

REGISTRAR OF COMPANIES

Queens Park Academy

Annual Report and Financial Statements

For the period from 16 March 2011
to 31 August 2012

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



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Reference and administrative information

Directors (trustees)
F Birkett (Chair)
C Friend
S Le Page (Vice-chair)
A McCormick
V Tatum

Governors
F Birkett * (Chair)
E Bolton
C Friend *
S Le Page (Vice-chair)
A McCormick *
E Mullins *
M Rosamund
R Shaikh
V Tatum
J Williams

* Members of the Business and Finance
Committee

Senior Leadership Team

| | |
|-----------------------|--------------|
| Executive Headteacher | A McCormick |
| Head of School | A Thwaites |
| Assistant Heads | V Wilson |
| | E Bolton |
| | C Norris |
| Business Manager | E Mullins |
| Site Manager | D Richardson |

Registered address
Chestnut Avenue
Bedford
Bedfordshire
MK40 4HA

Company registration number 07566528 (England and Wales)

Auditor
Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Reference and administrative information

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

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

Trustees' report Period from 16 March 2011 to 31 August 2012

The trustees of Queens Park Academy ('the Academy') present their statutory report together with the financial statements of the charitable company for the period from 16 March 2011 to 31 August 2012

The financial statements have been prepared in accordance with the accounting policies set out on pages 23 to 26 of the attached financial statements and comply with the School's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 ('SORP 2005')

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Charitable Company was incorporated on 16 March 2011 and Queens Park School converted to an Academy on 1 April 2011.

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

Members' liability

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

Principal activities

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

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

Trustees' report Period from 16 March 2011 to 31 August 2012

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trustees and governors

The following trustees were in office at 31 August 2012 and served throughout the period except where shown

| Trustee | Appointed/Resigned | Appointing body |
|----------------|---------------------------|------------------------|
| F Birkett | Appointed March 2011 | Chair of governors |
| C Friend | Appointed March 2011 | Parent body |
| S Le Page | Appointed March 2011 | Vice Chair |
| A McCormick | Appointed March 2011 | Ex Officio |
| V Tatum | Appointed March 2011 | Community |

The following governors were in office at 31 August 2012 and served throughout the period except where shown

| Governor | Appointed/Resigned | Appointing body |
|-----------------|--|------------------------|
| P Austin | Appointed March 2011 Resigned August 2012 | Staff |
| K Batton | Appointed March 2011 Resigned May 2012 | Parent body |
| F Birkett | Appointed March 2011 | Chair of governors |
| E Bolton | Appointed March 2011 | Staff |
| B Edge | Appointed March 2011 Resigned August 2012 | Staff |
| C Friend | Appointed March 2011 | Parent body |
| S Le Page | Appointed March 2011 | Vice Chair |
| A McCormick | Appointed March 2011 | Ex Officio |
| E Mullins | Appointed September 2012 | Staff |
| M Rosamund | Appointed September 2011 | Community |
| R Shaikh | Appointed March 2011 | Community |
| V Tatum | Appointed March 2011 | Community |
| J Williams | Appointed September 2011 | Parent body |

Method of recruitment and appointment or election of governors

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of governors (continued)

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

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

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

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

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

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

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Policies and procedures adopted for the induction and training of governors

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

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

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

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

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

Organisational structure

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

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

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

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

During the period since incorporation on 1 April 2011 until 31 August 2012 the Full Governing Body met six times, the Business and Finance Committee met four times, The Pay and Personnel Committee three times, and the Learning and Teaching Committee three times

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk management

As a recently converted academy Queens Park has been undertaking a comprehensive assessment of possible risks to the future of the Academy. This has included the review and implementation of the following policies

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

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

Connected organisations, including related party relationships

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

The Academy has worked closely in collaboration with two schools in Milton Keynes over the past two years supporting within Teaching & Learning, Site and Business Management

The Academy's Executive Headteacher was appointed as Executive Head to lead the Orchard and Shepherdswell Federation in Milton Keynes for two years (2010 – 2012). Queens Park Academy was commissioned by Third Wave Enterprises (EMLC Charity) for these services and a contract was agreed for the two years.

