

**Queen Elizabeth School, Kirkby Lonsdale**  
(Company Limited by Guarantee)

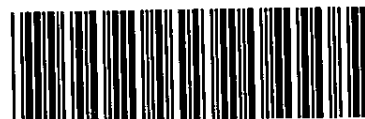
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Financial Statements for the Year Ended

31 August 2012

Company Registration Number 07438425

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**QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE  
COMPANY LIMITED BY GUARANTEE**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2012**

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**QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE  
COMPANY LIMITED BY GUARANTEE**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**YEAR ENDED 31 AUGUST 2012**

Governors (Trustees)	T Power*
	J Armitage (resigned 13 November 2012)
	R Bingham
	J Burch
	M Burrow
	C Clarke*
	M Cunningham
	S Dent
	T Felix
	P Gregson
	S Holmes* (Finance Director)
	P Howden
	S Lawrenson
	D McGregor
	F Pearson*
	R Shepherd*
	E Shuttleworth
	D Tomlinson
	P Weston
	* = members of the Finance Committee

Company Secretary	A Johnson
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**Senior Management Team**

Head Teacher	C Clarke
Deputy Head	A Wilkinson
Assistant Head	A Donnelly
Assistant Head	H Grey
Assistant Head	A Hall
Assistant Head	P Hooper
Director of Business & Finance	S Holmes
Assistant Head	P Houghton
Assistant Head	L Longley
Assistant Head	C O'Neill

Principal Registered Office	Queen Elizabeth School, Kirkby Lonsdale, Cumbria LA6 2HJ Tel: 015242 71275
Company Registration Number	07438425(England and Wales)
Independent Auditors	Saint & Co, Old Police Station, Church Street, Ambleside, Cumbria, LA22 0BT Tel 015394 33430
Bankers	HSBC Bank plc, 1 Forest Green, Caxton Road, Fulwood, Preston PR2 9LJ

# **QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE COMPANY LIMITED BY GUARANTEE**

## **GOVERNORS' ANNUAL REPORT**

**YEAR ENDED 31 AUGUST 2012**

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2012.

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

#### **Constitution**

Queen Elizabeth School is a company limited by guarantee with no share capital (registration no 07438425) and an exempt charity. The company's memorandum and articles of association are the primary governing documents of Queen Elizabeth School.

The governors act as the trustees for the charitable activities of Queen Elizabeth School and are also the directors of the Charitable Company for the purposes of Company Law. The Charitable Company is known as Queen Elizabeth School.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 3.

#### **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.

#### **Governors' Indemnities**

The Governors are directors of the School for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation.

Subject to the provisions of the Companies Act, every Governor or other officer of the School benefits from any indemnity insurance purchased at the School's expense to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty in which they may be guilty in relation to the School, provided that any such insurance shall not extend to any claim arising from any act or omission which the Governors knew to be a breach of trust or breach of duty or which was committed by the Governors in reckless disregard to whether it was a breach of duty or not, and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as directors of the School.

# **QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE COMPANY LIMITED BY GUARANTEE**

## **GOVERNORS' ANNUAL REPORT *(continued)***

**YEAR ENDED 31 AUGUST 2012**

### **Principal Activities**

The characteristics of the Academy set down in Section 1 (6) of the Academies Act 2010, are that

- (a) the school has a curriculum satisfying the requirements of section 78 of EA 2002 (balanced and broadly based curriculum),
- (b) if the school provides secondary education, its curriculum for the secondary education has an emphasis on a particular subject area, or particular subject areas, specified in the Agreement;
- (c) the school provides education for pupils of different abilities
- (d) the school provides education for pupils who are wholly or mainly drawn from the area in which the school is situated

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

- The Members may appoint up to 8 Governors
- The Staff Governors are employees of the Academy Trust at the time of the election, provided that the total number of Governors (including the Principal) who are employees of the Academy Trust does not exceed one third of the total number of Governors. The Governing Body shall make all necessary arrangements for and determine all other matters relating to any election of the Staff Governors. Any election of the staff governor which is contested shall be held by secret ballot. Where a vacancy for the staff governor is required to be filled by election the Governing Body shall take such steps as are reasonably practical to secure that all teachers and other staff employed by the Academy Trust at that time are informed of the vacancy and that it is required to be filled by election, informed that they are entitled to stand as a candidate and vote at the election and given an opportunity to do so
- The LA may appoint the LA Governor
- The Headteacher shall be treated for all purposes as being an ex officio Governor
- The Finance Director shall be treated for all purposes as being an ex officio Governor
- Subject to Article 57 of the Academy Trust's Articles of Association, the Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he is elected. The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors
- The Governors may appoint up to 3 Co-opted Governors. A 'Co-opted Governor' means a person who is appointed to be a Governor by being Co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if thereby the number of Governors who are employees of the Academy Trust would exceed one third of the total number of Governors (including the Principal).

# **QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE COMPANY LIMITED BY GUARANTEE**

## **GOVERNORS' ANNUAL REPORT *(continued)***

**YEAR ENDED 31 AUGUST 2012**

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

The School provides an Induction Pack for new Governors, including the Schedule of Meetings, Code of Conduct for Governors, arrangements for contacting the School. A briefing meeting is arranged with the Chair of Governors, a Finance Induction is offered and external training courses are made available to Governors as appropriate to the needs of the School.

### **Organisational Structure**

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

To enable the Governing Body to monitor progress effectively, the Governing Body has created subcommittees the Finance Committee (meets 8 times per year), the Policy Committee (meets 4 times per year) the Pay Committee (meets annually), the Admissions Committee (meets annually) the Curriculum Committee (meets 6 times per year), the Buildings & Grounds Committee (meets 5 times per year) and the Community Committee (meets 5 times per year)

The Full Governing Body receives regular reports from the subcommittees and the School Leadership Team

The Senior Managers are the Head, Deputy and Assistant Heads, the Director of Finance and the Business Manager These managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff

### **Risk Management**

The governors have assessed the major risks to which the Queen Elizabeth School is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the School, and its finances The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e g in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e g vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk Where significant financial risk still remains they have ensured they have adequate insurance cover The School has an effective system of internal financial.

### **Connected Organisations, including Related Party Transactions**

Queen Elizabeth School is part of the South Lakes Federation of Schools and the South Lakes Rural Partnership

# **QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE COMPANY LIMITED BY GUARANTEE**

## **GOVERNORS' ANNUAL REPORT *(continued)***

**YEAR ENDED 31 AUGUST 2012**

### **OBJECTIVES AND ACTIVITIES**

#### **Objects and aims**

The principal object and activity of the charitable company is the operation of the Queen Elizabeth School to provide education for pupils of mixed abilities between the ages of 11 and 19. In doing so it meets the requirements of the Funding Agreement signed by the Secretary of State for Education.

#### **Public Benefit**

In setting objectives and planning activities the governors have given consideration to the Charity Commission's general guidance on public benefit. The public benefit is providing education in accordance with the Principal Activities detailed above, and additionally in providing access to school facilities to local community groups and adult education.

