

**ALEXANDRA PARK SCHOOL**  
**(A Company Limited by Guarantee)**

**GOVERNORS' REPORT, STRATEGIC REPORT  
AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2014**

THURSDAY



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COMPANIES HOUSE

**Company Limited by Guarantee**  
**Registration Number:**  
**07708890 (England and Wales)**

# ALEXANDRA PARK SCHOOL

## CONTENTS

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	<b>Page</b>
Reference and Administrative Information	1
Governors' Report	2
Governance Statement	10
Statement on Regularity, Propriety and Compliance	14
Statement of Governors' Responsibilities	15
Independent Auditors' Report	16
Independent Auditors' Report on Regularity	18
Statement of Financial Activities	20
Balance Sheet	21
Cash Flow Statement	22
Principal Accounting Policies	23
Notes to the Financial Statements	26

## ALEXANDRA PARK SCHOOL

### REFERENCE AND ADMINISTRATIVE INFORMATION 31 AUGUST 2014

<b>Members</b>	Stephanie Gold Elizabeth Goldby Michael McKenzie Lindsay Pinnick Jamie Scott Rachel Wells Gloria Wyse
<b>Governors (Directors)</b>	Jackie Beer, Appointed Governor ( <i>term of office ends 2 October, 2017</i> ) Sean Burke, Appointed Governor ( <i>term of office ends 30 August 2016</i> ) Andrea Callender, Appointed Governor ( <i>term of office ends 2 October 2017</i> ) Kamla Chetty, Parent Governor ( <i>term of office ended 31 August 2014</i> ) Christopher Chessum, Parent Governor ( <i>term of office ends 18 July 2016</i> ) Stephanie Gold, Appointed Governor and Chair until 1 October 2014 ( <i>term of office ends 30 August 2016</i> ) Elizabeth Goldby, Appointed Governor ( <i>term of office ends 25 July 2017</i> ) Kathleen Graham Harrison, Appointed Governor ( <i>term of office ended 31 August 2014</i> ) Brian Haley, Appointed Governor ( <i>term of office ends 14 September 2016</i> ) Deborah Harris, Parent Governor ( <i>term of office ended 31 August 2014</i> ) Esther Joseph, Teaching Staff Governor ( <i>resigned 31 July 2014</i> ) Susan Levi, Support Staff Governor ( <i>term of office ends 23 March 2015</i> ) Michael McKenzie, Headteacher and Governor Lindsay Pinnick, Appointed Governor, Joint Vice Chair and Chair of the Curriculum Committee ( <i>term of office ends 16 July 2018</i> ) Ewan Scott, Teaching Staff Governor ( <i>resigned 31 July 2014</i> ) Nigel Scott, Appointed Governor ( <i>term of office ends 27 June 2016</i> ) Jamie Scott, Appointed Governor Joint Vice-Chair and Chair of the Resources Committee ( <i>term of office ends 25 July 2017</i> ) Nicola Venning, Parent Governor ( <i>term of office ended 19 April 2014</i> ) Rachel Wells, Appointed Governor and Chair from 2 October 2014 ( <i>term of office ends 18 April 2018</i> ) Gloria Wyse, Appointed Governor ( <i>term of office ends 3 April 2015</i> )
<b>Senior Management team</b>	Michael McKenzie, Headteacher Iraj Felfeli, Deputy Headteacher, Performance and Development Jackie Marchant, Deputy Headteacher, Pastoral Care Dan Silverman, Deputy Headteacher, Curriculum and Standards Abi Falola, Assistant Headteacher, Director of KS3 Rose O'Riordan-Fennessy, Assistant Headteacher, Curriculum and Standards KS3 into KS4 Paul Short, Assistant Headteacher, Director of Sixth Form St John Starkie, Assistant Headteacher, Curriculum and Standards, KS4 into KS5 George Stratis, Assistant Headteacher, KS4
<b>Registered Office</b>	Alexandra Park School Bidwell Gardens London N11 2AZ
<b>Company Registration Number</b>	07708890

**ALEXANDRA PARK SCHOOL**

**REFERENCE AND ADMINISTRATIVE INFORMATION 31 AUGUST 2014**

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<b>Statutory Auditor</b>	Wilkins Kennedy LLP Statutory Auditor Chartered Accountants Greytown House 221-227 High Street Orpington Kent BR6 0NZ
<b>Bankers</b>	Lloyds TSB Bank plc Silver Street PO Box 1000 BX1 1LT
<b>Investment advisors</b>	CCLA Investment Management Limited COIF Charity Funds Senator House 85 Queen Victoria Street London EC4V 4ET

## **ALEXANDRA PARK SCHOOL**

### **GOVERNORS' REPORT 31 AUGUST 2014**

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The Governors present their report together with the financial statements and auditor's report of the charitable company for the year 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report and a director's report under company law.

The Trust operates an academy for pupils aged 11 to 18 servicing a catchment area in north London, primarily in the London Borough of Haringey.

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

#### **Constitution**

The Academy Trust is a company limited by guarantee with no share capital (registration no. 07708890) and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy. The Governors act as the Trustees for the charitable activities of Alexandra Park School and are also Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Alexandra Park School. Details of the Governors who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

Alexandra Park School was incorporated on 18 July 2011 and obtained Academy status from 1 October 2011.

#### **Members' liability**

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

#### **Principal Activities**

The principal activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

#### **Method of Recruitment and Appointment or Election of Governors**

On 1 October 2011 the Trustees appointed all those Governors that served the predecessor school to be Governors of the newly formed Academy. These Governors were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process. As set out in its Articles of Association the number of Governors shall be not less than 3, but shall not be subject to a maximum. The Academy Trust has the following Governors.

- up to 13 Governors, appointed under Article 50
- up to 3 Staff Governors, comprising up to 2 teacher(s) and up to 1 Support Staff, subject to Article 50A;
- 3 Parent Governors appointed under Articles 53-58;
- the Headteacher;
- any Additional Governors, if appointed under Article 62, 62A or 68A; and
- any Further Governors, if appointed under Article 63 or Article 68A.

Governors are appointed for a four year period, except that this time limit does not apply to the Headteacher. When appointing new Governors, the Governing Body will give consideration to the range of skills and experience within the existing membership in order to ensure that the Governing Body has the necessary skills to contribute fully to the Academy's development.