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

Auditor

In so far as the trustees are aware

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

OBJECTIVES AND ACTIVITIES

Objects and aims

The Academy's key objective is

To help the children to develop the attitudes, knowledge and skills needed for living in the 21st Century

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

This is then realised by our Academy's aims

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

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

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

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

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

Objectives, strategies and activities

Development Plan Objectives for the Academic Year 2012/13 (all objectives are recorded, developed and evaluated using an online development tool – Schoolcentre net)

Our three core priorities are

- ◆ Communication – to raise standards in 'writing', to develop skills in 'speaking and listening', to develop 'outstanding' teaching
- ◆ Context – to continue to explore 'Primary School' status, to develop the Governing Body, to continue to develop close community links

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities

- ♦ Collaborations – to develop the QP- Primary Leadership collaborative with all lower/primary schools in Bedford, to support Southway nursery school over the next year, to develop our international links

Public Benefit

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

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

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

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

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

ACHIEVEMENTS AND PERFORMANCE

Review of activities

This Year (May 2012) Queens Park Academy was inspected by Ofsted with the result that the school was judged to be 'Good' (with outstanding features). The inspection report is published on our website and has been shared with the parental community

Each year the Academy produces the 'How Well are We Doing?' booklet for all stakeholders. This is also published on our website and gives the reader details of both 'standards' and progress against the identified priorities for each year

Going concern

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

FINANCIAL REVIEW

Financial report for the period

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

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

The total income for the period was £6,387,492. This includes a transfer of balances from the Local Authority of £2,371,836 (see note 25). The largest amount within this balance related to buildings worth £2,379,472 (see note 12). It also included the pension deficit at 1 April 2011 of £261,000 in relation to the Local Government Pension Scheme (see note 22). Excluding the inherited balances from the Local Authority, the Academy generated income of £4,015,656 including General Annual Grant of £2,827,895 (see note 1).

The excess of income over expenditure for the period, excluding the fixed assets fund was £346,487.

At 31 August 2012, the School had total funds of £2,446,658. This was comprised of £1,918,546 of restricted funds and £528,112 of unrestricted general fund balances. The pension reserve balance, relating to the Local Government defined benefit scheme for non-teaching staff, was in deficit by £483,000 at 31 August 2012 and is included within restricted funds.

The results for the period are shown on page 20.

Principal risks and uncertainties

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

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

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

Trustees' report Period from 16 March 2011 to 31 August 2012

FINANCIAL REVIEW (continued)

Reserves policy

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

At the period end, a balance of £400,000 had been designated for planned future capital maintenance and development projects. The Academy's free reserves at 31 August 2012 were £128,112 which is in line with the reserves policy.

Investment policy

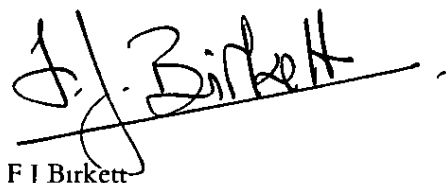
The Academy currently has no investments, except for deposits in interest bearing accounts.

FUTURE ACTIVITIES AND PLANS

Our aspirations are to develop the Academy site depending on EFA capital bids and in the long term to become a full primary school.

We will continue to develop the Queens Park Primary Learning Collaborative.

Approved by the trustees on 13/12/12 and signed on their behalf by



F J Birkett
Chair

Date

13/12/2012

Governance statement 31 August 2012

Scope of responsibility

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

The governing body have delegated the day-to-day responsibility to the Executive Headteacher as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Academy and the Secretary of State for Education. The Executive Headteacher is also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the governors' report and in the statement of governors' responsibilities. The governing body has formally met six times during the period. Attendance during the period at meetings of the governing body was as follows:

| Governor | Number of meetings attended | Out of a possible |
|-----------------|--|--------------------------|
| P Austin | 4 | 6 |
| K Batton | 3 | 6 |
| F Birkett | 6 | 6 |
| E Bolton | 6 | 6 |
| B Edge | 6 | 6 |
| C Friend | 6 | 6 |
| S Le Page | 5 | 6 |
| A McCormick | 5 | 6 |
| E Mullins | — | — |
| M Rosamund | 6 | 6 |
| R Shaikh | 5 | 6 |
| V Tatum | 5 | 6 |
| J Williams | 2 | 6 |