### **ACHIEVEMENTS AND PERFORMANCE**

The school has completed its second year of operation as an Academy, and continues to achieve the forecast numbers of students. Total students in the year ended 31st August 2012 numbered 1435 and the Academy has a full complement in all year groups.

Examination results for 2012 were very pleasing.

At A level, the average point score was 343.5 and 38 subjects achieved a 100% A to E pass rate.

At GCSE, there was an increase in the number of candidates obtaining 5 or more grades A\*-C 87.6% (87.0% in 2011, 86.5% in 2010, 86.3% in 2009, 81.9% in 2008, 79.9% in 2007).

### **FINANCIAL REVIEW**

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

Most of the School's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2012 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2012, total restricted general expenditure of £7,910,669 was more than covered by recurrent grant funding from the DfE together with other incoming resources. The excess of restricted general income over expenditure for the year was £817,808.

At 31 August 2012 the net book value of tangible fixed assets was £13,786,384 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

#### **Reserves policy**

The School has sufficient reserves to cover its projected three year budget position. This will continue to be monitored closely by the Governors.

**QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE  
COMPANY LIMITED BY GUARANTEE**

**GOVERNORS' ANNUAL REPORT *(continued)***

**YEAR ENDED 31 AUGUST 2012**

**Investment policy**

The School has no other investments other than cash bank balances. These are held on deposit with the School's bankers.

**AUDITOR**

In so far as the governors are aware:

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

The auditors, Saint & Co, 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 and signed on their behalf by

Ty Power  
Chairman



Date 17/12/12



# **QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE COMPANY LIMITED BY GUARANTEE**

## **GOVERNANCE STATEMENT**

**YEAR ENDED 31 AUGUST 2012**

### **Scope of Responsibility**

As governors, we acknowledge we have overall responsibility for ensuring that Queen Elizabeth 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 Head teacher, Mr Clarke, 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 Queen Elizabeth School and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

### **Governance**

The full governing body formally met 5 times during the year. Attendance at these meetings was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
T Power	5	5
J Armitage	2	5
R Bingham	3	5
J Burch	3	5
M Burrow	2	5
C Clarke	5	5
M Cunningham	5	5
S Dent	5	5
T Felix	2	5
P Gregson	0	5
S Holmes	5	5
P Howden	4	5
S Lawrenson	5	5
D McGregor	2	5
F Pearson	2	5
R Shepherd	3	5
E Shuttleworth	3	5
D Tomlinson	2	5
P Weston	4	5

The Finance Committee is a sub-committee of the main governing body. Its purpose is to review the School's financial statements, closely monitor budget performance and ensure the effectiveness of internal finance and control systems.

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
T Power	8	8
C Clarke	8	8
S Holmes	8	8
F Pearson	6	8
R Sheperd	5	8

# **QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE COMPANY LIMITED BY GUARANTEE**

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

**YEAR ENDED 31 AUGUST 2012**

### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Queen Elizabeth School for the year ended 31 August 2012.

### **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 an on-going process for identifying, evaluating and managing the School's significant risks that has been in place for the year ending 31 August 2012.

### **The Risk and Control Framework**

The School'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 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 a Responsible Officer ('RO'). The RO's role involves performing a range of checks on the School's financial systems.

### **Review of Effectiveness**

As accounting officer, Mr Clarke 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 Responsible Officer,
- 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

**QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE  
COMPANY LIMITED BY GUARANTEE**

**GOVERNANCE STATEMENT *(continued)***

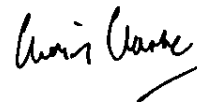
**YEAR ENDED 31 AUGUST 2012**

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance 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 and signed on its behalf by

Mr Ty Power  
Chairman

 Date 17/12/12



Mr Chris Clarke  
Accounting officer

**QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE  
COMPANY LIMITED BY GUARANTEE**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

**YEAR ENDED 31 AUGUST 2012**

As accounting officer of Queen Elizabeth 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.



Mr Chris Clarke  
Accounting officer

**QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE  
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF GOVERNORS' RESPONSIBILITIES**

**YEAR ENDED 31 AUGUST 2012**

The governors (who act as trustees for charitable activities of Queen Elizabeth 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 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 governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the governors are required to

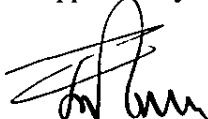
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

The governors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring 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 and signed on its behalf by



Mr Ty Power  
Chairman

17/12/12 Date

**QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE  
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUEEN  
ELIZABETH SCHOOL, KIRKBY LONSDALE**

**YEAR ENDED 31 AUGUST 2012**

We have audited the financial statements of Queen Elizabeth School, Kirkby Lonsdale for the year ended 31 August 2012 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).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS**

As explained more fully in the Governors' Responsibilities Statement set out on page 11, the governors (who are also the directors of Queen Elizabeth School, Kirkby Lonsdale 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.

We have been appointed as auditor under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act. 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 Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

**OPINION**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with Companies Act 2006

**QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE  
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUEEN  
ELIZABETH SCHOOL, KIRKBY LONSDALE (continued)**

**YEAR ENDED 31 AUGUST 2012**

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

- the charitable company has not kept adequate accounting records 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



Ian Thompson (Senior Statutory Auditor)

For and on behalf of

SAINT & CO

Chartered Accountants & Statutory Auditors

The Old Police Station, Church Street, Ambleside, Cumbria, LA22 0BT

20/12/12. Date

**QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE  
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO THE GOVERNING  
BODY OF QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE AND THE  
EDUCATION FUNDING AGENCY**

**YEAR ENDED 31 AUGUST 2012**

In accordance with the terms of our engagement letter dated 29 June 2011 and further to the requirements of the Education Funding Agency (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the Academy Trust during the year ended 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to 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 GOVERNING BODY AND AUDITORS**

The governing body is responsible, under the requirement of the Academies Act 2010, subsequent legislation and related regulations, 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 review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. 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 ended 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**BASIS OF OPINION**

We conducted our review in accordance with the Academies Handbook and the Accounts Direction issued by the EFA.