### **Policies and Procedures adopted for the Induction and Training of Governors**

The training and induction provided for new Governors will depend upon their existing experience but will always include an induction meeting with the Chair, Clerk and Headteacher; a tour of the Academy; and a chance to meet staff and pupils.

All Governors are provided with copies of, or links to, essential policies and procedures, agendas and minutes, strategic documents, including those relating to financial planning and performance, and the APS Governors' Handbook. The Handbook is updated annually and includes details of the statutory framework under which the Academy operates, the roles and responsibilities of the Governing Body, its Standing Orders, key governance policies, and a detailed schedule of the business that will be conducted by the Governing Body and its Committees. There is an annual Governors' Planning Event which includes presentations aimed at keeping Governors updated on relevant developments that impact on their roles and responsibilities. External training is undertaken as required. The Governing Body subscribes to an online training programme and has identified two meetings in its annual cycle to focus on training and development.

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

#### **Organisational Structure**

The Governing Body usually meets twice a term. The Governing Body has established an overall framework for the governance of the Academy and has established 4 Committees (Academy Governance, Planning and Nominations; Curriculum; Inclusion; Personnel; Resources). It has determined membership, terms of reference and delegated responsibilities and procedures for its Committees. It receives minutes and reports, including policies, from the Committees for consideration and/or ratification and monitors their activities through reports from the relevant Chairs. Fuller details of the purpose of each committee are shown under the 'Governance' section of the Governance Statement on page 10).

The following decisions are reserved to the Governing Body: to consider any proposals for changes to the status or constitution of the Academy and its Committee structure; to appoint or remove the Chair and/or Vice Chair; to appoint the Headteacher and Clerk to the Governors; to approve the School Development Plan (SDP) and, on the recommendation of the Resources Committee, the Budget and Year-End Financial Statements. The Governing Body has devolved responsibility for the day-to-day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT consists of the Headteacher, two Deputy Headteachers and five Assistant Headteachers. The Headteacher is the Accounting Officer.

The Headteacher, one Deputy Headteacher, the Director of Finance and the Resources Committee are responsible for the authorisation of spending within agreed budgets as summarised in the Scheme of Delegation approved by the Governing Body. Some spending control is devolved to Budget Holders in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff.

#### **Connected Organisations including Related Party Relationships**

The Academy is also a National Teaching School, The New River Teaching Alliance (NRTA). In that role it has entered into a non-profit making partnership, through a memorandum of understanding, with secondary schools in Haringey, the Haringey Sixth Form Centre. It has identified the London Borough of Haringey, Fortismere School and Woodside School as its key NRTA strategic partners. Working with its strategic partners, it leads on the delivery of the Government's '6 Objectives' for teaching alliances. The Academy has successfully bid for and drawn down additional funding from other sources i.e. the London Excellence Fund which it has used for the purposes of providing CPD for subject-specialist teachers in NRTA schools and a mentoring/tutoring programme for KS4 and KS5 students in NRTA schools, in particular those on free school meals (FSM).

## OBJECTIVES AND ACTIVITIES

### Objects and Aims (as set out in the governing document)

The Governing Body's overall aim is to ensure it delivers its charitable objects, as set out in its Articles of Association, in the context of its Guiding Principles. It is committed to the principle of providing an accessible, broad and attainable curriculum for all pupils regardless of ability, race, religion, gender, ethnicity, colour, sexuality or class. It has articulated how it will achieve its key aim of "Success for All" in the School Development Plan (SDP), as follows:

*"Our aim is to develop a whole school ethos of aspiration and success with structures in place to challenge and support all individuals. If we are successful we will have created an evolving learning environment, which is vibrant, stimulating and contemporary and where all participants feel valued because they understand the part they play in the experience".*

### Objectives, Strategies and Activities

Objectives, strategies and activities are set out in the SDP, having been determined in the context of Academy priorities and the challenges and opportunities arising from national changes in education policy and funding. In 2013-2014, these included the following:

- Focus on literacy by introducing a new KS3&4 intervention programme so that all students can access an appropriate curriculum and develop a love of reading
- Ensure the delivery of the new KS4 and KS5 linear curriculum prepares students for the new terminal exams in 2014, improving academic performance across the board and stretching the most able
- Improve sixth form participation so that more students progress to the 'top third' universities, student attendance to lessons improves, the coursework deadlines are met and that relevant students are provided with structured time in the week to keep on top of their work
- Consolidate the establishment of the nurture group, including changing the name to 'Accelerate', in Year 7 to ensure the transition from primary to secondary is successful with all students being able to access an appropriate curriculum
- Re-focus SEN provision to meet the new requirements on SEN provision and funding by changing TA roles and deployment
- Narrow the attainment gap between children from low income families and those children not on FSM, maximising the use of the pupil premium and reducing in-school variation between subjects and classes within subject areas
- Continue to develop a range of activities under the umbrella of our teaching school (the new River Teaching Alliance) that involve all of our partner schools
- Consolidate our specialisms through partnership arrangements including working with STFC, SSAT and the National Space Centre to pilot a national quality mark for aspiring Space schools.

### Equal opportunities policy

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

### Disabled persons

The Academy complies with DDA regulations and makes every endeavour to welcome and/or teach any child or adult with a disability.

### PUBLIC BENEFIT

The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

**Public Benefit (continued)**

For the benefit of the inhabitants of North London and the surrounding area, the Academy promotes the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances and, similarly, for the public at large in the interests of social welfare and with the object of improving the condition of life of the aid inhabitants.

The Academy follows the Admission Policy of the London Borough of Haringey. Children with a statement of Special Educational Needs which named the school were admitted in accordance with Section 324 of the Education Act 1996. Criteria for admissions in 2013-2014 were as follows:

- Children in Care
- Social/Medical needs
- Brother or sister already attending the school
- Distance from the school
- Tie breaker - children living closest to the school

**STRATEGIC REPORT**

**ACHIEVEMENTS AND PERFORMANCE**

The Academy teaches young people from the age of 11-18. In 2013-2014, the Academy's Key Stage (KS) 3 results showed an increasing trend in students achieving the highest levels and the progress made at this stage is carried on into KS4, where the results including English and Maths improved once again. A level results were consistently excellent, with students of all abilities performing exceptionally well across a large and expanding range of subjects. The Academy maintained its 100% pass rate at A level and at the top level it saw have increasing numbers of students achieving straight A grades and more still passing all of their courses with As and Bs (A\*-B = 60%; A-C = 86%), results that are well above the average for comprehensive schools. In value-added terms the Academy's results were as outstanding: independent analysis of over 1100 schools and colleges placed the Academy in the top 10% for all of the five years for which we have been entering students for A level.

