

# REGISTRAR OF COMPANIES

## Queens Park Academy

### Annual Report and Financial Statements

31 August 2014

Company Limited by Guarantee  
Registration Number  
07566528 (England and Wales)

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## Reference and administrative information

<b>Members</b>	A McCormick S Le Page
<b>Directors (trustees)</b>	C Friend S Le Page (Chair) A McCormick V Tatum
<b>Governors</b>	E Bolton C Friend * G Khan* S Le Page (Chair) A McCormick * E Mullins * R Shaikh V Tatum A Thwaites J Yildiz
	* Members of the Business and Finance Committee
<b>Senior Leadership Team</b>	
Executive Headteacher	A McCormick
Head of School	A Thwaites
Assistant Heads	V Wilson E Bolton C Norris C Sweet
Business Manager	E Mullins
Facilities Manager	D Richardson
<b>Registered address</b>	Chestnut Avenue Bedford Bedfordshire MK40 4HA
<b>Company registration number</b>	07566528 (England and Wales)

## Reference and administrative information

**Auditor** Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

**Bankers** Lloyds TSB Bank plc  
Westminster House  
11 Portland Street  
Manchester  
M1 3HU

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

## **Trustees' report 31 August 2014**

The trustees of Queens Park Academy ('the Academy') present their statutory report together with the financial statements of the charitable company for the year ended 31 August 2014. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 35 to 38 of the attached financial statements and comply with the School's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 ('SORP 2005').

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The Academy Trust 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 Trust. The Charitable Company was incorporated on 16 March 2011 and Queens Park School converted to an Academy on 1 April 2011.

Five of the governors act as the trustees for the charitable activities of Queens Park Academy and as directors of the Charitable Company for the purposes of Company Law. The Charitable Company is known as Queens Park Academy.

#### **Members' liability**

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

#### **Principal activities**

The principal activity of Queens Park Academy Trust is to employ all staff ensuring the highest quality of primary education to all children in our locality. We also run a 'Community Nursery' located in the Queens Park Neighbourhood Centre that offers day care provision for children aged 0 to 5. We are very proud of our school and its achievements over the years.

We admit children from Nursery (aged 3) to Year 4 (aged 9). We are a large school with over 500 children on our current roll. Our intake is representative of a vibrant multi-cultural community with over 22 languages spoken by the children and staff. We are an 'inclusive' school admitting children from all backgrounds, faiths or special needs.

**STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

**Trustees and governors**

The following trustees were in office at 31 August 2014 and served throughout the period except where shown.

<b>Trustee</b>	<b>Appointed/Resigned</b>	<b>Appointing body</b>
F Birkett	Resigned 31 August 2014	Chair of governors
C Friend		Parent body
S Le Page		Vice Chair
A McCormick		Ex Officio
V Tatum		Community

The following governors were in office at 31 August 2014 and served throughout the period except where shown.

<b>Governor</b>	<b>Appointed/Resigned</b>	<b>Appointing body</b>
F Birkett	Resigned 31 August 2014	Chair of governors
E Bolton		Staff
C Friend		Parent body
G Kahn		Staff
S Le Page		Vice Chair
A McCormick		Ex Officio
E Mullins		Staff
M Rosamund		Community
R Shaikh		Community
V Tatum		Community
A Thwaites		Staff
J Williams		Parent body
J Yildiz		Parent Body

**Method of recruitment and appointment or election of trustees/governors**

The processes for appointing or electing the various types of Queens Park Academy trustees/governors are as follows:

1. Academy Trustees – The members of Queens Park Academy have the right to appoint the trustees. Such appointments are usually made following consultation by the members with the governors of the Academy.

In addition to their overall role as trustees, the trustees are also governors and they are appointed for the purpose of ensuring that the character of the Academy is preserved and developed. They are also appointed to ensure that the Academy is conducted in accordance with the Academy's governing documents as well as any trust deed relating to the Academy.

## STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

### Method of recruitment and appointment or election of trustees/governors (continued)

2. Parent Governors – The Articles of Association require that there shall be a minimum of two and up to four Parent Governors. Parents, including carers, of registered pupils at the Academy are eligible to stand as individuals for election as a Parent Governor. They are elected by other parents at the Academy as individuals who are representative of the parental body. Suitable procedures have been put in place for the conduct of Parent Governor elections.

If insufficient parents stand for election, the Governing Body must appoint Parent Governors to bring their number up to that required by the Articles of Association. Such appointed Parent Governors would preferentially be parents or carers of registered pupils at the Academy. If, however, no such parents are willing to undertake the role then the Governing Body can appoint any person who is the parent or carer of one or more school-age children.

3. Staff Governors – A minimum of two and up to six Staff Governors are elected by the Academy staff as individuals, representative of the staff of the Academy. Both teaching and support staff paid to work at the Academy are eligible for staff governorship.

At Queens Park Academy the first and third Staff Governor places are reserved for teachers of the Academy. If, however, no teacher stands for election a member(s) of the support staff can be elected to take one or both of these places.

Additionally, the second Staff Governor place is reserved for a member of the Academy's support staff, but if no member of the support staff stands for election then a teacher can be elected to take that place.

Suitable procedures have been put in place for the conduct of Staff Governor elections.

4. Community Governors – Up to nine Community Governors can be appointed by the Governing Body. Community Governors can be people who live or work in the community served by the Academy, or people who live outside of the immediate area and who are committed to the good governance and success of the Academy.

Vacancies for Community Governors will be posted on the Academy web site. Anyone expressing an interest in becoming a Community Governor will be asked to provide an appropriate curriculum vitae with their letter of application. Following an informal interview with the Chair and Executive Headteacher each application will be considered by the Governing Body.

The Governors may not appoint an employee of Queens Park Academy as a Community Governor if the number of Governors who are employed by the Academy (including the Executive Headteacher) would thereby exceed one third of the total number of Governors.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

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

Following their appointment/election all new governors receive an introduction to their role from the Chair and Executive Headteacher, this introduction includes tours of the Academy sites and the opportunity to meet other members of the Senior Leadership Team.

The Governing Body at Queens Park Academy is committed to providing adequate opportunities for governors to undertake and receive suitable training so as to enable them to undertake their role more effectively.

To this end the Governing Body maintains a Service Level Agreement with Bedford Borough Council Governor Services Department. This Agreement allows for any or all of the members of the Governing Body to attend any of the training courses provided by Bedford Borough Council.

All new governors are actively encouraged to take advantage of this Agreement so as to gain a better understanding of the role and responsibilities of being a School Governor. Additionally governors with specific roles within the Governing Body are strongly encouraged to undertake specific training.

There is a nominated Link Governor who acts as liaison between Governor Services and the Governing Body.

### **Organisational structure**

At Queens Park Academy the majority of the roles and responsibilities of the Governing Body have been delegated to a small number of committees. The full Governing Body has retained responsibility for certain aspects, again as defined in the Standing Orders.

Members of the Senior Leadership Team (SLT), in addition to the Executive Headteacher, attend governors' meetings as appropriate.