**OPINION**

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



Ian Thompson (Senior Statutory Auditor)

For and on behalf of

SAINT & CO

Chartered Accountants & Statutory Auditors

The Old Police Station, Church Street, Ambleside, Cumbria, LA22 0BT

... 20/12/12 Date



**QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE  
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE  
INCOME AND EXPENDITURE ACCOUNT)**

**YEAR ENDED 31 AUGUST 2012**

		Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds Year to 31 Aug 12 £	Total Funds Period from 12 Nov 10 to 31 Aug 11 £
<b>INCOMING RESOURCES</b>	<b>Note</b>					
Incoming resources from generating funds						
Voluntary income	3	13,897	23,235	–	37,132	10,362
Net assets transferred on conversion to Academy Trust	3	–	–	–	–	14,027,770
Activities for generating funds						
Lettings income	4	10,522	–	–	10,522	9,699
Investment income	5	5,287	–	–	5,287	761
Incoming resources from charitable activities - Funding for the Academy's educational operations	6	112,086	8,705,242	107,536	8,924,864	6,007,215
<b>TOTAL INCOMING RESOURCES</b>		<u>141,792</u>	<u>8,728,477</u>	<u>107,536</u>	<u>8,977,805</u>	<u>20,055,807</u>
<b>RESOURCES EXPENDED</b>						
Costs of generating funds						
Lettings costs	7	(10,522)	–	–	(10,522)	(9,699)
Charitable activities - Academy's educational operations	8	(126,367)	(7,833,792)	(437,696)	(8,397,855)	(6,276,063)
Governance costs	9	–	(76,877)	–	(76,877)	(10,157)
Other resources expended	10	–	–	(5,913)	(5,913)	–
<b>TOTAL RESOURCES EXPENDED</b>		<u>(136,889)</u>	<u>(7,910,669)</u>	<u>(443,609)</u>	<u>(8,491,167)</u>	<u>(6,295,919)</u>
Carried forward		4,903	817,808	(336,073)	486,638	13,759,888

The notes on pages 11 to 34 form part of these financial statements

**QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE  
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE  
INCOME AND EXPENDITURE ACCOUNT) *(continued)***

**YEAR ENDED 31 AUGUST 2012**

		Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds Year to 31 Aug 12 £	Total Funds Period from 12 Nov 10 to 31 Aug 11 £
	<b>Note</b>					
Brought forward		4,903	817,808	(336,073)	486,638	13,759,888
<b>NET INCOMING/ (OUTGOING) RESOURCES BEFORE TRANSFERS</b>	<b>11</b>	<b>4,903</b>	<b>817,808</b>	<b>(336,073)</b>	<b>486,638</b>	<b>13,759,888</b>
Transfer between funds	<b>12</b>	<b>(15,337)</b>	<b>(95,087)</b>	<b>110,424</b>	<b>—</b>	<b>—</b>
<b>NET INCOMING/ (OUTGOING) RESOURCES FOR THE YEAR</b>		<b>(10,434)</b>	<b>722,721</b>	<b>(225,649)</b>	<b>486,638</b>	<b>13,759,888</b>
Gains/(losses) on investments		<u>1,124</u>	<u>—</u>	<u>—</u>	<u>1,124</u>	<u>(194)</u>
<b>NET INCOME / (EXPENDITURE) FOR THE YEAR</b>		<b>(9,310)</b>	<b>722,721</b>	<b>(225,649)</b>	<b>487,762</b>	<b>13,759,694</b>
<b>OTHER RECOGNISED GAINS AND LOSSES</b>						
Actuarial losses in respect of defined benefit pension schemes		<u>—</u>	<u>(189,000)</u>	<u>—</u>	<u>(189,000)</u>	<u>(2,000)</u>
<b>NET MOVEMENT IN FUNDS</b>		<b>(9,310)</b>	<b>533,721</b>	<b>(225,649)</b>	<b>298,762</b>	<b>13,757,694</b>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		<u>779,220</u>	<u>(1,179,530)</u>	<u>14,158,004</u>	<u>13,757,694</u>	<u>—</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b><u>769,910</u></b>	<b><u>(645,809)</u></b>	<b><u>13,932,355</u></b>	<b><u>14,056,456</u></b>	<b><u>13,757,694</u></b>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared

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

The notes on pages 11 to 34 form part of these financial statements.

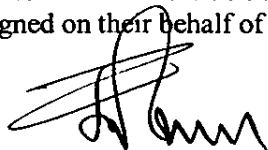
**QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE  
COMPANY LIMITED BY GUARANTEE**

**BALANCE SHEET**

**31 AUGUST 2012**

	Note	2012 £	2011 £
<b>FIXED ASSETS</b>			
Tangible assets	14	13,786,384	13,882,470
Investments	15	32,269	31,052
		<u>13,818,653</u>	<u>13,913,522</u>
<b>CURRENT ASSETS</b>			
Stocks	16	12,952	9,240
Debtors	17	178,620	319,526
Cash at bank and in hand		<u>2,383,270</u>	<u>1,548,758</u>
		<u>2,574,842</u>	<u>1,877,524</u>
<b>CREDITORS: Amounts falling due within one year</b>	18	<u>(834,039)</u>	<u>(747,352)</u>
<b>NET CURRENT ASSETS</b>		<u>1,740,803</u>	<u>1,130,172</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>15,559,456</u>	<u>15,043,694</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Defined benefit pension scheme	19	<u>(1,503,000)</u>	<u>(1,286,000)</u>
<b>NET ASSETS</b>	24	<u>14,056,456</u>	<u>13,757,694</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>	21	13,932,355	14,158,004
<b>RESTRICTED GENERAL FUNDS:</b>			
Restricted general funds	23	857,191	106,470
Pension deficit	23	<u>(1,503,000)</u>	<u>(1,286,000)</u>
<b>TOTAL RESTRICTED GENERAL FUNDS</b>		<u>(645,809)</u>	<u>(1,179,530)</u>
<b>UNRESTRICTED FUNDS</b>	22	<u>769,910</u>	<u>779,220</u>
<b>TOTAL FUNDS</b>		<u>14,056,456</u>	<u>13,757,694</u>

These financial statements were approved and signed by the governors on the . . . and are signed on their behalf of



Mr Ty Power (Chairman)

Company Registration Number 07438425

The notes on pages 11 to 34 form part of these financial statements.

**QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE  
COMPANY LIMITED BY GUARANTEE**

**CASH FLOW STATEMENT**

**YEAR ENDED 31 AUGUST 2012**

	Year to 31 Aug 12 £	£	Period from 12 Nov 10 to 31 Aug 11 £	£
<b>RECONCILIATION OF NET INCOMING RESOURCES BEFORE TRANSFERS TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>				
Net incoming resources before transfers	486,639		13,759,888	
Tangible fixed assets acquired on conversion	-		(14,111,132)	
Investments acquired on conversion	-		(31,190)	
Pension scheme deficit acquired on conversion	-		1,264,000	
Income from investments	(1,083)		(761)	
Interest receivable	(4,204)		-	
Loss on disposal of fixed assets	5,912		-	
Depreciation	407,218		292,746	
Increase in stocks	(3,712)		(9,240)	
Decrease/(Increase) in debtors	140,906		(319,526)	
Increase in creditors	86,687		747,352	
Increase in pension scheme provision	217,000		22,000	
Defined benefit pension scheme losses	(189,000)		(2,000)	
Net cash inflow from operating activities	1,146,363		1,612,137	
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>				
Income from investments	1,083		761	
Interest retained in investment fund	(93)		(56)	
Interest received	4,204		-	
Net cash inflow from returns on investments and servicing of finance	5,194		705	
<b>CAPITAL EXPENDITURE</b>				
Payments to acquire tangible fixed assets	(317,044)		(64,084)	
Net cash outflow from capital expenditure	(317,044)		(64,084)	
<b>INCREASE IN CASH</b>	<u>834,512</u>		<u>1,548,758</u>	

**QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE  
COMPANY LIMITED BY GUARANTEE**

**CASH FLOW STATEMENT *(continued)***

**YEAR ENDED 31 AUGUST 2012**

	Year to 31 Aug 12 £	Period from 12 Nov 10 to 31 Aug 11 £
<b>RECONCILIATION OF NET CASH FLOW MOVEMENT TO MOVEMENT IN NET FUNDS</b>		
Increase in cash in the period	£ <b>834,512</b>	£ <b>1,548,758</b>
Change in net funds	<b>834,512</b>	<b>1,548,758</b>
Net funds at 1 September 2011	<b>1,548,758</b>	<b>—</b>
Net funds at 31 August 2012	<b><u>2,383,270</u></b>	<b><u>1,548,758</u></b>

**ANALYSIS OF CHANGES IN NET FUNDS**

	1 Sep 11 £	Cash flows £	31 Aug 12 £
Cash in hand and at bank	<b><u>1,548,758</u></b>	<b><u>834,512</u></b>	<b><u>2,383,270</u></b>

**QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2012**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value and the revaluation of certain fixed assets, and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005), the Academies Accounts Direction issued by the EFA and the Companies Act 2006.

**Incoming resources**

Donations, legacies and other forms of voluntary income are recognised as incoming resources when receivable except in so far as they are not capable of financial measurement

Fixed assets grants are recognised on a receivable basis. The General Annual Grant (GAG) from the education funding agency is credited directly to the accounts on a receivable basis. Other government grants are also recognised on a receivable basis. For all grants the balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

**Deferred income**

Grants and other funding received for the Academy's educational activities for a period spanning the year end are deferred pro-rata to the relevant periods in order to match the funding to the period in which the costs of charitable activities are incurred.

**Funds held by the academy as principal**

Funds received on behalf of third parties, where the academy has control over the charitable application, are only recognised as incoming resources in the statement of financial activities to the extent that the charitable expenditure has been applied. The unused funds at the period end are included as a liability in the balance sheet in other creditors.

**Investment assets and income**

Investments in COIF funds are held for the long term benefit of the academy and are included in designated fixed asset investments at market value.

The dividends from the income unit funds are credited to the designated school fund and the interest received from the deposit fund is retained in the deposit fund.

# **QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2012**

### **1. ACCOUNTING POLICIES** *(continued)*

#### **Fund accounting**

Unrestricted funds reflect those resources which may be used towards meeting any of the objects of the Academy at the discretion of the governors

Designated school funds relate to school funds that are not otherwise restricted. The designated COIF investments fund reflects the market value of those investments, including income retained in the accounts and gains/losses. The designated catering fund is in respect of the provision of catering to the local primary school.

Restricted fixed asset funds reflect the fixed assets and capital grants for the purchase of fixed assets to be used for charitable purposes.

Restricted general funds comprise grants, including the General Annual Grant (GAG), and other funding for educational purposes and any voluntary income to be used for specific purposes.

The Local Government Pension Scheme deficit is recognised against restricted general funds in order to match it against the GAG, in accordance with Education Funding Agency guidance.

Details of restricted and unrestricted funds are shown in the notes to the financial statements.

#### **Resources expended**

Resources expended are recognised in the period in which they are incurred and include irrecoverable VAT. They have been classified under headings that aggregate all costs relating to that activity.

Costs have been allocated in accordance with the Charities SORP 2005. Expenditure has been analysed between the Academy's educational operations, governance costs and activities for generating funds. Items of expenditure which involve more than one cost category have been apportioned on a reasonable and justifiable basis for the cost category concerned. Direct costs are those incurred in the provision of education in accordance with the objects. Support costs are those related to the organisational infrastructure that allow the charitable company to provide education. Governance costs include those costs attributable to compliance with statutory requirements.

Catering costs are allocated to the restricted catering fund (catering provision to Academy's pupils, staff and visitors) and to the designated catering fund (catering provision to local primary school) pro-rata to the amount of income received in respect of those catering activities.

#### **Pension costs**

Academy staff are members of either the Teachers Pension Scheme or the Local Government Pension Scheme both of which are defined benefit schemes. Details of the scheme are given in the Pensions note to the financial statements.

# **QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2012**

### **1. ACCOUNTING POLICIES *(continued)***

#### **Fixed assets**

Tangible fixed assets transferred on conversion to Academy status have been included in the accounts at valuation

Since the Academy was established, assets costing £1,000 or more are capitalised as tangible fixed assets

Assets are carried at valuation/cost, net of depreciation

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Freehold buildings - straight line over remaining economic life (ranging from 6 to 56 years)  
Plant and machinery - straight line over remaining economic life (ranging from 6 to 27 years)  
Information communications and technology equipment - 25% straight line  
Furniture and equipment - 10% straight line  
Bicycles - 25% straight line

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

No depreciation is provided on land

The total depreciation charge is allocated firstly to catering costs based on a proportion of the floor area of the main block, then secondly to teaching costs and administration and support costs pro-rata to the number of employees

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### **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 taxation 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.



**QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2012**

**2. GENERAL ANNUAL GRANT (GAG)**

**a. Results and Carry Forward for the Year**

GAG brought forward from previous year	73,582	—
GAG allocation for current year	7,286,633	5,175,361
<b>Total GAG available to spend</b>	<b>7,360,215</b>	<b>5,175,361</b>
Recurrent expenditure from GAG	(6,595,777)	(5,070,564)
Less expenditure funded from School Fund	13,387	3,322
Less expenditure funded from Restricted Funds	658	—
Fixed assets purchased from GAG	(116,951)	(34,537)
<b>GAG carried forward to next year</b>	<b>661,532</b>	<b>73,582</b>
Maximum permitted GAG carried forward at end of current year (12% of allocation for current year)	(874,396)	(621,043)
<b>GAG to surrender to DfE</b>		
(12% rule breached if result is positive)	(212,864)	(547,461)

**b. Use of GAG Brought Forward from Previous Year for Recurrent Purposes**

(Of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)

Recurrent expenditure from GAG in current year	6,595,777	5,070,564
GAG allocation for current year	(7,286,633)	(5,175,361)
GAG allocation for previous year x 2%	(103,507)	—
<b>GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year</b>	<b>(794,363)</b>	<b>(104,797)</b>
(2% rule breached if result is positive)		

**QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2012**

**3. VOLUNTARY INCOME**

	Unrestricted Funds £	Restricted General Funds £	Total Funds 2012 £	Total Funds 2011 £
<b>Net assets transferred on conversion to Academy Trust</b>	–	–	–	14,027,770
<b>Donations</b>				
School fund donations	13,897	21,275	35,172	10,362
Miscellaneous donations	–	1,960	1,960	–
	<u>13,897</u>	<u>23,235</u>	<u>37,132</u>	<u>14,038,132</u>

**Net assets transferred on conversion to Academy Trust**

When the Academy Trust commenced its charitable activities on 1 December 2010 it acquired net assets in the sum of £14,027,770 comprising restricted tangible fixed assets £14,111,132 (being freehold land and buildings £11,431,130, plant and machinery £2,609,929, information communications and technology equipment £50,073, furniture and equipment £20,000), restricted Bective Road fund £275,534, restricted Trips funds £83,023, restricted School Funds £13,840, designated School Funds £130,768, designated COIF investments £31,190, various net assets representing unrestricted general funds amounting to £646,283, less the Local Government Pension Scheme defined benefit scheme deficit £1,264,000.