The Academy enhanced further its teaching school activities through a successful bid to the London Excellence Fund (Mayor's Office for London) which resulted in funding for a project aimed at raising aspirations and outcomes for all sixth form students in the London Borough of Haringey. The 'Raising Aspirations and Access to Top Universities' (RATU) Project involves a student tutoring/mentoring programme run in partnership with the Brilliant Club and a bespoke CPD Programme for subject-specialist teachers in six curriculum areas, delivered by the Prince's Teaching Institute.

The Academy is heavily oversubscribed. It received 1542 applications for the 216 places available in Year 7 in September 2014.

**GOING CONCERN**

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.



## **KEY PERFORMANCE INDICATORS**

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2013 were 1435 a decrease of 19.

Another key financial performance indicator is staffing costs as a percentage of total income and in 2013 the Governing Body set an indicator that staff costs should be no more than 80% of total income.

All financial performance indicators set by the Governing Body for this period were met. These were:

- to maintain an operating surplus to support the strategic development of the school;
- to have at least 45 cash days in hand as working balances;
- to have a current ratio of at least 1:1 for current assets relative to current liabilities.
- to diversify income streams by increasing the proportion of total income represented by non-core EFA funding and grants.

The most recent Ofsted Inspection judged the Academy as 'Outstanding' in its most recent Inspection (2011) and pupil attendance data (at 95.5%) as well as the KS3, 4 and 5 results summarised above have improved further since that time.

## **FINANCIAL REVIEW**

### **Financial report for the year**

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2014, total expenditure of £10,349k (2013: £9,911k) was met by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £704k (2013: £669k).

At 31 August 2014 the net book value of fixed assets was £20,773k (2013: £21,022k). Movements in tangible fixed assets are shown in Note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The London Borough of Haringey Pension Fund, in which the Academy participates, showed a deficit of £1,748k (2013: £1,107k) at 31 August 2014. Of this sum, £1,015k was inherited by Alexandra Park School from the London Borough of Haringey on 1 October 2011, the date the local authority's staff transferred to employment with the Academy.

### **Financial and Risk Management Objectives and Policies**

The financial risks to which Alexandra Park School is exposed relates primarily to greater decline than currently forecast in Government funding arising from further deterioration in the UK economy.

A risk also arises in relation to the defined benefit pension LGPS scheme due to the deficit as at 31 August 2014 of £1,748k (2013: £1,107k).

### Principal Risks and Uncertainties

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

Financial - the Academy has considerable reliance on continued Government funding. This is recognised as a principal risk because the Academy cannot assume that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. The Academy is mindful in particular of the ongoing timetable of Government changes to funding levels for 16-18 year old students as the EFA reduces these to match those associated with Further Education colleges.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Governors continue to review and ensure that appropriate measures are in place to mitigate these risks, including taking legal or specialist advice on key areas of relevant legislation.

Reputational - the continuing success of the Academy is dependent on attracting applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Governors ensure that student success and achievement are rigorously monitored and reviewed. The number of applicants applying for admission to the Academy in 2013-2014 was the highest number to date at 1542, with the Academy receiving the most first preferences of any Haringey school; the most second preferences; and the most third preferences.

Safeguarding and child protection - the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.

Staffing - the success of the Academy is reliant on the quality of its leadership and staff. The Governors monitor and review policies and procedures to ensure continued development and training for all staff and approved the implementation of a new performance management system. The start of the 2013 academic year saw the Academy fully staffed in all areas.

Fraud and mismanagement of funds - The Academy has contracted with an audit firm to provide Responsible Officer service to carry out checks on financial systems and records following sector guidance. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area. A succession planning process is in place to ensure appropriate delegation and deputising arrangements for the Finance Director.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. Strategic and operational risk registers are maintained, reviewed and updated on a regular basis by the Audit Committee and annually by the Governing Body.

### Risk Management

The Academy has a formal risk management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risk the Academy faces, scoring and prioritising these in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating them. A Risk Register is maintained and reviewed on a regular basis. The Governors have introduced systems, including operational procedures and internal financial controls, in order to minimise risk. Where significant financial risk still remains the Academy has ensured it has adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement on page 10.

## Reserve Policy and Financial Review

### *Reserves policy*

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the appropriate level of free reserves should be equivalent to four weeks' expenditure, which is approximately £800k (2013: £760k).

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves of £2,176k (2013: £1,782k) (total funds less the amount held in fixed assets and restricted funds) is greater than is needed and appropriate capital investment plans are under active consideration. The Academy anticipates that any excess of funds will not be utilised before the summer of 2014/15.

### *Investment policy*

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

### *Financial position*

The Academy held fund balances at 31 August 2014 of £21,520k (2013: £21,872k) comprising £19,344k (2013: £20,090k) of restricted funds and £2,176k (2013: £1,782k) of unrestricted general funds. Of the restricted funds £20,816k (2013: £21,070k) is represented by tangible fixed assets. The pension reserve which is considered part of restricted funds was £1,748k (2013: £1,107K) in deficit.

## PLANS FOR FUTURE PERIODS

Details of the Academy's plans for the future are set out in the SDP which is available on the APS website or from the Clerk to the Governors. The SDP is regularly monitored by the SLT, the Governing Body and its Committees. It is amended annually by the SLT after consultation and input from staff and Governors. The curriculum priorities in the SDP are used to inform future budget priorities.

