	2012
	£000	£000
Prepayments and accrued income	5	15
VAT recoverable	10	3
	<u>15</u>	<u>18</u>
15 Creditors: amounts falling due within one year	2013	2012
	£000	£000
Accruals and deferred income	56	58
	<u>56</u>	<u>58</u>
15 Creditors: amounts falling due within one year (continued)	2013	2012
Deferred Income	£000	£000
Deferred income at 1 September 2012	33	32
Resources deferred in the year	39	33
Amounts released from previous years	(33)	(32)
Deferred income at 31 August 2013	<u>39</u>	<u>33</u>

PARK ROAD ACADEMY PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

16 Funds

	Balance at 1 9.12 £000	Incoming resources £000	Resources expended £000	Gains, losses & transfers £000	Balance at 31.8.13 £000
Restricted general funds					
General Annual Grant (GAG)	48	780	(769)	(26)	33
Local authority grants	-	121	(121)	-	-
NLG Grant	-	2	-	-	2
Other DfE/EFA grants	-	1	(1)	-	-
Other income	-	19	(19)	-	-
	48	923	(910)	(26)	35
Pension reserve	(53)	-	(8)	9	(52)
	(5)	923	(918)	(17)	(17)
Restricted fixed asset funds	4,215	-	(146)	26	4,095
Total restricted funds	4,210	923	(1,064)	9	4,078
Unrestricted funds	71	212	(155)	-	128
Total funds	4,281	1,135	(1,219)	9	4,206

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

NLG grant has been restricted by the grant provider to reimbursing expenses of the National Leader of Governance, and any remaining funds may be used to further develop their board of trustees

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 which the board of trustees may use in the pursuance of the academy's objects and are expendable at the discretion of the trustees

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 2013.

PARK ROAD ACADEMY PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

17 Analysis of net assets between funds

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets	-	-	4,095	4,095
Current assets	184	35	-	219
Current liabilities	(56)	-	-	(56)
Pension scheme liability	-	-	(52)	(52)
Total net assets	128	35	4,043	4,206

18 Financial commitments

Operating leases

At 31 August 2013 the academy had annual commitments under non-cancellable operating leases as follows:

	2013 £000	2012 £000
Land and buildings		
Expiring within one year	-	-
Expiring within two and five years inclusive	-	-
Expiring in over five years	-	-
Other		
Expiring within one year	1	1
Expiring within two and five years inclusive	1	1
Expiring in over five years	-	-
	2	2

19 Reconciliation of net income to net cash inflow from operating activities

	2013 £000	2012 £000
Net income/(deficit)	(84)	(72)
Depreciation (note 13)	146	141
FRS 17 pension finance income (note 25)	8	-
(Increase)/decrease in debtors	3	9
(Decrease)/increase in creditors	(2)	(15)
Net cash inflow from operating activities	71	63

PARK ROAD ACADEMY PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

20 Capital expenditure and financial investment	2013	2012
	£000	£000
Purchase of tangible fixed assets	(26)	(10)
Capital grants from DfE/EFA	-	-
Capital funding received from sponsors and others	-	-
Receipts from sale of tangible fixed assets	-	-
Net cash outflow from capital expenditure and financial investment	(26)	(10)

21 Analysis of changes in net funds	At	Cash	At
	1.09.12	flows	31.8.13
	£000	£000	£000
Cash in hand and at bank	159	45	204

22 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 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

23 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

24 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 March 2010

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

PARK ROAD ACADEMY PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (*continued*)

FOR THE YEAR ENDED 31 AUGUST 2013

25 Pension and similar obligations (*continued*)
Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership.

Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 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, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

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

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the scheme (pensions 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 that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, 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.

PARK ROAD ACADEMY PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 AUGUST 2013

25 Pension and similar obligations *(continued)*

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The government accepted Lord Hutton's recommendations as the basis for consultation and ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £35,132, of which employer's contributions totalled £25,387 and employees' contributions totalled £9,745. The agreed contribution rates for future years are unconfirmed.