**4. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Sports lettings	4,822	4,822	5,288
Other lettings	5,700	5,700	4,411
	<u>10,522</u>	<u>10,522</u>	<u>9,699</u>

**5. INVESTMENT INCOME**

	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Bank interest receivable	4,204	4,204	–
COIF dividends	990	990	705
COIF interest	93	93	56
	<u>5,287</u>	<u>5,287</u>	<u>761</u>

**QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2012**

**6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - FUNDING FOR  
THE ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2012 £	Total Funds 2011 £
<b>Education Funding</b>					
<b>Agency grants</b>					
General Annual Grant (GAG)	–	7,286,633	–	7,286,633	5,175,361
Capital grants	–	–	107,536	107,536	28,283
Pupil premium	–	21,656	–	21,656	6,450
Bursary grant	–	10,702	–	10,702	–
Other DfE/EFA grants	–	13,403	–	13,403	109,562
<b>Other Government grants</b>					
Local authority funded statements	–	281,253	–	281,253	110,995
Special educational projects	–	252,809	–	252,809	25,405
Other government grants	–	16,882	–	16,882	–
<b>Catering income</b>	27,339	361,406	–	388,745	230,742
<b>School fund income</b>	44,182	6,756	–	50,938	53,729
<b>Trips income</b>	–	293,659	–	293,659	97,855
<b>Other educational operations</b>					
Consultancy	40,565	–	–	40,565	30,402
Other educational income	–	160,083	–	160,083	138,432
	<u>112,086</u>	<u>8,705,242</u>	<u>107,536</u>	<u>8,924,864</u>	<u>6,007,216</u>

**7. LETTINGS COSTS**

	Unrestricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Staff costs	9,500	9,500	9,000
Other costs	1,022	1,022	699
	<u>10,522</u>	<u>10,522</u>	<u>9,699</u>

**QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2012**

**8. COSTS OF CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2012 £	Total Funds 2011 £
Direct costs	63,775	6,277,223	320,552	6,661,550	5,010,435
Trips	–	303,929	–	303,929	187,409
School Fund	57,932	13,381	–	71,313	86,144
Allocated support costs	4,660	1,239,259	117,144	1,361,063	992,075
	<u>126,367</u>	<u>7,833,792</u>	<u>437,696</u>	<u>8,397,855</u>	<u>6,276,063</u>

For details of costs of charitable activities see Note 29.

**9. GOVERNANCE COSTS**

	Restricted General Funds £	Total Funds 2012 £	Total Funds 2011 £
Accountancy fees	3,000	3,000	2,000
Audit fees	2,250	2,250	5,750
Legal and professional fees	4,627	4,627	2,407
Net finance costs in respect of defined benefit pension schemes	67,000	67,000	–
	<u>76,877</u>	<u>76,877</u>	<u>10,157</u>

Net finance costs in respect of defined benefit pension schemes for the period ended 31 August 2011 amounted to £49,000. This was included in Staff Costs - other pension costs (note 13).

**10. OTHER RESOURCES EXPENDED**

	Restricted Fixed Asset Funds £	Total Funds 2012 £	Total Funds 2011 £
Losses on disposal of tangible fixed assets for charity's own use	5,913	5,913	–

**QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2012**

**11. NET INCOMING RESOURCES FOR THE YEAR**

This is stated after charging

	Year to 31 Aug 12 £	Period from 12 Nov 10 to 31 Aug 11 £
Depreciation	407,218	292,746
Auditors' remuneration		
- audit of the financial statements	2,250	5,750
- accountancy	<u>3,000</u>	<u>2,000</u>

**12. FUND TRANSFERS**

The main transfers made during the year were as follows

Fixed assets were purchased amounting to £317,044, £28,773 was funded from the DfE/EFA formula capital grant, £171,320 from the Bective Road fund and £116,951 from the DfE/EFA General Annual Grant (GAG)

Depreciation of £6,108 on fixed assets used for restricted catering activities, initially charged to the restricted catering fund, has been debited to the Fixed assets used for charitable purposes fund via a transfer to the GAG

The net transfer debited to the Fixed assets used for charitable purposes fund of £310,517 is equal to the fixed asset purchases of £317,044, as noted above, less catering depreciation £6,527 (being £6,108 in respect of assets used for restricted purposes as noted above plus £419 in respect of unrestricted activities).

Restricted School Funds contributed £13,387 to the GAG to assist purchases for various school departments

Designated School Funds transfers include £9,160 in respect of a trip now re-categorised in restricted Trips

The net outgoing resources in respect of the restricted catering fund of £40,490 have been financed with a transfer from the GAG as this fund relates to the provision of catering to the Academy's pupils, staff and visitors

The main transfers included in the net transfer of £140,153 from the GAG are £116,951 towards fixed asset purchases, £40,490 to clear the deficit on the restricted catering fund, £2,865 contributions to Trips, less £13,387 contributions to departments from the restricted School Funds and £6,108 depreciation relating to the restricted catering fund

Transfers from unrestricted General Funds included £7,651 regarding various adjustments to the surplus transferred on conversion to an Academy with respect to Trips, restricted School Funds and the government Access project

**QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2012**

**13. STAFF COSTS AND EMOLUMENTS**

Total staff costs were as follows:

	Year to 31 Aug 12 £	Period from 12 Nov 10 to 31 Aug 11 £
Wages and salaries	5,191,492	4,019,991
Social security costs	381,153	288,595
Other pension costs	705,975	594,316
	<u>6,278,620</u>	<u>4,902,902</u>

Wages and salaries include the following

Agency staff cover	<u>22,023</u>	<u>38,918</u>
--------------------	---------------	---------------

Other pension costs above represents the total operating charge included in resources expended in the statement of financial activities and does not include amounts included in other finance costs and other recognised gains and losses (see note 19)

**Particulars of employees:**

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows

	Year to 31 Aug 12 No	Period from 12 Nov 10 to 31 Aug 11 No
Teaching	128	124
Catering	10	10
Administration and support	32	32
	<u>170</u>	<u>166</u>

The number of employees whose remuneration for the year fell within the following bands, were