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

- ◆ To provide guidance and assistance to the Executive Headteacher & Governing Body in all matters relating to budgeting and finance
- ◆ To prepare the schools budget plan and review financial statements, including consideration of long term planning and resourcing
- ◆ To consider each year the Schools Development Plan priorities and to present an annual budget plan to the Governing body for approval

Governance statement 31 August 2012

Governance (continued)

- ◆ To monitor all income and expenditure and to report on the financial situation to the Governing Body each term
- ◆ To monitor expenditure and discuss any variation with those responsible for the appropriate budgets
- ◆ To ensure that Audit compliance is adhered to by The Academy and to receive and where appropriate respond to periodic audit reports of The Academy Funds
- ◆ To review the policies which are within the remit of the committee

Attendance at meetings in the year was as follows

| Governor | Number of meetings attended | Out of a possible |
|-----------------|------------------------------------|--------------------------|
| F Birkett | 3 | 4 |
| C Friend | 4 | 4 |
| A McCormick | 4 | 4 |
| E Mullins | — | — |
| B Edge | 4 | 4 |

The purpose of the system of internal control

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

Capacity to handle risk

The governing body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is an ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The risk and control framework

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

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body,

The risk and control framework (continued)

- ◆ regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- ◆ setting targets to measure financial and other performance,
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines,
- ◆ delegation of authority and segregation of duties,
- ◆ identification and management of risks

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed F Birkett as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the RO will report to the governors on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

Review of effectiveness

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

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

The Accounting Officer has advised the finance committee of the implications of her review of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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



F J Birkett
Chair



A McCormick
Executive Headteacher and Accounting
Officer

Approved on 13/12/2012.

Statement on regularity, propriety and compliance 31 August 2012

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

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

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

A handwritten signature in black ink, appearing to read 'A McCormick', with a long horizontal line extending from the end of the signature.

A McCormick
Accounting Officer

Date 13/12/12.

Statement of trustees' responsibilities 31 August 2012

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

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

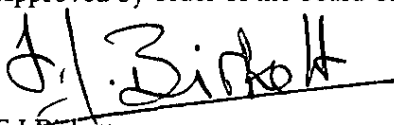
- ◆ select suitable accounting policies and then apply them consistently,
- ◆ observe the methods and principles in the Charities' Statement of Recommended Practice (the Charities' SORP),
- ◆ make judgments and estimates that are reasonable and prudent,
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Academy and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the Academy applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Academy's website. Legislation in the United Kingdom governing preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 13/12/12 and signed on its behalf by


F J Birkett
Chair

Date 13/12/2012.

Independent auditor's report to the members of Queens Park Academy

We have audited the financial statements of Queens Park Academy for the period ended 31 August 2012 which comprise the statement of financial activities, the balance sheet, the cash flow statement, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and the Academy's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditor

The governors act as trustees for the charitable activities of Queens Park Academy and are also the directors of the Academy for the purpose of company law.

As explained more fully in the statement of governors' responsibilities set out in the Governors' report, the governors 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. If we become aware of any apparent material inconsistencies we consider the implications for our report.

Independent auditor's reports 31 August 2012

Opinion

In our opinion

- ◆ the financial statements give a true and fair view of the state of the Academy's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- ◆ the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- ◆ the financial statements have been prepared in accordance with the Companies Act 2006, and
- ◆ the financial statements have been prepared in accordance with the Annual Accounts Direction 2011/12 issued by the Education Funding Agency

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



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

14/12/12

Independent auditor's report on regularity to the governing body of Queens Park Academy and the Education Funding Agency

In accordance with the terms of our engagement letter dated 4 October 2012 and further to the requirements of the Education Funding Agency (EFA), 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 period from 16 March 2011 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to 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 governing body and auditor

The governing body is responsible, under the requirements 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

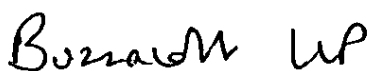
Our responsibilities for this review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed or income received during the period from 16 March 2011 to 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 period from 16 March 2011 to 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