In summary, in 2014-2015 the Academy will:

- continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels;
- continue to aim to attract high quality teachers and support staff in order to deliver its objectives;
- continue to work with partner schools to improve the educational opportunities for students in the wider community;

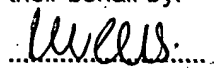
## Information provided to auditors

The Governors confirm that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

## AUDITORS

The auditors, Wilkins Kennedy LLP, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

The report of the Governors was approved by the Governors on 15/12/14 and signed on their behalf by:

  
Rachel Wells  
Chair

**Scope of Responsibility**

As Governors, we acknowledge we have overall responsibility for ensuring that Alexandra Park School 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 Headteacher, as Accounting Officer, for ensuring financial controls conform to 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 Alexandra Park School and the Secretary of State for Education. The 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 Governors' Report and in the Statement of Governors' responsibilities. The Governing Body has formally met 5 times during the year under review with an overall attendance of 82%. Attendance during the year at meetings of the Governing Body was as follows:

<b>Name</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Jackie Beer*	2	4
Sean Burke	3	5
Kamla Chetty	4	5
Andrea Callendar	4	4
Christopher Chessum	4	5
Stephanie Gold	5	5
Elizabeth Goldby	4	5
Kathleen Graham Harrison	4	5
Brian Haley	3	5
Deborah Harris	5	5
Esther Joseph	4	5
Sue Levi	4	5
Michael McKenzie	5	5
Lindsay Pinnick	3	5
Ewan Scott	4	5
Jamie Scott	5	5
Nigel Scott	4	5
Nicola Venning	3	3
Rachel Wells	5	5
Gloria Wyse	4	5

\*includes absence on maternity leave

During 2013-2014, the Academy Governing Body reviewed its impact and effectiveness through a self-evaluation process and via the inclusion of a standing item on the AGPN Committee agendas on succession planning. Arising out of the findings of both, the Governing Body agreed a number of actions, including the following:

- the inclusion, within the School Development Plan, of targets for Governors in relation to training, development and succession (particularly for the role of Chair);
- a revised programme of training and development, face-to-face and online, including an input from the SLT on the key performance data that informs Ofsted judgements
- a revised Governor skills audit pro-forma
- enhancements to the Governors' Handbook

## GOVERNANCE STATEMENT 31 AUGUST 2014 (continued)

The Governing Body will review the outcomes of the changed training and development arrangements in 2014-2015 and retain succession planning as a standing item for the AGPN Committee.

During the year under review, the Governing Body continued to operate with five Committees and the main purpose of each is summarised below. Terms of reference for each Committee are available from the Clerk to the Governing Body. NB the activities of the Audit Committee were subsumed from September 2014 within the terms of reference of the Resources Committee.

- Academy Governance, Planning and Nominations Committee – which met 6 times to determine, monitor, evaluate and/or review Academy policy and performance in relation to governance, including succession planning, nominations and elections to the Governing Body, governance assessment and evaluation processes and the annual programme of work for the Governing Body and its Committees based on its strategic priorities and funders' requirements.
- Audit Committee – which met 3 times to consider reports on the effectiveness of controls, including those from internal audit reviews and to monitor the risk register and business continuity and disaster management policies
- Curriculum Committee – which met 3 times to determine, monitor, evaluate and/or review Academy policy, practice and performance in relation to the curriculum, including assessment and examination outcomes, KS3, 4, 5 and other relevant targets.
- Inclusion Committee – which met 3 times to determine, monitor, evaluate and/or review Academy policy, practice and performance in relation to child protection, SEN provision, G&T pupils and pastoral care in the school.
- Personnel Committee – which met 3 times a term to determine, monitor, evaluate and/or review Academy policy, practice and performance in relation to staffing, including CPD and performance management.
- Resources Committee – which met 7 times a year to determine, monitor, evaluate and/or review Academy policy and performance in relation to financial management, including the year-end financial statements and the annual budget, and premises management.

Attendance during the year at meetings of the Resources Committee was as follows:

Name	Meetings attended	Out of a possible
Kamla Chetty	5	7
Brian Haley	5	7
Michael McKenzie	7	7
Jamie Scott	7	7
Nigel Scott	4	7
Rachel Wells	7	7

Attendance during the year at meetings of the Audit Committee was as follows:

Name	Meetings attended	Out of a possible
Kathleen Graham-Harrison	3	3
Steph Gold	3	3
Jamie Scott	3	3
Rachel Wells	2	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 Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal control has been in place in Alexandra Park School 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 Trust 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 a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is reviewed by the Governing Body and its Committees.

**The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Resources 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 Wilkins Kennedy LLP, to fulfil the Internal Audit role. The role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the internal auditor reports to the Governing body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

The role is carried out by a separate office at Wilkins Kennedy LLP with no connection to the audit team, this is to ensure the reviews are carried out independently.

All planned work was carried out and no material control issues were discovered.

**Review of Effectiveness**

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

- the work of the internal Audit;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

**ALEXANDRA PARK SCHOOL**

**GOVERNANCE STATEMENT 31 AUGUST 2014 (continued)**

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**Review of Effectiveness (continued)**

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

Approved by order of the members of the Governing Body on 15.12.14 and signed on its behalf by:



Rachel Wells  
Chair



Michael McKenzie  
Accounting Officer

**ALEXANDRA PARK SCHOOL**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE 31 AUGUST 2014**

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As Accounting Officer of Alexandra Park School 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 Governors and the EFA.



.....  
**Michael McKenzie**  
**Accounting Officer**

Date..... **15.12.14**



## ALEXANDRA PARK SCHOOL

### STATEMENT OF GOVERNORS' RESPONSIBILITIES 31 AUGUST 2014

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The Governors (who act as trustees for charitable activities of Alexandra Park School and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Directions issued by the Young People's Learning Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that year. In preparing these financial statements, the Governors are required to:-

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

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in its conduct and operation, the Charitable Company applies financial and other controls, which conform to 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 Governors are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Governing Body on 15.12.14 and signed on its behalf by:-

  
.....  
**Rachel Wells**  
**Chair**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALEXANDRA PARK SCHOOL**

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We have audited the financial statements of Alexandra Park School for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2014 issued by the Education Funding Agency (EFA).