	Year to 31 Aug 12 No	Period from 12 Nov 10 to 31 Aug 11 No
£70,000 to £79,999 (annual equivalent)	1	1
£110,000 to £119,999 (annual equivalent)	1	1
	<u>2</u>	<u>2</u>

The above employees participated in the Teachers Pension Scheme. During the year ended 31 August 2012, the employer's pension contributions in respect of these employees amounted to £27,540 (2011 £19,370)

**QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2012**

**14. TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Furniture and equipment £	Plant and machinery £	Information communi- cations & technology equipment £	Bicycles £	Total £
<b>COST</b>						
At 1 Sep 2011	11,431,130	30,000	2,609,929	104,157	–	14,175,216
Additions	171,320	23,117	58,470	60,242	3,895	317,044
Disposals	–	(2,000)	–	(5,000)	–	(7,000)
<b>At 31 Aug 2012</b>	<b>11,602,450</b>	<b>51,117</b>	<b>2,668,399</b>	<b>159,399</b>	<b>3,895</b>	<b>14,485,260</b>
<b>DEPRECIATION</b>						
At 1 Sep 2011	161,893	2,250	105,787	22,816	–	292,746
Charge for the year	215,853	5,112	141,047	44,232	974	407,218
On disposals	–	(150)	–	(938)	–	(1,088)
<b>At 31 Aug 2012</b>	<b>377,746</b>	<b>7,212</b>	<b>246,834</b>	<b>66,110</b>	<b>974</b>	<b>698,876</b>
<b>NET BOOK VALUE</b>						
<b>At 31 Aug 2012</b>	<b>11,224,704</b>	<b>43,905</b>	<b>2,421,565</b>	<b>93,289</b>	<b>2,921</b>	<b>13,786,384</b>
At 31 Aug 2011	11,269,237	27,750	2,504,142	81,341	–	13,882,470

**Valuation**

The freehold land and buildings and the plant and machinery integral to the buildings include valuations of £11,431,130 and £2,609,929 respectively made in 2010 by A T Snape RICS Registered Valuer, who is independent of the charitable company. The basis of valuation for the assets was Existing Use Value using a Depreciated Replacement Cost approach in accordance with FRS15 Tangible Fixed Assets.

**Assets under construction**

The freehold land and buildings include assets under construction. The cost to date is £171,320 and no depreciation has been provided to date on these assets.

**Capital commitments**

	2012 £	2011 £
Contracted but not provided for in the financial statements	<u>110,482</u>	<u>–</u>

The Academy entered into a contract dated 6 July 2012 to build a Sports Hall extension and a Teachers Centre at a cost of £258,756. During the period ended 31 August 2012 £148,274 has been provided in the accounts (£113,268 in fixed asset additions, £35,006 in repairs) and the

balance of £110,482 remains contracted for but not provided for at the balance sheet date

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**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2012**

**15. INVESTMENTS**

**Movement in market value**

	2012 £	2011 £
Market value brought forward	31,052	-
Acquisitions at cost	-	31,190
Interest retained	93	56
Net gains/(losses) on revaluations	1,124	(194)
Market value carried forward	<u>32,269</u>	<u>31,052</u>
Historical cost	<u>31,190</u>	<u>31,190</u>

**Analysis of investments at 31 August between funds**

	Unrestricted Funds 31 Aug 12 £	Unrestricted Funds 31 Aug 11 £
<b>UK investments</b>		
COIF Investment income units	13,578	12,818
COIF Fixed interest income units	7,005	6,641
COIF Deposit fund	11,686	11,593
	<u>32,269</u>	<u>31,052</u>

**16. STOCKS**

	2012 £	2011 £
Catering	2,500	2,500
Stationery	10,452	6,740
	<u>12,952</u>	<u>9,240</u>

**17. OTHER DEBTORS**

	2012 £	2011 £
Trade debtors	14,223	10,485
Other debtors	99,362	268,041
Prepayments	65,035	41,000
	<u>178,620</u>	<u>319,526</u>



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**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2012**

**18. CREDITORS: Amounts falling due within one year**

	2012	2011
	£	£
Trade creditors	174,441	70,105
Taxation and social security	115,969	123,637
Deferred income	314,224	243,025
Other creditors	117,575	278,960
Accruals	111,830	31,625
	<u>834,039</u>	<u>747,352</u>

**Deferred income**

Balance brought forward	243,025	—
Amounts released from previous years	(243,025)	—
Resources deferred in the year	314,224	243,025
Deferred income carried forward	<u>314,224</u>	<u>243,025</u>

Deferred income at 31 August 2012 comprises:

- £106,473 Local authority funded statements grant (section 215) for the period September 2012 to March 2013
- £118,351 deposits in advance for Trips in the academic year 2012-13
- £12,518 DfE/EFA grant for insurance costs 1 September 2012 to 30 November 2012
- £55,000 Teaching school core grant for 2012-13
- £10,000 Language Support Programme for 2012-13
- £11,882 6th Form Bursary for 2012-13

**Funds held by the Academy as principal**

Balance brought forward	83,499	—
Amounts received in the year	2,000	85,570
Charitable expenditure applied during the year	(65,317)	(2,071)
Transfer to restricted funds	(13,731)	—
Creditor carried forward	<u>6,451</u>	<u>83,499</u>

Other creditors includes £6,451 where the Academy acts as principal and comprises

- £2,029 6th Form Bursaries - funding issued by the Department for Education for distribution to disadvantaged 6th form students
- £4,422 South Lakes Federation transition project - funding granted to and administered on behalf of the South Lakes Federation by the Cumbria Schools' Forum

The transfer of £13,731 above is in respect of the Access Fund, the amount has been recognised in special educational projects grant income this year. The Access Fund was re-categorised as a Restricted Fund during the year when the Academy ceased to act as principal and became solely responsible for the funds (during the period ended 31 August 2011 Cumbria County Council issued the funding to enable access by young people and families to activities outside the school)

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**YEAR ENDED 31 AUGUST 2012**

**19. PENSIONS**

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 Both are defined-benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010

Contributions amounting to £91,813 (2011 £90,254) were payable to the schemes as at 31 August and are included within creditors, comprising of TPS £69,679 (2011: £67,693) and LGPS £22,134 (2011 £22,561)

The total pension costs to the Charitable Company during the year ended 31 August 2012 and included in staff costs were £705,975 (2011 £594,316) comprising of TPS £537,975 (2011 £416,461) and LGPS £168,000 (2011 £177,855) In addition, the Charitable Company incurred finance costs amounting to £67,000 (interest on LGPS pension liabilities £89,000 less expected returns on LGPS assets £22,000), included in governance costs (2011 finance costs £49,000 included in staff pension costs)

**Teachers' Pension Scheme (TPS)**

The TPS is a statutory contributory defined benefit scheme The regulations under which the TPS operates are the Teachers' Pension Regulations 2010 following appointment or a change of contract Teachers and lecturers are able to opt out of the TPS

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2012**

**19. PENSIONS** *(continued)*

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

The last valuation of the TPS related to the period 01 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

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

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

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

Under the definitions set out in Financial Reporting Standard 17 (FRS17) 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 for the scheme and the implications for the Academy in terms of the anticipated contribution rates.