The governors are responsible for the strategic management of the Academy; deciding and setting key aspects of the Academy, including strategic direction, annual budgets, senior staff appointments, policy changes etc. Operational management is the responsibility of the Executive Headteacher and staff. The latter is carried out at a number of levels; i.e. by the Senior Leadership Team and Middle Leaders Team.

Academy policies are developed by senior members of the Academy staff, to reflect both the strategic direction agreed by the governors and also statutory requirements. These policies are approved and adopted by the Governing Body, and implemented as procedures and systems by the SLT and other designated members of staff.

During the year ended 31 August 2014 the Full Governing Body met four times; the Business and Finance Committee met three times; the Pay and Personnel Committee three times; and the Learning and Teaching Committee three times.



**STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

**Risk management**

Queens Park has undertaken a comprehensive assessment of possible risks to the future of the Academy. This has included the review and implementation of the following policies:

- ◆ Fixed Asset Policy
- ◆ Gifts & Hospitality Policy
- ◆ Risk Management Policy
- ◆ Fraud Policy & Procedure
- ◆ Whistleblowing Policy
- ◆ Financial Handbook

The Academy staff and governors are working within these guidelines to ensure the risk associated within the Academy status is protected in line with Audit Compliance.

**Connected organisations, including related party relationships**

The activities of Queens Park Academy are funded directly from the EFA.

The Academy has a number of Service Level Agreements with local organisations specifically for site support – these are: Edith Cavell Lower School, Priory Lower School, Livingstone Lower school, and Kempton Rural School. These SLA's are reviewed annually.

## **OBJECTIVES AND ACTIVITIES**

### **Objects and aims**

The Academy's key objective is:

*To help the children to develop the attitudes, knowledge and skills needed for living in the 21<sup>st</sup> Century*

- ◆ By offering the children first hand experiences that motivate and enthuse them – encouraging a love of learning; and
- ◆ By ensuring the provision of good quality teaching through positive identification of indicators of good practice.

This is then realised by our Academy's aims:

- ◆ To develop a curriculum that excites and motivates the learner and the teacher;
- ◆ To promote high levels of self esteem in children and adults;
- ◆ To leave no-one behind;
- ◆ To promote a safe and healthy lifestyle;
- ◆ To promote community engagement and involvement;
- ◆ To continue to strive for improvement by critical self evaluation; and
- ◆ To develop a team environment.

We are very proud of our school as you will see from the children's quotes below:

*"Our school is great. We do lots of learning outside and go on exciting trips!" Husnain.*

*"We all work hard and we want to be the star of the week!" Maria.*

*"We talk to children from across the world and learn together in exciting ways." Simran.*

### **Objectives, strategies and activities**

Development Plan Objectives for each Academic Year. All of our objectives are recorded, developed and evaluated using an online development tool – Schoolcentre.net.

Our five core priorities are:

#### ***To grow governor links***

So that:

- ◆ Children (and staff) know the governors;
- ◆ Governors are informed and join in the 'adventure for learning'; and

**OBJECTIVES AND ACTIVITIES** (continued)

**Objectives, strategies and activities** (continued)

***To grow governor links*** (continued)

- ◆ Governors are confident in their knowledge about the school.

Actions:

- ◆ Consult with staff on linking a governor with a year group;
- ◆ Have a Governors 'invitation' tea for all staff;
- ◆ Establish a governor focus for celebration;
- ◆ Ensure Governors are invited to all school events and on to external visits; and
- ◆ Establish a training programme for governors on the significant aspects of their role- curriculum offer, standards.

***To celebrate success***

So that:

- ◆ Aspirations are raised across the school community (teacher, child, parent).

Actions:

- ◆ Hold an annual celebration event in a special location;
  - ◇ Identify the awards with the school councillors
  - ◇ Agree the 'teaching awards'
  - ◇ Have a formal invitation and programme
  - ◇ Have refreshments
- ◆ Advertise regularly in the local press – celebrating all achievement;
- ◆ Ensure the website has a celebration element; and
- ◆ Build on the celebrations already in place.

***To implement the use of mobile technologies to enhance learning and teaching***

So that:

- ◆ The quality of teacher assessment is more robust;
- ◆ A focused range of learning opportunities is offered;

**OBJECTIVES AND ACTIVITIES** (continued)

**Objectives, strategies and activities** (continued)

***To implement the use of mobile technologies to enhance learning and teaching***  
(continued)

Action:

- ◆ Give all teachers (QTS) an iPad;
  - ◇ Agree the protocol for use
  - ◇ Provide training on how to use the iPad to record achievements
  - ◇ Team leaders to regularly monitor in standards meetings
- ◆ Review the use of technology in the classroom by the children.
  - ◇ Further evaluation of pilot projects
  - ◇ Prepare a proposal for rolling out the pilot projects
  - ◇ Review budget requirements
  - ◇ Link with the ICT Strategy

***To become a Primary School by 2016/17***

So that:

- ◆ We are in line with local and national schools;
- ◆ We offer the best possible primary experience; and
- ◆ We achieve the highest standards in preparation for secondary education

Action:

- ◆ Write new 'Admissions Policy' reducing Pupil Admission Number (PAN) to 60
  - ◇ Review and amend existing policy to reflect the change in PAN
- ◆ Consult on the Policy with local community/stakeholders
- ◆ Publish statutory notices to change designation
- ◆ Review accommodation requirements and prepare plan for additional needs
- ◆ Begin training for staff on expectations regarding Upper Key Stage 2
- ◆ Visit primary schools to prepare for Years 5 and 6
- ◆ Plan for new staffing structure (2015)

## OBJECTIVES AND ACTIVITIES (continued)

### Objectives, strategies and activities (continued)

#### *To enable the 'pupil voice' to inform and impact on school experiences*

So that:

- ◆ Each child is offered enrichment activities relevant to their own interests
- ◆ The children feel empowered to develop their own learning

Action:

- ◆ Consult with all children as to their 'wish' for this year
- ◆ Establish a programme of 1:1 conferencing
- ◆ Representative children to attend the QP-PLC 'student conference'
- ◆ Offer a residential experience to year 4 that engages more of the year group
  - ◇ Explore an alternative venue
  - ◇ Advertise to parents early in the Autumn Term
  - ◇ Establish a savings scheme (as determined by the budget)
  - ◇ Plan and check
- ◆ Offer an 'overnight' opportunity for all of Key Stage 2
  - ◇ Explore 'camping at school'
- ◆ Develop and expand the use of the mini buses for local trips
  - ◇ Design a programme of visits for Wednesday afternoons.

### Public Benefit

In setting the Academy's objectives and planning its activities, the Governing Body have given careful consideration to the Charity Commission's general guidance on public benefit.

The key public benefit delivered by Queens Park Academy is the maintenance and development of the high quality education to the children of Queens Park Community.

In doing this Queens Park Academy not only offers a broadly-based academic education but aims to educate the whole individual. A very wide-range of extra-curricular activities, educational trips and visits are offered and undertaken by our children.