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective Responsibilities of Governors and Auditor**

As explained more fully in the Governors' Responsibilities Statement (set out on page 13), the governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

### **Scope of the Audit of the Financial Statements**

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

### **Opinion on Financial Statements**

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;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Academies Accounts Direction 2014 issued by the EFA.
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on Other Matter Prescribed by the Companies Act 2006**

In our opinion, the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
ALEXANDRA PARK SCHOOL (continued)**

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**Matters on which we are Required to Report by Exception**

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

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

*Wilkins Kennedy LLP*

**Michelle Wilkes (Senior Statutory Auditor)**

For and on behalf of Wilkins Kennedy LLP, Statutory Auditor  
Greytown House  
221-227 High Street  
Orpington  
Kent BR6 0NZ

Date:

*17/12/14*

## **INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO THE GOVERNING BODY OF ALEXANDRA PARK SCHOOL AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 3 October 2012 and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2014, we have carried out an engagement to obtain limited assurance about whether, in all material respects, the expenditure disbursed and income received by the Academy Trust during the year 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 the Governing Body and the EFA. Our review work has been undertaken so that we might state to the Governing Body and the EFA those matters we are required to state to it 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 Governing Body and the EFA, for our review work, for this report, or for the opinion we have formed.

### **Respective responsibilities of the Academy's Accounting Officer and Auditors**

The Accounting Officer is responsible, under the requirements of the Academy's funding agreement with the Secretary of State for Education dated 1 October 2011 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 2014. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the year 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 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.

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

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

As a firm we have taken the decision to use the Mercia work programme for regularity audit as approved by the ICAEW. The work undertaken to draw to our conclusion includes:

- Identification and assessment of the design and operational effectiveness of controls in place.
- Assessment and review of the policies and procedures in place and implementation thereof.
- Assessment that the policies and procedures have been implemented.
- Considered the activity represented by the expenditure and considered whether any may represent a breach of terms included within the funding agreement and the academy's charitable objects.

**INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO THE GOVERNING BODY OF  
ALEXANDRA PARK SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

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**Approach (continued)**

- Confirmed that the results of procedures throughout the audit did not provide any evidence that related party transactions and controlling party, if any, is incomplete.
- Considered whether the movements, including the level of disposals, and depreciation of fixed assets appear reasonable in view of our knowledge of the academy, its funding and consent received for disposals.
- Verified a sample of grants receivable to grant documentation, especially noting any restrictions as to timing or other recognition of the income, and any claw back clauses.
- Considered whether income appeared to be derived from activities outside of the academy's charitable objects and wider framework of authorities.
- Ensured that bank accounts are operated within the terms of the governing document, delegated powers, and the bank mandates.
- Considered the systems in place to ensure compliance with terms of funding and other relevant authorities (eg. terms of the Academies Financial Handbook or terms relevant to non-core funding streams).
- Ensured that the overall level of retained funds is acceptable in view of the academy's needs and plans, and that the accumulated funds are justifiable and permissible under the terms of funding.

**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 to 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.

*Wilkins Kennedy LLP*

Wilkins Kennedy LLP  
Chartered Accountants  
Greytown House  
221-227 High Street  
Orpington  
Kent BR6 0NZ

Date: 17/12/14

**ALEXANDRA PARK SCHOOL**  
**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2014 (Including**  
**Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Year to 31 August 2014 £000	Year to 31 August 2013 £000
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
- Voluntary income	2	194	-	-	194	165
- Activities for generating funds	3	229	-	-	229	282
- Investment Income		31	-	-	31	34
<i>Incoming resources from charitable activities:</i>						
- Funding for the Academy's educational operations	4	4	10,138	-	10,142	9,778
<b>Total incoming resources</b>		<b>458</b>	<b>10,138</b>	<b>-</b>	<b>10,596</b>	<b>10,259</b>
<b>Resources expended</b>						
<i>Charitable activities:</i>						
Academy's educational operations	6	76	9,815	427	10,318	9,868
Governance costs	7	-	31	-	31	43
<b>Total resources expended</b>	5	<b>76</b>	<b>9,846</b>	<b>427</b>	<b>10,349</b>	<b>9,911</b>
<b>Net incoming (outgoing) resources before other recognised gains and losses</b>		<b>382</b>	<b>292</b>	<b>(427)</b>	<b>247</b>	<b>348</b>
<b>Other recognised gains and losses</b>						
Actuarial (losses)/gains on defined benefit pension schemes	19	-	(611)	-	(611)	83
Gains on investments	12	12	-	-	12	-
Transfer of funds	15	-	(173)	173	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>394</b>	<b>(492)</b>	<b>(254)</b>	<b>(352)</b>	<b>431</b>
<b>Reconciliation of funds</b>						
<b>Total funds brought forward at 1 September 2013</b>		<b>1,782</b>	<b>(980)</b>	<b>21,070</b>	<b>21,872</b>	<b>21,441</b>
<b>Total funds carried forward at 31 August 2014</b>		<b>2,176</b>	<b>(1,472)</b>	<b>20,816</b>	<b>21,520</b>	<b>21,872</b>

- All income is derived from continuing activities during the year.
- All recognised gains and losses are included in the Statement of Financial Activities.

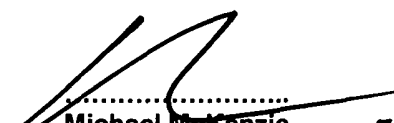
**ALEXANDRA PARK SCHOOL**

**BALANCE SHEET AS AT 31 AUGUST 2014**  
**COMPANY NUMBER: 07708890**

	Notes	2014 £000	2014 £000	2013 £000	2013 £000
<b>Fixed assets</b>					
Tangible assets	11		20,773		21,022
<b>Total fixed assets</b>			20,773		21,022
<b>Current assets</b>					
Stock		5		6	
Debtors	13	156		281	
Cash at bank and in hand		2,458		2,379	
Investments	12	362		-	
		2,981		2,666	
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	14	(486)		(709)	
<b>Net current assets</b>			2,495		1,957
<b>Total assets less current liabilities</b>			23,268		22,979
Pension scheme liability	19		(1,748)		(1,107)
<b>Net assets including pension liability</b>			21,520		21,872
<b>Funds of the Academy:</b>					
<b>Restricted funds</b>					
Fixed asset fund	15		20,816		21,070
Pension fund	15		(1,748)		(1,107)
General fund	15		276		127
			19,344		20,090
<b>Unrestricted funds</b>					
General fund	15		2,176		1,782
<b>Total unrestricted funds</b>			2,176		1,782
<b>TOTAL FUNDS</b>			21,520		21,872

The financial statements were approved by the Governors on 15 December 2014 and signed on their behalf by:

  
 Rachel Wells  
 Chair

  
 Michael McKenzie  
 Accounting Officer

**ALEXANDRA PARK SCHOOL****CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2014**

	Notes	2014 £000	2013 £000
Net cash inflow from operating activities	22	576	709
Returns on investments and servicing of Finance	23	31	34
Capital expenditure	24	(178)	(218)
Increase in cash in the year		<u>429</u>	<u>525</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September 2013		2,379	1,854
Movement in cash		<u>429</u>	<u>525</u>
Net funds at 31 August 2014	25	<u>2,808</u>	<u>2,379</u>

- All of the cash flows are derived from continuing operations during the year.