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

14/12/12

Statement of financial activities Period from 16 March 2011 to 31 August 2012

| | | Unrestricted general fund £ | Restricted funds | | Fixed assets fund £ | 2012 Total funds £ |
|--|-------|--------------------------------------|------------------|----------------|------------------------------|-----------------------------|
| | Notes | | EFA £ | Other £ | | |
| Incoming resources | | | | | | |
| Incoming resources from generated funds | | | | | | |
| Voluntary income | 2 | 1,573 | — | — | — | 1,573 |
| Voluntary income - transfer from Local Authority on conversion | 25 | 253,364 | (261,000) | — | 2,379,472 | 2,371,836 |
| Activities for generating funds | 3 | 440,087 | — | 261,103 | — | 701,190 |
| Investment income | 4 | 698 | — | — | — | 698 |
| Incoming resources from charitable activities | | | | | | |
| Funding for the academy's educational operations | 5 | — | 2,913,448 | 289,770 | 69,126 | 3,272,344 |
| Other income | | 39,851 | — | — | — | 39,851 |
| Total incoming resources | | 735,573 | 2,652,448 | 550,873 | 2,448,598 | 6,387,492 |
| Resources expended | | | | | | |
| Charitable activities | | | | | | |
| Academy's educational operations | 7 | 207,461 | 2,808,701 | 550,873 | 150,427 | 3,717,462 |
| Governance costs | 8 | — | 25,372 | — | — | 25,372 |
| Total resources expended | 6 | 207,461 | 2,834,073 | 550,873 | 150,427 | 3,742,834 |
| Net income (expenditure) for the period | | | | | | |
| | | 528,112 | (181,625) | — | 2,298,171 | 2,644,658 |
| Transfer between funds | 15 | — | (68,191) | — | 68,191 | — |
| Other recognised gains and losses | | | | | | |
| Actuarial loss on defined benefit pension scheme | 23 | — | (198,000) | — | — | (198,000) |
| | | 528,112 | (447,816) | — | 2,366,362 | 2,446,658 |
| Net movement in funds | | | | | | |
| Reconciliation of funds | | | | | | |
| Fund balances brought forward at 16 March 2011 | | — | — | — | — | — |
| Fund balances carried forward at 31 August 2012 | | 528,112 | (447,816) | — | 2,366,362 | 2,446,658 |


All of the academy trust's activities derive from acquisitions in the current financial period

A separate Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

Balance sheet 31 August 2012

| | Notes | 2012 £ | 2012 £ |
|--|-------|------------------|------------------|
| Fixed assets | | | |
| Tangible fixed assets | 12 | | 2,366,362 |
| Current assets | | | |
| Debtors | 13 | 210,551 | |
| Cash at bank and in hand | | 537,690 | |
| | | 748,241 | |
| Creditors amounts falling due within one year | 14 | (184,945) | |
| Net current assets | | | 563,296 |
| Total assets less current liabilities | | | 2,929,658 |
| Net assets excluding pension scheme liability | | | 2,929,658 |
| Pension scheme liability | 23 | | (483,000) |
| Net assets including pension scheme liability | | | 2,446,658 |
| Funds of the Academy | | | |
| Restricted funds | | | |
| Fixed assets fund | 15 | | 2,366,362 |
| EFA fund | 15 | | 35,184 |
| Other restricted funds | | | — |
| Pension reserve | 15 | | (483,000) |
| | | | 1,918,546 |
| Unrestricted funds | | | |
| General fund | 15 | | 128,112 |
| Designated fund | 15 | | 400,000 |
| Total funds | | | 2,446,658 |

The financial statements on page 20 to 40 were approved by the Governors, and authorised for issue on 13/12/ 2012 and are signed on their behalf by


F J Birkett
Chair

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

Cash flow statement Period from 16 March 2011 to 31 August 2012

| | Notes | 2012 £ |
|--|-------|-----------------|
| Net cash inflow from operating activities | 18 | 351,819 |
| Cash transferred on conversion to academy trust | 25 | 263,113 |
| Liabilities transferred on conversion to academy trust | 25 | (9,749) |
| Returns on investment and servicing of finance | 19 | 698 |
| Capital expenditure | 20 | (68,191) |
| Increase in cash in the period | | 537,690 |
| Reconciliation of net cash flow to movement in net funds. | | |
| Net funds at 16 March 2011 | | — |
| Net funds at 31 August 2012 | | 537,690 |

All of the cash flows derived from acquisitions in the current financial period

Principal accounting policies 31 August 2012

Basis of Preparation

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

Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Queens Park Lower School to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Queens Park Academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 25 of the financial statements.