In particular, in respect of Internationalism Mindedness, the Academy has achieved the International Schools Award for the second time. This award recognises that we ensure the children engage in many enriching activities.

We have developed links with schools in the following countries – China, The Netherlands, America and Canada.

## **STRATEGIC REPORT**

### **Achievements and performance**

#### ***Review of activities***

Our priorities for this year were:

- ◆ **Communication**
- ◆ **To raise standards in Writing**
- ◆ **To develop skills in Speaking and Listening**
- ◆ **To develop 'outstanding' teaching**

Standards in writing this year have improved at an outstanding rate. For the first time we are very close to national expectations for ALL schools (please see analysis below). Writing is always challenging for children and especially so for those learning English as an additional language. Children become fluent in spoken language very quickly, but it takes longer for their confidence and experience to develop in writing. We are delighted with the progress this year.

Teaching at Queens Park Academy remains very good with some increasing elements of 'outstanding' practice (as defined by Ofsted). We have no teachers rated less than good and we continue to support our colleagues in aspiring to outstanding.

This year we have run two Outstanding Teacher programmes for colleagues in Bedford and this not only provides support for other schools but ensures that our team (who are observed during the programme) remain at their best. This year our results are the best yet – a further sign of increasing 'outstanding' teaching.

The Governing Body have now made a firm commitment to changing the designation of the school to a 'Primary School' – Nursery to Year 6 – from 2015 (for year 5) and 2016 (for year 6). They will be consulting with all families next year as to this change and this remains a priority for the coming year.

We continue to work closely with a number of community groups – no least of which is our parent body.

Governors have worked closely together led by our Chair of Governors, Fred Birkett. We are very pleased to advise that Fred is now a National Leader of Governance - a significant achievement for both Fred personally and for our school.

## STRATEGIC REPORT (continued)

### Achievements and performance (continued)

#### *Review of activities (continued)*

##### *Collaborations*

- ◆ **To develop the Queens Park – Primary Leadership Collaborative (QP-PLC) with all the lower/primary schools in Bedford**
- ◆ **To develop international links**

The QP- PLC has gone from strength to strength this year. We have been able to make a small profit from the training activities offered and this is supporting further opportunities we want to offer next year. As a National Support School it is our responsibility to offer 'school to school' support and through the PLC we have been able to engage with nearly all of the schools in Bedford Borough and a large number in Central Bedfordshire. We have also been working in partnership with the Peter Pan Teaching School Alliance. This alliance was granted the Teaching School Status within this year and provides Teacher Training Courses linked with the Governments School Direct Training Programme for Bedford. We support the Alliance with their programmes from a strategic level through to day to day training and support for colleagues.

##### *Attainment (assessment results)*

Each year we have to assess the children at the end of their Reception Year (age 5), at the end of Year 2 (aged 6/7) and Year 4 (aged 8/9). The charts below show the standard reached by these three year groups.

#### ◆ **Reception**

This is the second year of assessing children in Reception against the new criteria. Children are assessed as 'emerging', 'expected' or 'exceeding' the appropriate standard and are expected to achieve a 'good level of development' (GLD) by the end of their reception year. Children are defined as having made a good level of development if they achieve at least the expected level in -

- ◇ the Early Learning Goals in the **prime** areas of learning (Personal, Social and Emotional Development, Physical Development and Communication and language) and
- ◇ In the Early Learning Goals in the **specific** areas of Mathematics and Literacy.

Overall 22.5% of the Reception cohort achieved a GLD – this compares to 7% last year. However this is well below the national expectation. It does reflect our context however, as many of our children finish the Foundation Stage at the emergent level – especially in Communication and Literacy. Overall 61.5% of the cohort achieved either the expected or exceeding levels as an average across all Early Learning Goals.

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

**Review of activities** (continued)

*Attainment (assessment results) (continued)*

◆ **Year 1 Phonics Screening**

This year the children in year 1 were screened in respect of their understanding of phonics (letter/sound relationships). The national expectation is 69% (2013) and this year we scored 64.4% - so just below the national expectation. We will be continuing to work on phonics with the children as it is an important part of learning how to read. Many thanks to all parents who attended the briefing sessions on this and helped the children practice at home.

◆ **Year 2**

This year we are very pleased with our Key Stage 1 results. You will see from the chart below that Reading continues to improve and that there is a small drop in Writing and Maths. This just reflects this cohort and still indicates a sustained improvement from 2012. Below the Year 2 chart you will also see details of our children eligible for the Pupil Premium. (We receive additional funding for children entitled to the Pupil Premium and details are included on our website). Given it is a significant investment we thought you would be interested in the assessment comparisons. The intention of Pupil Premium funding is to 'narrow the gap' between those children who are or may be disadvantaged. We are very pleased to report that there is no gap in Year 2 as eligible children are at least in line with or exceeding the attainment of their peers. Significantly they are also equal to or exceeding the national expectation for Pupil Premium children.

**Year 2 – average points scores for all the children in Year 2.** (Children at the end of year 2 are expected to reach the 2B standard – 15 points).

<b>Subject</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>National Expectation</b>
Reading	13.7	14.4	<b>14.5</b>	16.3
Writing	12.8	14.0	<b>13.7</b>	14.9
Maths	13.7	14.7	<b>14.5</b>	16.1



**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

**Review of activities** (continued)

**Attainment (assessment results)** (continued)

♦ **Year 2** (continued)

*Pupil Premium Results*

<b>Subject</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>National Expectation</b>
Reading		14.3	<b>14.7</b>	14.8
Writing		13.6	<b>13.7</b>	13.5
Maths		14.8	<b>15.0</b>	14.7

- ♦ **Year 4 – average points scores for all children in Year 4.** (Children in Year 4 are expected to achieve the 3B standard – 21 points).

We are very pleased with the results this year as although they are below those achieved last year they still indicate a rising trend from 2012.

Results are still very close to the national expectation and continue to demonstrate an upward trend. Again we have included a comparison for the Pupil Premium children indicating a small 'gap' across all three areas. In reading the cohort is at the national expectation but just below in Maths and Writing. Closing this gap remains a major priority into next year.

<b>Subject</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>National Expectation</b>
Reading	19.5	22.4	<b>21.6</b>	21
Writing	18.4	21.0	<b>19.9</b>	21
Maths	19.1	21.5	<b>20.6</b>	21

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

**Review of activities** (continued)

*Attainment (assessment results) (continued)*

◆ **Year 4** (continued)

*Pupil Premium (FSM) Results*

<b>Subject</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>National Expectation</b>
Reading		22.3	<b>21.2</b>	21
Writing		21.4	<b>19.4</b>	21
Maths		21.0	<b>20.3</b>	21

*Achievement (i.e. the progress that the children make)*

This measure is extremely important as it takes into account the children's starting points and indicates how focussed they have been and how we have encouraged, supported and 'stretched' them.