## **1 ACCOUNTING POLICIES**

### **Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards, The Charity Commission Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005), the Academies Accounts Direction issued by the EFA and the Companies Act 2006 (other than in respect of the disclosure of remuneration received by staff governors under employment contracts – see note 10 for details). 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 Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

### **Grants receivable**

Grants, where conditions have been met to establish entitlement, are included in the statement of financial activities on a receivable basis. Where grants are received but conditions establishing entitlement have not been met, these are deferred. The balance of income receivable for specific purposes but not expended during the year is shown in the relevant funds on the balance sheet.

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 included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

### **Other Income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

**1 ACCOUNTING POLICIES (continued)**

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

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

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

***Interest receivable***

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

***Resources expended***

All expenditure is recognised in the year 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.

All resources expended are inclusive of irrecoverable VAT

***Allocation of costs***

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Academy's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs and depreciation are directly attributable to the one principle activity of the academy.

***Governance Costs***

Governance costs include the costs attributable to the Academy's compliance and constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

***Fund accounting***

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

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

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

**1 ACCOUNTING POLICIES (continued)**

**Tangible fixed assets**

Tangible fixed assets acquired since the Academy was established are included in the accounts at cost. Assets costing less than £1,000 are written off in the year of acquisition. All other assets are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets is charged to the restricted fund in the statement of financial activities.

The property has been included at its donated value as provided by the EFA when completing their desktop valuation.

**Depreciation**

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

Buildings	2%
Furniture	25%
IT Equipment	50%
Motor Vehicles	20%

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

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

**Leased assets**

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

**Taxation**

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

**1 ACCOUNTING POLICIES (continued)**

**Pensions**

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 which are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 19 the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

**2 VOLUNTARY INCOME**

	<b>2014 Total £000</b>	<b>2013 Total £000</b>
Trips	182	154
Other donations	12	11
	<u>194</u>	<u>165</u>

**3 ACTIVITIES FOR  
GENERATING FUNDS**

	<b>2014 Total £000</b>	<b>2013 Total £000</b>
Hire of facilities	78	83
Catering equipment	-	75
Other income	151	124
	<u>229</u>	<u>282</u>

**ALEXANDRA PARK SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014 (continued)**

<b>4 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS</b>				<b>2014 Total</b>	<b>2013 Total</b>
				<b>£000</b>	<b>£000</b>
<b>DfE/YPLA Revenue Grants</b>					
General Annual Grant (GAG)				9,428	8,623
Other DfE / EFA Grants				165	493
				<u>9,593</u>	<u>9,116</u>
<b>Other Government Grants</b>					
Local Authority Grants				545	639
					<u>639</u>
<b>Other Grants</b>					
Academies				-	23
Non-Government				4	-
				<u>4</u>	<u>23</u>
<b>TOTAL</b>				<u>10,142</u>	<u>9,778</u>
<b>5 RESOURCES EXPENDED</b>					
	<b>Staff Costs £000</b>	<b>Non Pay Expenditure Premises £000</b>	<b>Other Costs £000</b>	<b>2014 Total £000</b>	<b>2013 Total £000</b>
Academy's educational operations					
Direct costs	6,745	314	1,170	8,229	8,000
Allocated support costs	990	579	520	2,089	1,868
	<u>7,735</u>	<u>893</u>	<u>1,690</u>	<u>10,318</u>	<u>9,868</u>
Governance costs including allocated support costs					
	-	-	31	31	43
	<u>7,735</u>	<u>893</u>	<u>1,721</u>	<u>10,349</u>	<u>9,911</u>
Incoming/ (Outgoing) resources for the year include:					
Operating Leases				20	30
Audit fees				10	11

**ALEXANDRA PARK SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014 (continued)**

<b>6 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS</b>	<b>2014 Total £000</b>	<b>2013 Total £000</b>
<b>Direct costs</b>		
Teaching and educational support staff costs	6,745	6,540
Depreciation	314	310
Educational supplies	788	747
Examination fees	144	164
Staff development	21	27
Educational consultancy	50	30
Other direct costs	167	182
	<u>8,229</u>	<u>8,000</u>
<b>Allocated support costs</b>		
Support staff costs	990	922
Depreciation	113	86
Recruitment and support	37	27
Maintenance of premises and equipment	192	270
Cleaning	105	100
Rent and rates	40	34
Light & Heat	129	134
Insurance	66	55
Security and Transport	16	9
Catering	77	84
Bank Interest and Charges	1	1
Other support costs	323	146
	<u>2,089</u>	<u>1,868</u>
<b>Total Costs</b>	<u>10,318</u>	<u>9,868</u>
<b>7 GOVERNANCE COSTS</b>		
Legal and professional fees	19	47
Audit of financial statements	10	9
Governor reimbursed expenditure	2	2
<b>Total Governance Costs</b>	<u>31</u>	<u>58</u>
<b>8 STAFF COSTS</b>	<b>2014 £000</b>	<b>2013 £000</b>
Staff costs during the year were:-		
- Wages and salaries	6,212	6,108
- Social security costs	519	516
- Other pension costs	943	838
- Compromise payments	61	-
	<u>7,735</u>	<u>7,462</u>
Agency supply teacher and educational support costs	178	198
	<u>7,883</u>	<u>7,660</u>

**ALEXANDRA PARK SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014 (continued)**

**8 STAFF COSTS (continued)**

The average number of persons (including senior management team) employed by the Academy during the year expressed as full time equivalents was as follows:-

	2014 No.	2013 No.
<b>Charitable Activities</b>		
Teachers	96	93
Administration and support	68	69
Management	9	9
	<u>173</u>	<u>171</u>

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

	2014 No.	2013 No.
£60,000 - £70,000	5	5
£70,001 - £80,000	2	2
£130,001 - £140,000	1	1
	<u>8</u>	<u>8</u>

All eight employees above participated in the Teachers Pension Scheme. During the year to 31 August 2014, pension contributions for all members of staff amounted to £86k (2013: £75k – seven employees).