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

Principal accounting policies 31 August 2012

Incoming Resources (continued)

Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured

Other income

Other income is recognised in the period it is receivable

Gifts in kind

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

Resources Expended

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

Costs of generating funds

These are costs incurred in attracting voluntary income

Charitable activities

These are costs incurred on the Academy Trust's educational operations

Governance Costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses

All resources expended are inclusive of irrecoverable VAT

Principal accounting policies 31 August 2012

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

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

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

Taxation

The Academy 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.

Pensions Benefits

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

Pensions Benefits (continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 23, the TPS is a multi employer scheme and the School 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 School in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund Accounting

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

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

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

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

Notes to the Financial Statements Period from 16 March 2011 to 31 August 2012

1 General Annual Grant (GAG)

| | 2012 £ |
|--|--------------------|
| a Results and Carry Forward for the period | |
| GAG allocation for current period | 2,827,895 |
| Total GAG available to spend | 2,827,895 |
| Recurrent expenditure from GAG | (2,724,520) |
| Fixed Assets purchased from GAG | (68,191) |
| GAG carried forward to next year | 35,184 |
| Maximum permitted GAG carry forward at end of current year (12% of allocation for current academic year) | (244,443) |
| GAG to surrender to DfE (12% rule breach if result is positive) | (209,259) |
| | No breach |

2 Voluntary income

| | Unrestricted funds £ | Restricted funds £ | 2012 Total funds £ |
|-----------|----------------------------|--------------------------|-----------------------------|
| Donations | 1,573 | — | 1,573 |

3 Activities for Generating Funds

| | Unrestricted funds £ | Restricted funds £ | 2012 Total funds £ |
|----------------------------------|----------------------------|--------------------------|-----------------------------|
| Hire of facilities | 14,717 | — | 14,717 |
| Catering income | 37,149 | — | 37,149 |
| Consultancy income | 229,272 | — | 229,272 |
| Queens Park Neighbourhood Centre | — | 126,535 | 126,535 |
| Community Nursery | 86,611 | 123,799 | 210,410 |
| Miscellaneous income | 72,338 | 10,769 | 83,107 |
| | 440,087 | 261,103 | 701,190 |

4 Investment Income

| | Unrestricted funds £ | Restricted funds £ | 2012 Total funds £ |
|---------------------|----------------------------|--------------------------|-----------------------------|
| Interest receivable | 698 | — | 698 |

Notes to the Financial Statements Period from 16 March 2011 to 31 August 2012

5 Funding for academy's educational operations

| | Unrestricted funds £ | Restricted funds £ | 2012 Total funds £ |
|-------------------------------------|-------------------------|-----------------------|-----------------------------|
| DfE / EFA capital grant | | | |
| Devolved formula capital | — | 27,947 | 27,947 |
| Academies Maintenance grant | — | 41,179 | 41,179 |
| | — | 69,126 | 69,126 |
| DfE / EFA revenue grant | | | |
| General Annual Grant (GAG) (note 1) | — | 2,827,895 | 2,827,895 |
| Other DfE / EFA | — | 85,553 | 85,553 |
| | — | 2,913,448 | 2,913,448 |
| Other government grants | | | |
| Local authority grants | — | 289,770 | 289,770 |
| | — | 289,770 | 289,770 |
| | — | 3,272,344 | 3,272,344 |

6 Resources expended

| | Staff costs £ | Non pay expenditure | | 2012 Total funds £ |
|---------------------------------|------------------|---------------------|------------------|-----------------------------|
| | | Premises £ | Other costs £ | |
| Charitable activities | | | | |
| School's educational operations | | | | |
| Direct costs | 2,178,701 | 150,427 | 186,188 | 2,515,316 |
| Allocated support costs | 475,165 | 368,720 | 358,261 | 1,202,146 |
| | 2,653,866 | 519,147 | 544,449 | 3,717,462 |
| Governance costs | — | — | 25,372 | 25,372 |
| | 2,653,866 | 519,147 | 569,821 | 3,742,834 |

| | 2012 Total funds £ |
|--|-----------------------------|
| Incoming resources for the period include | |
| Operating leases | 14,071 |
| Fees payable to auditor | |
| Statutory audit | 8,200 |
| Non statutory audit | 1,000 |
| Other services | 2,250 |