In term of achievement we expect the children to make at least **8 points** of progress between the beginning of Year 1 and end of Year 2 and **6 points** of progress between Year 2 and Year 4. Below you will see the achievement for Reading, Writing and Maths.

Year 2 (expectation = 8 points)

<b>Subject</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Reading	8.8	9.2	<b>9.0</b>
Writing	7.9	9.3	<b>9.1</b>
Maths	8.3	9.7	<b>8.8</b>

I am pleased to say that the results have exceeded the 8 points expected but are a little lower than last year. We will be focussing on this in the coming year especially in Maths to maintain the progress we expect.

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

**Review of activities** (continued)

*Achievement (i.e. the progress that the children make) (continued)*

Year 4 (expectation = 6 points)

Subject	2012	2013	2014
Reading	7.3	8.6	7.6
Writing	7.1	9.6	6.8
Maths	6.2	7.7	6.8

Progress this year is good as we exceeded the national expectation in all 3 areas, but yet we still strive to be outstanding (8+ points progress). Progress is also down on last year but as with the results the trend is still upwards.

**Key celebrations this year**

This year we are really pleased to announce that we have achieved the following:

**Inclusion Quality Mark** – We have now been assessed for this quality mark for the second time and the summary report will shortly be available on our website. The summary begins with '*Queens Park Academy is a fully inclusive school which provides an excellent education for its pupils*'. We are very pleased to have been acknowledged in this way and we would recommend reading the full summary once we have it on line.

**Basic Skills Quality Award** – Last week we were assessed for the third time against this award. This award involves an audit of school practice particularly in English and Maths. We are pleased that we have been advised that we meet the standard and shortly we will receive a report. Again we will ensure this is on our website for you to read.

**English Speaking Union** – Every year we take part in the Bedford Lower Schools competition of public speaking. This year we are delighted to say that one of our groups came first and our speaker was also individually recognised. We continue to work with the ESU in their development of 'speaking and listening' activities as we believe these materials have a significant potential to support our children's learning.

**Musical success this year** – We were invited to open the Christmas tree festival at St Pauls church, at which Prince Charles was the special guest. We were introduced to him and the children were able to tell him about themselves.

At the Bedford Festival for Music and Drama we won two 1<sup>st</sup> awards and a 2<sup>nd</sup> prize as well.

## **STRATEGIC REPORT** (continued)

### **Achievements and performance** (continued)

#### ***Key celebrations this year*** (continued)

Our recorder group this year has been extremely successful and we will be continuing with this next year. We also hope to take part in the Big Sing next year – a national event for choirs performing at the O2 in London next January.

**Children's Kitchen** – this year we opened our Children's Kitchen and our CK Manager – Ghazala Khan started a series of skills sessions in the kitchen. This has been most successful and we look forward to developing this programme next year.

**Pupil Premium Award** – as you may have seen in the newspaper we won the Pupil Premium Award for the Eastern Region. We had a lovely day in London meeting the deputy Prime Minister and receiving our award. It was brilliant to have our school recognised in this public way.

#### ***Sporting events***

Our membership of the Sports Partnership this year has allowed us access to level 2 and 3 competitions and training opportunities for staff. It has also provided sports leaders as role models. This year we have taken part in a lot of competitions often coming first in competition with other local lower schools and competing in many new sports for the first time – golf, cross country and tennis. We had a very special visit from para-olympian Ian Rose which the whole school from reception upwards attended and really enjoyed.

We are currently submitting an application for the Sports Award and we expect to achieve at least the Bronze award – but may have achieved Silver. To achieve the higher awards we need to engage more families and children in clubs and after school activities. We will be working on this next year.

#### ***International Links***

This year we have sent teachers to Singapore and to the Netherlands to look at practice in these countries. We have learnt a lot and applied our learning to our practice in schools. Next year we will be introducing some of the strategies that we have seen working across the world which we know will continue to ensure our standards rise. Next year we will also be submitting our evidence for the International Schools Award – our third application.

#### ***Going concern***

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that Queens Park 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 Statement of Accounting Policies.

## **STRATEGIC REPORT (continued)**

### **Financial review**

Most of the School's income is obtained from the Education Funding Agency (EFA) in the form of the General Annual Grant (GAG), the use of which is restricted for education purposes. The grants received from the EFA and other government bodies during the period and the associated expenditure are shown as restricted funds in the statement of financial activities.

The School also received grants for fixed assets from the EFA. In accordance with the Statement of Recommended Practice (SORP 2005), Accounting and Reporting by Charities, such a grant is shown in the statement of financial activities if spent during the period as restricted income within the fixed assets funds. The balance sheet restricted fixed assets fund is reduced by expenditure equivalent to any depreciation charges over the expected useful life of the assets concerned.

The total income for the period was £2,723,093 (2013 - £2,744,024). Included within this balance was the General Annual Grant of £1,896,798 (2013 - £1,984,825) (see note 5).

Excluding the fixed assets fund the Academy incurred a deficit of £128,190 (2013 – deficit of £142,291).

At 31 August 2014, the School had total funds of £1,736,347 (2013 - £2,231,294). This was comprised of £1,696,951 (2013 - £2,114,999) of restricted funds and £39,396 (2013 – £116,295) of unrestricted general fund balances. The pension reserve balance, relating to the Local Government defined benefit scheme for non teaching staff, was in deficit by £795,000 (2013 – £498,000) at 31 August 2014 and is included within restricted funds.

The results for the period are shown on page 32.

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

#### *Principal risks and uncertainties*

The objective of the Academy's risk management procedure is to identify the principal risks facing the Academy so that existing controls may be considered and further action taken if required, including external insurance.

The principal risks identified by the Governing Body include governance, statutory compliance, finance, insurance, attendance, behaviour, health and safety, organisation, operation, safeguarding, reputation, HR and ICT.

The Governing Body has a comprehensive risk management process to identify and monitor the risks faced by the Academy.

## **STRATEGIC REPORT** (continued)

### **Financial review** (continued)

#### *Reserves policy*

The Governing Body reviews the Academy's reserves policy annually. The policy of the Academy is to carry forward a prudent level of resources to meet the long-term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the EFA. The Governing Body intends to maintain free reserves of a minimum of £100,000 to provide sufficient working capital for the Academy.

The Academy's free reserves at 31 August 2014 were £39,396 which is below the minimum targeted in the reserves policy. The Academy will aim to build reserves in line with the policy.

The Academy has a pension scheme liability of £795,000 as at 31 August 2014 which is included in the restricted reserves. This disclosure does not mean that the liability is already committed and is no longer available to the governors to further the Academy's objectives. Parliament has agreed, at the request of the Secretary of State for Education, in the event of Academy closure, outstanding Local Government Scheme liabilities would be met by the Department for Education. The guarantee came in to force on 18 July 2013. In the short term, the cash flow impact of having a pension scheme liability may be that the employer contributions may increase to reduce the liability.

#### *Investment policy*

The Academy currently has no investments, except for deposits in interest bearing accounts.