Included in compromise payments are non-statutory severance payments totalling £61k (2013:nil). Three of the non-statutory payments exceeded £5,000 individually, and these were for £14,660, £20,000 and £24,000.

**9 GOVERNORS' REMUNERATION AND EXPENSES**

Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as governors. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors. The four staff Governors who received remuneration are:

Name	2014 Amount	2013 Amount
M McKenzie (headteacher)	£135,001 - £140,000	£135,001 - £140,000
E Scott, S Levi and E Joseph	£140,695	£135,982

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

During the year ended 31 August 2014, travel and subsistence expenses totalling £2,238 were reimbursed to 20 governors (2012: £2,000 – 20 governors).

Related party transactions involving the governors are set out in note 20.

**10 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 £6m on any one claim and the cost for the year ended 31 August 2014 is £2,734.

**11 TANGIBLE FIXED ASSETS**

	<b>Freehold Land and Buildings £000</b>	<b>Furniture and Fittings £000</b>	<b>IT £000</b>	<b>Motor Vehicles £000</b>	<b>2014 Total £000</b>
<b>Cost</b>					
At 31 August 2013	21,319	379	14	26	21,738
Additions	80	67	31	-	178
At 31 August 2014	<u>21,399</u>	<u>446</u>	<u>45</u>	<u>26</u>	<u>21,916</u>
<b>Depreciation</b>					
At 31 August 2013	588	108	12	8	716
Charged in year	314	102	6	5	427
At 31 August 2014	<u>902</u>	<u>210</u>	<u>18</u>	<u>13</u>	<u>1,143</u>
<b>Net book values</b>					
At 31 August 2014	<u>20,497</u>	<u>236</u>	<u>27</u>	<u>13</u>	<u>20,773</u>
At 31 August 2013	<u>20,731</u>	<u>271</u>	<u>2</u>	<u>18</u>	<u>21,022</u>

Included in land and buildings is land valued at £5,662k (2013: £5,662k) which is not depreciated.

**12 INVESTMENTS**

	<b>£000</b>
Amount bought forward	-
Additions in year	350
Gain in year	<u>12</u>
<b>Balance carried forward</b>	<u>362</u>

The investment is in CofE Charities Investment Fund and valued at mid-market value.

**13 DEBTORS**

	<b>2014 £000</b>	<b>2013 £000</b>
Trade debtors	-	17
Prepayments & Accrued income	107	162
VAT recoverable	<u>49</u>	<u>102</u>
	<u>156</u>	<u>281</u>



**ALEXANDRA PARK SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014 (continued)**

<b>14 CREDITORS: amounts falling due within one year</b>	<b>2014 £000</b>	<b>2013 £000</b>
Other creditors	326	544
Accruals and deferred income	160	165
	<u>486</u>	<u>709</u>

	<b>2014 £000</b>
<b>Deferred income</b>	
Deferred Income at 1 September 2013	112
Resources deferred in the year	103
Amounts released from previous years	(112)
	<u>103</u>
Deferred Income at 31 August 2014	

At the balance sheet date the Academy Trust was holding funds received in advance for school trips, rates relief, insurance, music lessons and devolved capital grant.

**15 FUNDS**

	<b>Balance at 31 August 2013 £000</b>	<b>Incoming Resources £000</b>	<b>Resources Expended £000</b>	<b>Gains/ (losses) and Transfer between funds £000</b>	<b>Balance at 31 August 2014 £000</b>
<b>Restricted general funds</b>					
General annual grant (GAG)	25	9,428	(9,173)	(173)	107
Other DfE/EFA grants	95	165	(151)	-	109
LEA and other grants	-	545	(487)	-	58
Non-Government	7	-	(5)	-	2
	<u>127</u>	<u>10,138</u>	<u>(9,816)</u>	<u>(173)</u>	<u>276</u>
<b>Restricted other funds</b>					
<b>Restricted fixed asset funds</b>					
General	21,022	-	(427)	178	20,773
Non-Government catering grant	48	-	-	(5)	43
	<u>21,070</u>	<u>-</u>	<u>(427)</u>	<u>173</u>	<u>20,816</u>
<b>Pension reserve</b>	<u>(1,107)</u>	<u>-</u>	<u>(30)</u>	<u>(611)</u>	<u>(1,748)</u>
<b>Total restricted funds</b>	<u>20,090</u>	<u>10,138</u>	<u>(10,884)</u>	<u>(611)</u>	<u>19,344</u>
<b>Unrestricted funds</b>					
Unrestricted funds	1,782	458	(76)	12	2,176
<b>Total unrestricted funds</b>	<u>1,782</u>	<u>458</u>	<u>(76)</u>	<u>-</u>	<u>2,176</u>
<b>Total funds</b>	<u>21,872</u>	<u>10,596</u>	<u>(10,960)</u>	<u>(599)</u>	<u>21,520</u>

**ALEXANDRA PARK SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014 (continued)**

**15 FUNDS (continued)**

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

General Annual Grant: Income received from the EFA to cover the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

Other DfE/EFA Grants: This includes funding received from National College and EFA restricted to relevant use for National Teaching School, School Direct, Golden Hellos, Insurance, Pupil Premium and Devolved Formula Capital expenditure.

LEA and other grants: this includes SEN funding and looked after children funding received from London Borough of Haringey.

Non-Government funding – Ogden Trust grant for specific local Science Partnership expenditure.

Non Government Catering Grant: Money received from Chartwells specific to kitchen capital expenditure.

Transfer of funds: this relates to the purchase of fixed assets during the year.