Principal actuarial assumptions

	At 31.8.13	At 31.8.12
Rate of increase in salaries	4.60%	4.00%
Rate of increase for pensions in payment / inflation	2.80%	2.20%
Discount rate for scheme liabilities	4.60%	4.10%
Inflation assumption (CPI)	2.90%	2.90%

PARK ROAD ACADEMY PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

25 Pension and similar obligations (continued)

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below

Change in assumptions at 31 August 2012	Approximate % Increase to employer liability	Approximate monetary amount £000
0.5% decrease in real discount rate	16%	37
1 year increase in member life expectancy	3%	7
0.5% increase in the salary increase rate	8%	20
0.5% increase in the pension increase rate	7%	16

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

	At 31.8.13	At 31.8.12
Retiring today:	20.1	20.1
Males	22.9	22.9
Females		
Retiring in 20 years		
Males	22.5	22.5
Females	25.0	25.0

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

	Expected return at 31.8.13	Fair value at 31.8.13 £000	Expected return at 31.8.12	Fair value at 31.8.12 £000
Equities	6.60%	135	5.50%	88
Bonds	3.90%	33	3.40%	26
Property	4.70%	11	3.70%	6
Cash	3.60%	7	2.80%	8
Total market value of assets		<u>186</u>		<u>128</u>
Present value of scheme liabilities				
- Funded		(238)		(181)
Surplus/(deficit) in the scheme		<u>(52)</u>		<u>(53)</u>

The rates of return have been determined using the Hymans Robertson Asset Model which is a type of model known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model. The expected returns have been calculated using 5,000 simulations of the Hymans Robertson Asset Model, calibrated using market data as at a recent date.

PARK ROAD ACADEMY PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

25 Pension and similar obligations (continued)

The actual return on scheme assets was £23,000 (2012 £9,000)

Amounts recognised in the statement of financial activities

	2013	2012
	£000	£000
Current service cost (net of employee contributions)	32	20
Total operating charge	<u>32</u>	<u>20</u>

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	(7)	(6)
Interest on pension liabilities	8	7
Pension finance income / (costs)	<u>1</u>	<u>1</u>

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 £17,000 loss (2012 £26,000 loss)

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

	2013	2012
	£000	£000
At 1 September	181	112
Current service cost	32	20
Interest cost	8	7
Employee contributions	10	9
Actuarial (gain)/loss	7	33
At 31 August	<u>238</u>	<u>181</u>

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

	2013	2012
	£000	£000
At 1 September	128	89
Expected return on assets	7	6
Actuarial gain/(loss)	16	2
Employer contributions	25	22
Employee contributions	10	9
At 31 August	<u>186</u>	<u>128</u>

PARK ROAD ACADEMY PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2013

25 Pension and similar obligations (continued)

The estimated value of employer contributions for the year ended 31 August 2014 is £24,000

The three-year history of experience adjustments is as follows:

	2013 £000	2012 £000	2011 £000
Present value of defined benefit	(238)	(181)	(112)
Fair value of share of scheme assets	186	128	89
Surplus/(Deficit) in the scheme	(52)	(53)	(23)
Experience adjustments on share of scheme assets	16	2	(6)
Experience adjustments on scheme liabilities:	-	-	-

Parliament has agreed, at the request of the Secretary of State for Education, to 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.

26 Related party transactions

Trustees who are also members of staff of the academy have been paid in accordance with national agreed levels as members of staff.

During the year Town Gate Consultants Limited has invoiced the academy £55,275 for the services of Mr N Carr as consultant head teacher. Mr N Carr is a director of both Town Gate Consultants Limited and Park Road Academy Primary School.

During the year Mr N Carr's brother, trading as Broscarr Educational Consultants, invoiced the academy £2,520 for educational consultancy services. During the year the academy also received income totalling £1,405 from Broscarr Educational Consultants for the hire of facilities.

K Hall is a trustee and co-head teacher of the academy. During the year K Hall's brother invoiced the academy as follows.

£1,450 as H&H Outdoor Activities

£1,850 as Mr Daniel Hart

£250 as H&H Garden Services

The above amounts are for the provision of gardening and maintenance services and also the provision of sports education to the academy.

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