## **FUTURE ACTIVITIES AND PLANS**

Our aspirations last year were to develop the Academy site and to become a full primary school in September 2015. This has now been confirmed and we are currently working on our Primary Strategy to accept our first Year 5 students from September 2015.

## **AUDITOR**

In so far as the trustees are aware:

- ♦ there is no relevant audit information of which the Academy'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.

**Trustees' report** 31 August 2014

**AUDITOR** (continued)

Trustees' report, incorporating a strategic report, approved by order of the members of the board of trustees on 09/12/2014 and signed on its behalf by:

S Le Page  
Chair



Date:

18/12/2014

### **Scope of responsibility**

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

The Governing Body has delegated the day-to-day responsibility to the Executive Headteacher 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 the Academy and the Secretary of State for Education. The Executive Headteacher is also responsible for reporting to the governing body any material weaknesses or breakdowns 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 Governing Body has formally met four times during the period. Attendance during the period at meetings of the Governing Body was as follows:

<b>Governor</b>	<b>Number of meetings attended</b>	<b>Out of a possible</b>
F Birkett	4	4
E Bolton	4	4
C Friend	4	4
G Khan	4	4
S Le Page	4	4
A McCormick	4	4
E Mullins	4	4
M Rosamund	4	4
R Shaikh	4	4
V Tatum	3	4
A Thwaites	3	4
J Williams	4	4
J Yildiz	4	4

### **Governance Reviews**

A new clerk of governors was appointed on 1 September 2014 and will lead a programme of reviews and training during the 2014/15 academic year.

The Business and Finance Committee is a sub-committee of the main Governing Body. Its purpose is:

- ♦ To provide guidance and assistance to the Executive Headteacher & Governing Body in all matters relating to budgeting and finance.



## Governance statement 31 August 2014

### Governance (continued)

- ◆ To prepare the Academy's budget plan and review financial statements, including consideration of long term planning and resourcing.
- ◆ To consider each year the School Development Plan priorities and to present an annual budget plan to the Governing Body for approval.
- ◆ To monitor all income and expenditure and to report on the financial situation to the Governing Body each term.
- ◆ To monitor expenditure and discuss any variation with those responsible for the appropriate budgets.
- ◆ To ensure that audit compliance is adhered to by the Academy and to receive and where appropriate respond to periodic audit reports of the Academy funds.
- ◆ To review the policies which are within the remit of the committee.

Attendance at meetings in the year was as follows:

Governor	Number of meetings attended	Out of a possible
F Birkett	2	3
C Friend	3	3
A McCormick	3	3
E Mullins	3	3
A Thwaites	3	3
G Khan	3	3

The Audit Committee (Scrutiny) is also a sub-committee of the main Governing Body. Its purpose is to scrutinise the Academy finances in detail and to ensure all monies are spent in line with the EFA guide lines and to ensure audit compliance across the business. The key focus has been clear budget reporting, reviewing 'actual' expenditure against budget in line with the business needs of the Academy.

Governor	Meetings attended	Out of a possible
F Birkett	3	3
C Friend	3	3
A McCormick	3	3
E Mullins	3	3

**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 the 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 at the Academy for the year ended 31 August 2014 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 is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is an ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ended 31 August 2014 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 Business 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;
- ◆ identification and management of risks.

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 F Birkett as Responsible Officer ('RO') and have appointed the external auditor to perform a range of checks on the Academy's financial systems. The RO's role includes giving advice on financial matters and reviewing the results of the external auditor's checks on the Academy's financial systems. On a quarterly basis, the RO will report to the governors on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The RO has delivered their schedule of work as planned and no material control issues arose as a result of the RO's work.

**Review of effectiveness**

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

- ◆ the work of the Responsible Officer;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self assessment process;
- ◆ the work of the Senior Leadership Team within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Business and Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Governing Body and signed on their behalf by:

S Le Page  
Chair



A McCormick  
Executive Headteacher and Accounting  
Officer

Approved on: 18/12/2014

**Statement on regularity, propriety and compliance 31 August 2014**

As Accounting Officer of Queens Park Academy, I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy 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. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.

A handwritten signature in black ink, appearing to read 'A McCormick', with a long horizontal flourish underneath.

A McCormick  
Accounting Officer

Date: 18/12/14

## Statement of trustees' responsibilities 31 August 2014

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Academy and of its incoming resources and application of resources, including its income and expenditure, for that period. 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' Statement of Recommended Practice (the Charities' SORP);
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom 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 trustees 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 trustees are responsible for ensuring that in its conduct and operation the Academy applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The trustees 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 Board of Trustees on 9/12/14 and signed on its behalf by:

S Le Page  
Chair of Trustees



Date: 18/12/2014

**Independent auditor's report on the financial statements to the members of Queens Park Academy**

We have audited the financial statements of Queens Park Academy for the year ended 31 August 2014 which comprise the statement of financial activities, the balance sheet, the cash flow statement, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

**Respective responsibilities of trustees and auditor**

The trustees are also the directors of Queens Park Academy for the purpose of company law.

As explained more fully in the statement of trustees' responsibilities set out in the trustees' report, the trustees 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'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, including the strategic report, to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Independent auditor's report 31 August 2014**

### **Opinion**

In our opinion:

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

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

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

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

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

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



Simon Goodridge, Senior Statutory Auditor  
for and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

19/12/14

**Independent reporting accountant's assurance report on regularity to Queens Park Academy and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 4 October 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Queens Park Academy during the year from 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Queens Park Academy's Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Queens Park Academy's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 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.



**Approach** (continued)

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

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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

**Conclusion**

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

*Bonaldi UP*

Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

*19/12/14*

# Statement of financial activities 31 August 2014

(including income and expenditure account and statement of recognised gains and losses)

			Restricted funds				
	Notes	Un-restricted general funds £	EFA £	Other £	Fixed asset fund £	2014 Total funds £	2013 Total funds £
<b>Incoming resources</b>							
Incoming resources from generated funds							
Voluntary income	2	—	—	—	—	—	1,089
Activities for generating funds	3	100,850	—	206,469	—	307,319	381,362
Investment income	4	256	—	—	—	256	729
Incoming resources from charitable activities							
Funding for the academy's educational operations	5	—	2,126,751	227,961	45,808	2,400,520	2,346,671
Other income		14,998	—	—	—	14,998	14,173
<b>Total incoming resources</b>		<b>116,104</b>	<b>2,126,751</b>	<b>434,430</b>	<b>45,808</b>	<b>2,723,093</b>	<b>2,744,024</b>
<b>Resources expended</b>							
Charitable activities							
Academy's educational operations	7	90,580	2,262,315	434,430	174,565	2,961,890	2,975,783
Governance costs	8	—	18,150	—	—	18,150	14,605
<b>Total resources expended</b>	6	<b>90,580</b>	<b>2,280,465</b>	<b>434,430</b>	<b>174,565</b>	<b>2,980,040</b>	<b>2,990,388</b>
<b>Net income (expenditure) for the year before transfers</b>							
		25,524	(153,714)	—	(128,757)	(256,947)	(246,364)
<b>Transfer between funds</b>	15	(102,423)	41,922	—	60,501	—	—
<b>Other recognised gains and losses</b>							
Actuarial (loss) gain on defined benefit pension scheme	23	—	(238,000)	—	—	(238,000)	31,000
<b>Net movement in funds</b>		(76,899)	(349,792)	—	(68,256)	(494,947)	(215,364)
<b>Reconciliation of funds</b>							
Fund balances brought forward at 1 September 2013		116,295	(445,208)	2,000	2,558,207	2,231,294	2,446,658
<b>Fund balances carried forward at 31 August 2014</b>		<b>39,396</b>	<b>(795,000)</b>	<b>2,000</b>	<b>2,489,951</b>	<b>1,736,347</b>	<b>2,231,294</b>

All of the Trust's activities derive from continuing operations during the above financial periods.