<b>16 ANALYSIS OF NET ASSETS BETWEEN FUNDS</b>	<b>Unrestricted General Fund £000</b>	<b>Restricted General Fund £000</b>	<b>Restricted fixed asset Fund £000</b>	<b>2014 Total £000</b>
Tangible fixed assets	-	-	20,773	20,773
Current assets	2,306	632	43	2,981
Current liabilities	(130)	(356)	-	(486)
Pension scheme liability	-	(1,748)	-	(1,748)
	<u>2,176</u>	<u>(1,472)</u>	<u>20,816</u>	<u>21,520</u>

**17 FINANCIAL COMMITMENTS**

**2014  
£000s**      **2013  
£000s**

***Operating leases***

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

Expiring within one year	-	6
Expiring within two and five years inclusive	17	1
	<u>17</u>	<u>7</u>

**18 CONTINGENT LIABILITIES**

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

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

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

## **19 PENSION COMMITMENTS**

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Haringey. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2013.

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

### **Teachers' pension scheme**

#### **Introduction**

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

#### **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.

## **19 PENSION COMMITMENTS - continued**

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 reformatting Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatting 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.

### **Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2014 was £390k, of which employer's contributions totalled £306k and employees' contributions totalled £84k.

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 of Education. The guarantee came into force on 18 July 2013.

### **Principle Actuarial assumptions:**

	<b>At 31 August 2014</b>	<b>At 31 August 2013</b>
Rate of increase in salaries	4.4%	5.1%
Rate of increase for pensions in payment / inflation	2.6%	2.8%
Discount rate for scheme liabilities	3.7%	4.6%
Inflation assumption (CPI)	1.5%	2.9%
Commutation of pensions to lump sums	50.0%	50.0%

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

	<b>At 31 August 2014</b>	<b>At 31 August 2013</b>
<i>Retiring in 20 years</i>		
Males	24.2	23.3
Females	26.5	26.1
<i>Retiring today</i>		
Males	21.9	21.9
Females	24.1	24.7

**ALEXANDRA PARK SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014 (continued)**

**19 PENSION COMMITMENTS - (continued)**

**Local Government Pension Scheme (continued)**

The Academy's share of the assets and liabilities in the scheme and the expected rate of return were:-

	<b>Expected return at 31 August 2014 %</b>	<b>Value at 31 August 2014 £000</b>	<b>Expected return at 31 August 2013 %</b>	<b>Value at 31 August 2013 £000</b>
Equities	6.3%	2,483	6.6%	2,107
Bonds	2.9%	452	3.5%	373
Property	4.5%	290	4.7%	160
Cash	3.3%	-	3.6%	27
<b>Total fair value of assets</b>		<b>3,225</b>		<b>2,667</b>
<b>Present value of scheme liabilities</b>		<b>(4,973)</b>		<b>(3,774)</b>
<b>Net pension liability</b>		<b>(1,748)</b>		<b>(1,107)</b>

The return on the fund (on a bid value to bid value basis) for the year to 31 August 2014 estimated to be 12.8%. This is based on the estimated fund value used at the previous accounting date and the estimated fund value used at this accounting date. The actual return on Fund assets over the period may be different.

**Amounts recognised in the statement of financial activities**

	<b>2014 £000</b>	<b>2013 £000</b>
Current service cost (net of employee contributions)	325	269
<b>Total Operating Charge</b>	<b>325</b>	<b>269</b>

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

Expected return on pension scheme assets	(171)	(105)
Interest on pension liabilities	182	138
<b>Pension finance income/(costs)</b>	<b>11</b>	<b>33</b>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £(611)k loss (2013: £136k gain).

**19 PENSION COMMITMENTS - (continued)**

**Local Government Pension Scheme (continued)**

<b>Movements in the present value of defined obligations were as follows:</b>	<b>2014 £000</b>	<b>2013 £000</b>
Value of Scheme liabilities at 1 September 2014	3,774	3,209
Current service cost	325	269
Interest cost	182	138
Contributions by Scheme participants	84	75
Actuarial loss / (gain) on Scheme liabilities	632	83
Estimated Benefits Paid	(24)	-
<b>Value of Scheme liabilities at 31 August 2014</b>	<b>4,973</b>	<b>3,774</b>
<b>Movement in the fair value of academy's share of Scheme assets:</b>	<b>2014 £000</b>	<b>2013 £000</b>
Fair value Scheme assets at 1 September 2013	2,667	2,019
Expected return on Scheme assets	171	105
Actuarial gain/(loss) on Scheme assets	21	219
Contributions by the employer	306	249
Contributions by Scheme participants	84	75
Estimated Benefits Paid	(24)	-
<b>Fair value of Scheme assets at 31 August 2014</b>	<b>3,225</b>	<b>2,667</b>

The estimated value of employer contributions for the year ended 31 August 2015 is £353k.

**The five year history of experience adjustments is as follows:**

	<b>2014 £000</b>	<b>2013 £000</b>	<b>2012 £000</b>
Present value of Defined Benefit Obligations	(4,973)	(3,774)	(3,209)
Fair value of share of Schemes Assets	3,225	2,667	2,019
	<b>(1,748)</b>	<b>1,107</b>	<b>1,190</b>
Experience adjustments on share of scheme assets: Amount £1,000	21	219	
Experience adjustments on share of scheme liabilities: Amount £1,000	5	-	-

**20 MEMBERS' LIABILITY**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one period 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.

**21 RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy's operations and the composition of the Governing Body 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 Governing Body 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 related party transactions during the year.

**22 RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Net income	247	348
Depreciation	427	396
Capital grants	-	(75)
Interest receivable	(31)	(34)
Increase in stock	1	(1)
Increase in debtors	126	119
Increase in creditors	(224)	(44)
Difference between pension charge and cash contributions	30	-
Net cash inflow from operating activities	<u>576</u>	<u>709</u>

**23 RETURNS ON INVESTMENTS AND SERVICES OF FINANCE**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Interest received	<u>31</u>	<u>34</u>

**24 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Purchase of tangible assets	(178)	(293)
Capital Grants	-	75
Total capital expenditure and financial investment	<u>(178)</u>	<u>(218)</u>

**ALEXANDRA PARK SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014 (continued)**

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**25 ANALYSIS OF CHANGES IN NET FUNDS**

	<b>At 31 August 2013 £'000</b>	<b>Cash Flows £'000</b>	<b>At 31 August 2014 £'000</b>
Cash in hand and at bank	2,379	79	2,458
Investments	-	350	350
	<u>2,379</u>	<u>429</u>	<u>2,808</u>