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**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2012**

**19. PENSIONS** *(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 2012 was £273,000 (£2011: £207,000), of which employers' contributions totalled £207,000 (£2011: £156,000) and employees' contributions totalled £66,000 (£2011: £51,000). Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The principal actuarial assumptions are.

	2012	2011
Rate of CPI inflation	2.30%	2.7%
Rate of increase in salaries	4.05%	4.45%
Rate of increase in pensions	2.30%	2.70%
Discount rate	4.50%	5.30%

Post retirement mortality assumptions are

	2012	2011
Longevity at age 65 for current pensioners		
Male	22.2 Yrs	21.8 Yrs
Female	24.8 Yrs	24.4 Yrs
Longevity at age 65 for future pensioners		
Male	24.0 Yrs	23.2 Yrs
Female	26.8 Yrs	26.0 Yrs

The fair value of the major categories of scheme assets and the expected rate of return at the balance sheet date are as follows:

	2012 Expected return	2012 Fair value of assets £	2011 Expected return	2011 Fair value of assets £
Equities	7.0%	279,000	7.0%	133,000
Government bonds	2.5%	92,000	3.7%	44,000
Other bonds	3.4%	94,000	4.8%	42,000
Property	6.0%	36,000	6.0%	16,000
Cash / liquidity	0.5%	9,000	0.5%	3,000
Other	7.0%	49,000	7.0%	23,000
Fair value of scheme assets		<u>559,000</u>		<u>261,000</u>
Present value of scheme liabilities				
Funded		(2,062,000)		(1,547,000)
Unfunded		-		-
Deficit in the scheme		<u>(1,503,000)</u>		<u>(1,286,000)</u>

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**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2012**

**19. PENSIONS** *(continued)*

None of the fair values of the assets shown above include any of the Charitable Company's own financial instruments or any property occupied by, or other assets used by, the Charitable Company

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The return on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The return on equities and property is then assumed to be a margin above gilt yields

The actual return on the scheme assets in the year was £38,000 (2011 £5,000)

The amounts recognised in the Statement of Financial Activities are as follows

	2012	2011
	£	£
Current service cost	168,000	127,000
Expected return on scheme assets	(22,000)	(7,000)
Interest cost	89,000	56,000
Total cost recognised in SOFA	<u>235,000</u>	<u>176,000</u>

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 £191,000 loss (2011 £2,000 loss)

**Contributions**

The total contributions made by the employer in the year were £207,000 (2011 £156,000). The level of contributions will be reviewed as a result of the triennial valuation of the scheme as at 31 March 2013.

The best estimate of contributions to be paid by the employer to the scheme for the year beginning after 31 Aug 12 is £207,000 (2011 £213,000)

**Movement in deficit in the year**

	2012	2011
	£	£
Deficit in scheme at 1 September	(1,286,000)	
Current service cost (net of employee contributions)	(168,000)	(127,000)
Employer contributions	207,000	156,000
Net interest / return of assets	(67,000)	(49,000)
Actuarial gain or (loss)	(189,000)	(2,000)
Business combinations	–	(1,264,000)
Deficit at 31 August	<u>(1,503,000)</u>	<u>(1,286,000)</u>

**QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2012**

**19. PENSIONS** *(continued)*

Change in the present value of the defined pension benefit obligations are as follows

	2012 £	2011 £
Benefit obligation at 1 September	(1,547,000)	
Current service cost	(168,000)	(127,000)
Interest cost	(89,000)	(56,000)
Actuarial gain or (loss)	(206,000)	–
Contributions by scheme participants	(66,000)	(51,000)
Benefits paid	14,000	–
Business combinations	–	(1,313,000)
Benefit obligation at 31 August	<u>(2,062,000)</u>	<u>(1,547,000)</u>

Change in the fair value of scheme assets are as follows

	2012 £	2011 £
Opening fair value of scheme assets at 1 September	261,000	
Expected return on scheme assets	22,000	7,000
Contributions by employer	207,000	156,000
Contributions by scheme participants	66,000	51,000
Actuarial gains or (loss)	17,000	(2,000)
Benefits paid	(14,000)	–
Business combinations	–	49,000
Closing fair value of scheme assets at 31 August	<u>559,000</u>	<u>261,000</u>

Experience adjustment on scheme assets		
Percentage of scheme assets	3.0%	0.8%

Experience adjustment on scheme liabilities		
Percentage of scheme liabilities	0.0%	0.0%

**20. COMMITMENTS UNDER OPERATING LEASES**

At 31 Aug 12 the company had annual commitments under non-cancellable operating leases as set out below

	Assets other than Land and buildings	
	2012 £	2011 £
<b>Operating leases which expire:</b>		
Within 1 year	4,220	884
Within 2 to 5 years	7,198	3,675
	<u>11,418</u>	<u>4,559</u>

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**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2012**

**21. RESTRICTED FIXED ASSET FUNDS**

	Balance at 1 Sep 11 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Aug 12 £
DfE/EFA capital grants	–	107,536	(2,000)	(28,773)	76,763
Bective Road fund	275,534	–	(35,006)	(171,320)	69,208
Fixed assets used for charitable purposes	13,882,470	–	(406,603)	310,517	13,786,384
	<u>14,158,004</u>	<u>107,536</u>	<u>(443,609)</u>	<u>110,424</u>	<u>13,932,355</u>

Bective Road fund comprises monies from the sale of a property on Bective Road before the school was converted to an Academy. A condition of the sale stipulated by Cumbria County Council was that the proceeds should be used to enhance the school property.

Details of transfers are shown in Note 12.

**22. UNRESTRICTED FUNDS**

	Balance at 1 Sep 2011 £	Incoming resources £	Outgoing resources £	Transfer and Gains and losses £	Balance at 31 Aug 2012 £
Catering - designated	–	27,339	(27,870)	531	–
School Funds - designated	101,886	59,069	(57,932)	(8,105)	94,918
COIF investments	31,052	93	–	1,124	32,269
General Funds	646,282	55,291	(51,087)	(7,763)	642,723
	<u>779,220</u>	<u>141,792</u>	<u>(136,889)</u>	<u>(14,213)</u>	<u>769,910</u>

**Transfers and gains and losses**

Transfers - see Note 12 for details

(15,337)

Gains on COIF investments

1,124

(14,213)

The designated catering fund is in respect of the provision of catering to the local primary school.

Unrestricted general funds includes consultancy and lettings.

**QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE  
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**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2012**

**23. RESTRICTED GENERAL FUNDS**

	Balance at 1 Sep 2011 £	Incoming resources £	Outgoing resources £	Transfers and Gains and losses £	Balance at 31 Aug 2012 £
<b>Education</b>					
<b>Funding Agency</b>					
<b>grants</b>					
General Annual					
Grant (GAG)	73,582	7,286,633	(6,558,530)	(140,153)	661,532
Pupil Premium	–	21,656	(21,656)	–	–
Bursary grant	–	10,702	(10,702)	–	–
Defined benefit					
pension scheme					
deficit	(1,286,000)	–	(28,000)	(189,000)	(1,503,000)
Other DfE/EFA					
grants	–	13,403	(13,403)	–	–
<b>Other</b>					
<b>Government</b>					
<b>grants</b>					
LA Funded					
Statements	–	281,253	(281,253)	–	–
Special					
educational					
projects	22,675	252,809	(98,996)	4,380	180,868
Other government					
grants	–	16,882	(16,882)	–	–
<b>Catering</b>	–	361,406	(401,896)	40,490	–
<b>Trips</b>	–	293,659	(303,928)	10,269	–
<b>School funds -</b>					
<b>restricted</b>	10,213	28,031	(13,380)	10,073	14,791
<b>Other</b>					
<b>educational</b>					
<b>income</b>	–	160,083	(160,083)	–	–
<b>Other restricted</b>					
<b>general funds</b>	–	1,960	(1,960)	–	–
	<u>(1,179,530)</u>	<u>8,728,477</u>	<u>(7,910,669)</u>	<u>(284,087)</u>	<u>(645,809)</u>
<b>Transfers and gains and losses</b>					
Transfers - see Note 12 for details				(95,087)	
Losses on the defined benefit pension scheme				(189,000)	
				<u>(284,087)</u>	

Special educational projects include grants received for the Teaching School and National College grants

The restricted catering fund is in respect of the provision of catering to the Academy's pupils, staff and visitors



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**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2012**

**24. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Tangible fixed assets £	Investments £	Net current assets £
<b>Restricted General Funds:</b>			
General Annual Grant (GAG)	–	–	661,532
Special educational projects	–	–	180,868
School funds – restricted	–	–	14,791
	<u>–</u>	<u>–</u>	<u>857,191</u>
<b>Restricted Fixed Asset Funds:</b>			
DfE/EFA capital grants	–	–	76,763
Bective Road fund	–	–	69,208
Fixed assets used for charitable purposes	13,786,384	–	–
	<u>13,786,384</u>	<u>–</u>	<u>145,971</u>
<b>Unrestricted Income Funds:</b>			
Designated Funds	–	32,269	94,918
General Funds	–	–	642,723
	<u>–</u>	<u>32,269</u>	<u>737,641</u>
<b>Total Funds</b>	<u>13,786,384</u>	<u>32,269</u>	<u>1,740,803</u>
		<b>Defined benefit pension liability £</b>	<b>Total £</b>
<b>Restricted General Funds:</b>			
General Annual Grant (GAG)		–	661,532
Defined benefit pension scheme deficit		(1,503,000)	(1,503,000)
Special educational projects		–	180,868
School funds – restricted		–	14,791
		<u>(1,503,000)</u>	<u>(645,809)</u>
<b>Restricted Fixed Asset Funds:</b>			
DfE/EFA capital grants		–	76,763
Bective Road fund		–	69,208
Fixed assets used for charitable purposes		–	13,786,384
		<u>–</u>	<u>13,932,355</u>
<b>Unrestricted Funds:</b>			
Designated Funds		–	127,187
General Funds		–	642,723
		<u>–</u>	<u>769,910</u>
<b>Total Funds</b>		<u>(1,503,000)</u>	<u>14,056,456</u>

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**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2012**

**25. 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

Mr P Howden, a director/governor of the Academy, is a has an interest in Approved Inspectors Ltd During the year the Academy paid £1,900 (plus VAT £380) to Approved Inspectors Ltd for building regulation application fees There was a balance of £Nil due at the year end to Approved Inspectors Ltd

Related party transactions with staff governors are detailed in the note below

**26. GOVERNORS' REMUNERATION AND EXPENSES**

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors The value of governors' remuneration for the year was in the following bands

C Clarke	£115,000 to £119,999
S Dent	£20,000 to £24,999
S Holmes	£50,000 to £54,999
D McGregor	£45,000 to £49,999
P Weston	£45,000 to £49,999

During the year ended 31 August 2012, travel and subsistence expenses totalling £2,954 were reimbursed to 4 governors

**27. GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims for negligent acts, errors or omissions occurring whilst on academy business The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2012 was £1,080

**28. COMPANY LIMITED BY GUARANTEE**

Queen Elizabeth School, Kirkby Lonsdale is a company limited by guarantee, each member's contribution not exceeding £10 on dissolution

**QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE  
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**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2012**

**29. DETAILS OF CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Year to 31 Aug 12 £	Period from 12 Nov 10 to 31 Aug 11 £
<b>Educational activities</b>		
<i>Direct costs</i>		
Depreciation	320,554	228,805
Teaching and educational support staff costs	5,396,934	4,203,986
Educational supplies	200,431	96,377
Examination fees	152,640	116,116
Staff development	21,650	9,469
Educational consultancy	8,315	18,233
External course costs	14,792	35,706
Teaching school & other educational projects	97,532	2,865
Other direct costs	18,936	16,253
	<u>6,231,784</u>	<u>4,727,809</u>
<i>Catering</i>		
Cost of sales - Purchases	223,463	123,106
Depreciation	6,526	4,895
Catering staff costs	162,078	132,138
Other catering costs	37,699	22,487
	<u>429,766</u>	<u>282,626</u>
<i>Allocated support costs</i>		
Depreciation	80,138	59,046
Staff costs	700,475	554,133
Staff development	5,281	4,399
Counselling	50,208	21,520
Maintenance of premises and equipment	125,597	71,422
Information communications and technology	75,546	62,956
Rates and water	57,371	43,167
Heat light and power	80,102	58,872
Insurance	51,989	34,885
Transport	28,626	35,242
Legal and professional	11,274	4,202
Other support costs	94,456	42,231
	<u>1,361,063</u>	<u>992,075</u>
	<u>8,022,613</u>	<u>6,002,510</u>

**QUEEN ELIZABETH SCHOOL, KIRKBY LONSDALE  
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**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2012**

**29. DETAILS OF CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS** *(continued)*

	Year to 31 Aug 12 £	Period from 12 Nov 10 to 31 Aug 11 £
<b>Trips</b>		
Staff costs	7,594	3,645
Transport	129,916	101,981
Entrance fees/tickets	17,765	9,256
Accommodation	114,938	25,462
Miscellaneous	33,716	47,065
	<u>303,929</u>	<u>187,409</u>
<b>School Fund</b>		
Staff costs	2,039	–
Transport	222	1,178
Entrance fees/tickets	–	597
Gifts and donations	12,432	5,340
Miscellaneous	56,620	79,029
	<u>71,313</u>	<u>86,144</u>
	<u><b>8,397,855</b></u>	<u><b>6,276,063</b></u>