# Balance sheet 31 August 2014

	Notes	2014 £	2014 £	2013 £	2013 £
<b>Fixed assets</b>					
Tangible fixed assets	12		2,444,143		2,558,207
<b>Current assets</b>					
Debtors	13	58,375		116,799	
Cash at bank and in hand		114,067		292,012	
		<u>172,442</u>		<u>408,811</u>	
<b>Creditors:</b> amounts falling due within one year	14	(85,238)		(237,724)	
<b>Net current assets</b>			<u>87,204</u>		<u>171,087</u>
Total assets less current liabilities			<u>2,531,347</u>		<u>2,729,294</u>
Pension scheme liability	23		(795,000)		(498,000)
<b>Net assets including pension scheme liability</b>			<u>1,736,347</u>		<u>2,231,294</u>
<b>Funds of the Academy</b>					
Restricted funds					
. Fixed assets fund	15		2,489,951		2,558,207
. EFA fund	15		—		52,792
. Other restricted funds	15		2,000		2,000
. Pension reserve	15		(795,000)		(498,000)
			<u>1,696,951</u>		<u>2,114,999</u>
Unrestricted funds					
. General fund	15		39,396		116,295
<b>Total funds</b>			<u>1,736,347</u>		<u>2,231,294</u>

The financial statements on page 32 to 52 were approved by the Trustees, and authorised for issue on 9/12 2014 and are signed on their behalf by:

S Le Page  
Chair

 18/12/2014

Queens Park Academy  
Company Limited by Guarantee  
Registration Number: 07566528 (England and Wales)

## Cash flow statement 31 August 2014

	Notes	2014 £	2013 £
<b>Net cash inflow from operating activities</b>	18	<b>(163,508)</b>	49,511
Returns on investment and servicing of finance	19	256	729
Capital expenditure	20	<b>(14,693)</b>	(295,918)
<b>Decrease in cash in the period</b>	21	<b>(177,945)</b>	(245,678)
<b>Reconciliation of net cash flow to movement in net funds:</b>			
Net funds at 31 August 2013		292,012	537,690
<b>Net funds at 31 August 2014</b>		<b>114,067</b>	292,012

### **Basis of Preparation**

The financial statements have been prepared under the historical cost convention 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 2013 to 2014 issued by the EFA 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 governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

### **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 year 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 is recognised in the period it is receivable.

**Incoming Resources** (continued)

**Gifts in kind**

The value of gifts in kind provided to the academy are recognised at a valuation attributed by the governors in the period in which they are receivable as incoming resources, where the benefit to the School can be reliably measured.

**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.

**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 Governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

**Tangible Fixed Assets**

Assets costing £1,000 or more 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/valuation of each asset on a straight-line basis over its expected useful economic life, as follows:

**Tangible Fixed Assets** (continued)

Leasehold property	4% per annum
Fixtures, fittings and equipment	20% per annum
IT equipment	33 1/3% per annum

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.

**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 trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**Pensions Benefits**

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

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 23, 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.

**Pensions Benefits** (continued)

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 trust at the discretion of the governors.

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

Restricted EFA funds comprise all other grants received from the Education Funding Agency.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority, Bedford Borough Council.



## Notes to the financial statements 31 August 2014

### 1 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Academy was subject to limits at 31 August 2014 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy has not exceeded these limits during the year ended 31 August 2014.

### 2 Voluntary income

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Donations	—	—	—	1,089

### 3 Activities for Generating Funds

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Hire of facilities	19,320	—	19,320	22,159
Catering income	—	39,422	39,422	32,455
Consultancy income	3,272	—	3,272	72,661
Community Nursery	—	167,047	167,047	171,990
Queens Park Primary Leadership Collaborative	—	—	—	46,070
Miscellaneous income	78,258	—	78,258	36,027
	100,850	206,469	307,319	381,362

### 4 Investment Income

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Interest receivable	256	—	256	729

Notes to the financial statements 31 August 2014

**5 Funding for academy's educational operations**

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
<b>DfE / EFA capital grant</b>				
Devolved formula capital	—	55,062	<b>55,062</b>	61,323
	—	55,062	<b>55,062</b>	61,323
<b>DfE / EFA revenue grant</b>				
. General Annual Grant (GAG)	—	1,896,798	<b>1,896,798</b>	1,984,825
. Other DfE / EFA	—	220,699	<b>220,699</b>	57,080
	—	2,117,497	<b>2,117,497</b>	2,041,905
<b>Other government grants</b>				
. Local authority grants	—	227,961	<b>227,961</b>	243,443
	—	227,961	<b>227,961</b>	243,443
	—	2,400,520	<b>2,400,520</b>	2,346,671

**6 Resources expended**

	Staff costs £	Non pay expenditure		2014 Total funds £	2013 Total funds £
		Premises £	Other costs £		
Charitable activities					
. School's educational operations					
.. Direct costs	1,431,722	174,565	152,409	<b>1,758,696</b>	1,746,886
.. Allocated support costs	757,373	233,937	211,884	<b>1,203,194</b>	1,228,897
	2,189,095	408,502	364,293	<b>2,961,890</b>	2,975,783
Governance costs	—	—	18,150	<b>18,150</b>	14,605
	2,189,095	408,502	382,443	<b>2,980,040</b>	2,990,388

	2014 Total funds £	2013 Total funds £
<b>Incoming resources for the year include:</b>		
Operating leases	<b>3,233</b>	14,071
Fees payable to auditor		
. Statutory audit	<b>8,600</b>	8,400
. Non statutory audit	<b>1,000</b>	1,000
. Other services - current year	<b>3,100</b>	2,800
. Other services - prior year under accrual	<b>5,450</b>	1,750

# Notes to the financial statements 31 August 2014

## 7 Charitable activities - academy's educational operations

	2014 Total funds £	2013 Total funds £
<b>Direct costs</b>		
Teaching and educational support staff costs	1,431,722	1,415,963
Depreciation	174,565	165,396
Educational supplies	47,605	44,929
Staff development	35,370	50,864
Staff recruitment	—	3,417
Other direct costs	69,434	66,317
	<b>1,758,696</b>	<b>1,746,886</b>
<b>Allocated support costs</b>		
Support staff costs	757,373	621,702
Other nursery costs	4,210	16,169
Maintenance of premises and equipment	85,985	196,835
IT costs	18,256	43,409
Cleaning	20,129	21,118
Rent and rates	39,652	42,621
Insurance	66,459	44,001
Security and transport	21,712	10,473
Catering	55,507	95,500
FRS 17 charges	13,000	17,000
Queens Park Primary Leadership Collaborative	—	46,070
Other support costs	120,911	73,999
	<b>1,203,194</b>	<b>1,228,897</b>
	<b>2,961,890</b>	<b>2,975,783</b>

## 8 Governance costs

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Auditor's remuneration:				
· Audit services	—	9,600	9,600	9,400
· Other services	—	7,950	7,950	3,050
· Responsible officer services	—	—	—	1,500
Other expenses	—	600	600	655
	—	18,150	18,150	14,605

## 9 Staff

### (a) Staff costs

Staff costs during the period were:

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Wages and salaries	—	1,743,619	<b>1,743,619</b>	1,647,077
Social security costs	—	106,615	<b>106,615</b>	104,944
Pension costs	—	255,126	<b>255,126</b>	223,979
	—	2,105,361	<b>2,105,361</b>	1,976,000
Supply teacher costs	—	83,735	<b>83,735</b>	61,665
	—	2,189,095	<b>2,189,095</b>	2,037,665

### (b) Staff numbers

The average numbers of persons (including senior management team) employed by the School during the period expressed as full time equivalents was as follows:

Charitable activities	2014 No.	2013 No.
Teachers	<b>19</b>	20
Administration and support	<b>34</b>	32
Management	<b>4</b>	4
	<b>57</b>	56

### (c) Higher paid staff

The number of employees whose annual emoluments fell within the following bands was:

	2014 No.	2013 No.
£60,001 - £70,000	<b>1</b>	—
£80,001 - £90,000	<b>—</b>	1

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2014 pension contributions for this staff member amounted to £4,613 (2013 - £12,047).

**10 Governors' remuneration and expenses**

The Executive Headteacher and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Headteacher and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy in respect of their role as trustees. The value of trustees' remuneration for the year to 31 August 2014 was:

	2014 £	2013 £
A McCormick, Executive Headteacher	60 – 65k	85 – 90k

During the year ended 31 August 2014 travel and subsistence expenses totalling £130 (2013 - £54) were reimbursed to one (2013 – one) governor.

Other related party transactions involving the trustees are set out in note 24.

**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 £1,898,721 on any one claim and the cost for the year ended 31 August 2014 was £285 (2013 - £111).

## 12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	IT Equipment £	Total funds £
<b>Cost/valuation</b>				
At 1 September 2013	2,618,266	139,626	116,138	<b>2,874,030</b>
Additions	50,880	5,345	4,276	<b>60,501</b>
At 31 August 2014	<u>2,669,146</u>	<u>144,971</u>	<u>120,414</u>	<u><b>2,934,531</b></u>
<b>Depreciation</b>				
At 1 September 2013	237,169	33,906	44,748	<b>315,823</b>
Charge in year	105,432	28,995	40,138	<b>174,565</b>
At 31 August 2014	<u>342,601</u>	<u>62,901</u>	<u>84,886</u>	<u><b>490,388</b></u>
<b>Net book value</b>				
At 31 August 2014	2,326,545	82,070	35,528	<b>2,444,143</b>
At 31 August 2013	<u>2,381,097</u>	<u>105,720</u>	<u>71,390</u>	<u><b>2,558,207</b></u>

The leasehold land and buildings value above relates to the academy site at Chestnut Avenue. As the site is designated for educational purposes only the land has no open market value and hence the value in these financial statements relates to the academy buildings only, which are included at a depreciated replacement cost valuation.

The fixed assets fund also included £45,808 (2013 - £nil) of unspent capital funding held as cash at the year end.

## 13 Debtors

	2014 £	2013 £
Trade debtors	<b>12,943</b>	54,906
Prepayments	<b>20,200</b>	19,391
Accrued income	<b>25,133</b>	—
VAT debtor	—	42,502
Other debtors	<b>99</b>	—
	<u><b>58,375</b></u>	<u>116,799</u>

## 14 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	<b>32,954</b>	130,070
Accruals and deferred income	<b>14,300</b>	107,654
VAT	<b>37,984</b>	—
	<u><b>85,238</b></u>	<u>237,724</u>
<b>Deferred income</b>		
Deferred income at 1 September 2013	<b>18,329</b>	12,265
Resources deferred in the year	—	18,329
Released in the year	<b>(18,329)</b>	(12,265)
Deferred income at 31 August 2014	<u>—</u>	<u>18,329</u>

## 15 Funds

	Balance at 1 September 2013 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2014 £
<b>EFA revenue grant fund</b>					
. General Annual Grant (GAG)	52,792	1,896,798	(1,991,512)	41,922	—
. Pupil premium	—	165,615	(165,615)	—	—
. Other EFA grants	—	64,338	(64,338)	—	—
	52,792	2,126,751	(2,221,465)	41,922	—
. Pension reserve	(498,000)	—	(59,000)	(238,000)	(795,000)
	(445,208)	2,126,751	(2,280,465)	(196,078)	(795,000)
<b>Fixed assets fund</b>					
. EFA capital grants	167,458	45,808	(24,762)	60,501	249,005
. Academy building transferred from Local Authority	2,149,456	—	(95,179)	—	2,054,277
. Unrestricted funds	241,293	—	(54,624)	—	186,669
	2,558,207	45,808	(174,565)	60,501	2,489,951
<b>Other funds</b>					
. Other government grants	—	227,961	(227,961)	—	—
. Other income	2,000	206,469	(206,469)	—	2,000
	2,000	434,430	(434,430)	—	2,000
<b>Total restricted funds</b>	2,114,999	2,606,989	(2,889,460)	(135,577)	1,696,951
<b>Unrestricted funds</b>					
. General fund	116,295	116,104	(90,580)	(102,423)	39,396
<b>Total unrestricted funds</b>	116,295	116,104	(90,580)	(102,423)	39,396
<b>Total funds</b>	2,231,294	2,723,093	(2,980,040)	(238,000)	1,736,347

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

### EFA revenue Grant

These grants relate to the academy's development and operational activities. This includes:

#### General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2014. Note 1 discloses whether the limit was exceeded. Transfers relate to expenditure on educational operations in excess of GAG funding which have been met from unrestricted funds.

#### Pension reserve

The pension reserve relates to the Academy's Local Government Pension Scheme FRS17 liability for support staff.

## 15 Funds (continued)

### Other restricted funds

This includes other specific income received towards ear marked projects/activities.

### Fixed assets fund

This fund relates to the tangible fixed assets of the Academy including unspent grants received to fund works of a capital nature. Transfers relate to capital expenditure from unrestricted funds.

## 16 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds			Total 2014 £
		Restricted EFA funds £	Restricted other funds £	Restricted fixed asset fund £	
<b>Fund balances at 31 August 2014 are represented by:</b>					
Tangible fixed assets	—	—	—	2,444,143	<b>2,444,143</b>
Current assets	39,396	85,238	2,000	45,808	<b>172,442</b>
Current liabilities	—	(85,238)	—	—	<b>(85,238)</b>
Pension scheme liability	—	(795,000)	—	—	<b>(795,000)</b>
<b>Total net assets</b>	<b>39,396</b>	<b>(795,000)</b>	<b>2,000</b>	<b>2,489,951</b>	<b>1,736,347</b>

## 17 Financial commitments

### Operating leases

At 31 August 2014, the Academy had annual commitments under non cancellable operating leases as follows:

	2014 £	2013 £
Photocopiers and printers		
Expiring within one year	<b>888</b>	—
Expiring within two and five years inclusive	<b>2,345</b>	14,071



## Notes to the financial statements 31 August 2014

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

	2014 £	2013 £
Net (expenditure) income	(256,947)	(246,364)
Depreciation (note 12)	174,565	165,396
Capital grants from DfE and other capital income	(45,808)	(61,323)
Interest receivable (note 4)	(256)	(729)
FRS 17 pension cost less contributions payable (note 23)	46,000	29,000
FRS 17 pension finance expense (note 23)	13,000	17,000
Decrease (increase) in debtors	58,424	93,752
Increase in creditors	(152,486)	52,779
<b>Net cash inflow from operating activities</b>	<b>(163,508)</b>	<b>49,511</b>

### 19 Returns on investment and servicing of finance

	2014 £	2013 £
Interest received	256	729
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b>256</b>	<b>729</b>

### 20 Capital expenditure and financial investment

	2014 £	2013 £
Capital grants from DfE / EFA	45,808	61,323
Assets purchased	(60,501)	(357,241)
<b>Net cash outflow from capital expenditure and financial investments</b>	<b>(14,693)</b>	<b>(295,918)</b>

### 21 Analysis of changes in net funds

	At 1 September 2013 £	Cashflows £	At 31 August 2014 £
Cash in hand and at bank	292,012	(177,945)	114,067

### 22 Members' Liability

Each member of the Academy 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.

### 23 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 Bedford Borough Council. Both are defined-benefit schemes.

**23 Pension and similar obligations (continued)**

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS was 31 March 2013.

There were no outstanding or prepaid contributions at the end of the financial period.

***Teachers' Pension Scheme***

*Introduction*

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

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

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

*Valuation of the Teachers' Pension Scheme*

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- ◆ employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- ◆ total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- ◆ an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>).

**23 Pension and similar obligations (continued)**

***Teachers' Pension Scheme (continued)***

*Teachers' Pension Scheme Changes*

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

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

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

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

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

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

## 23 Pension and similar obligations (continued)

### Local Government Pension Scheme (LGPS)

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 2014 was £147,000 of which employer's contributions totalled £107,000 and employees' contributions totalled £40,000.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal Actuarial Assumptions	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	3.5%	5.1%
Rate of increase for pensions in payment / inflation	2.7%	2.8%
Discount rate for scheme liabilities	3.7%	4.6%

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

	At 31 August 2014	At 31 August 2013
<i>Retiring today</i>		
Males	22.4	21.6
Females	24.3	23.2
<i>Retiring in 20 years</i>		
Males	24.4	23.6
Females	26.8	25.6

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

	Expected return at 31 August 2014	Fair value at 31 August 2014 £	Expected return at 31 August 2013	Fair value at 31 August 2013 £
Equities	6.3%	715,000	6.6%	555,000
Bonds	3.3%	197,000	4.0%	151,000
Property	4.5%	93,000	4.7%	63,000
Cash	3.3%	31,000	3.6%	24,000
Total market value of assets		1,036,000		793,000
Present value of scheme liabilities		(1,831,000)		(1,291,000)
(Deficit) in the scheme		(795,000)		(498,000)

**23 Pension and similar obligations (continued)**

***Local Government Pension Scheme (continued)***

The actual return on scheme assets was £97,000.

	2014 £	2013 £
<b>Amounts recognised in statement of financial activities</b>		
Current service costs (net of employee contributions)	153,000	109,000
Total operating charge	153,000	109,000
<b>Analysis of pension finance costs</b>		
Expected return on pension scheme assets	51,000	30,000
Interest on pension liabilities	(64,000)	(47,000)
<b>Pension finance costs</b>	<b>(13,000)</b>	<b>(17,000)</b>

The actuarial gains and losses for the current period 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 loss of £405,000 (2013 - £167,000).

	2014 £	2013 £
<b>Movements in the overall deficit were as follows:</b>		
At 1 September 2013	498,000	483,000
Current service cost	153,000	109,000
Employer contributions	(107,000)	(80,000)
Net finance interest	13,000	17,000
Actuarial loss (gain)	238,000	(31,000)
<b>At 31 August 2014</b>	<b>795,000</b>	<b>498,000</b>

	2014 £	2013 £
<b>Movements in the present value of defined benefit obligations were as follows:</b>		
At 1 September 2013	1,291,000	1,100,000
Current service costs	153,000	109,000
Interest costs	64,000	47,000
Employee contributions	40,000	30,000
Actuarial losses	284,000	5,000
Estimated benefits paid	(1,000)	—
<b>At 31 August 2014</b>	<b>1,831,000</b>	<b>1,291,000</b>

## 23 Pension and similar obligations (continued)

### *Local Government Pension Scheme (continued)*

	2014 £	2013 £
<b>Movements in the fair value of School's share of scheme assets:</b>		
At 1 September 2013	793,000	617,000
Expected return on assets	51,000	30,000
Actuarial gain	46,000	36,000
Employer contributions	107,000	80,000
Employee contributions	40,000	30,000
Estimated benefits paid	(1,000)	—
<b>At 31 August 2014</b>	<b>1,036,000</b>	<b>793,000</b>

The estimated value of the employer contributions for the year ended 31 August 2015 is £123,000.

The experience adjustments are as follows:

	2014 £	2013 £	2012 £
<b>Present value of defined benefit obligations</b>	<b>(1,831,000)</b>	<b>(1,291,000)</b>	<b>(1,100,000)</b>
<b>Fair value of share scheme assets</b>	<b>1,036,000</b>	<b>793,000</b>	<b>617,000</b>
<b>Deficit on the scheme</b>	<b>(795,000)</b>	<b>(498,000)</b>	<b>(483,000)</b>
<b>Experience adjustments on share of scheme assets</b>	<b>46,000</b>	<b>36,000</b>	<b>(30,000)</b>
Percentage of scheme assets	4.4%	4.5%	(4.9%)
<b>Experience adjustments on scheme liabilities</b>	<b>(160,000)</b>	<b>—</b>	<b>—</b>
Percentage of scheme liabilities	8.7%	—	—

## 24 Related party transactions

Owing to the nature of the Academy's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

There were no such transactions during the financial period (2013 – none).