Notes to the Financial Statements Period from 16 March 2011 to 31 August 2012

7 Charitable activities - academy's educational operations

| | Unrestricted funds £ | Restricted funds £ | 2012 Total funds £ |
|--|----------------------------|--------------------------|-----------------------------|
| Direct costs | | | |
| Teaching and educational support staff costs | 58,959 | 2,119,742 | 2,178,701 |
| Depreciation | — | 150,427 | 150,427 |
| Educational supplies | — | 53,217 | 53,217 |
| Staff development | — | 49,476 | 49,476 |
| Staff recruitment | — | 10,144 | 10,144 |
| Other direct costs | 3,657 | 69,694 | 73,351 |
| | <u>62,616</u> | <u>2,452,700</u> | <u>2,515,316</u> |
| Allocated support costs | | | |
| Support staff costs | 78,555 | 396,610 | 475,165 |
| Recruitment and support | — | 5,654 | 5,654 |
| Other nursery costs | — | 86,570 | 86,570 |
| Maintenance of premises and equipment | 9,851 | 230,044 | 239,895 |
| IT costs | — | 43,016 | 43,016 |
| Cleaning | 2,000 | 17,977 | 19,977 |
| Rent and rates | 2,415 | 47,648 | 50,063 |
| Insurance | — | 46,182 | 46,182 |
| Security and transport | 5,675 | 6,928 | 12,603 |
| Catering | 37,149 | 76,287 | 113,436 |
| Bank interest and charges (inc FRS 17 cost) | — | 16,000 | 16,000 |
| Other support costs | 9,200 | 84,385 | 93,585 |
| | <u>144,845</u> | <u>1,057,301</u> | <u>1,202,146</u> |
| | <u>207,461</u> | <u>3,510,001</u> | <u>3,717,462</u> |

8 Governance costs

| | Unrestricted funds £ | Restricted funds £ | 2012 Total funds £ |
|------------------------------|----------------------------|--------------------------|-----------------------------|
| Legal and professional fees | — | 14,672 | 14,672 |
| Auditor's remuneration | | | |
| Audit services | — | 9,200 | 9,200 |
| Responsible officer services | — | 1,500 | 1,500 |
| | <u>—</u> | <u>25,372</u> | <u>25,372</u> |

Notes to the Financial Statements Period from 16 March 2011 to 31 August 2012

9 Staff costs

Staff costs during the period were

| | Unrestricted funds £ | Restricted funds £ | 2012 Total funds £ |
|-----------------------|----------------------------|--------------------------|-----------------------------|
| Wages and salaries | 117,221 | 2,064,392 | 2,181,613 |
| Social security costs | 6,947 | 133,380 | 140,327 |
| Pension costs | 13,346 | 256,239 | 269,585 |
| | 137,514 | 2,454,011 | 2,591,525 |
| Supply teacher costs | — | 62,341 | 62,341 |
| | 137,514 | 2,516,352 | 2,653,866 |

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

| Charitable activities | 2012 £ |
|----------------------------|-----------|
| Teachers | 26 |
| Administration and support | 32 |
| Management | 4 |
| | 62 |

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

| | 2012 No |
|--------------------|------------|
| £90,001 - £100,000 | 1 |

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2012 pension contributions for this staff member amounted to £3,793

10 Governors' remuneration and expenses

The Executive Headteacher and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Headteacher and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy in respect of their role as trustees. The value of trustees' remuneration for the 17 month period to 31 August 2012 was

| | 2012 £ |
|------------------------------------|--------------------------|
| A McCormick, Executive Headteacher | 130,001 - 135,000 |

During the period ended 31 August 2012, travel and subsistence expenses totalling £60 were reimbursed to one governor

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

Notes to the Financial Statements Period from 16 March 2011 to 31 August 2012

11 Governors' and Officers' insurance

In accordance with normal commercial practice the School has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provides cover up to £1,843,418 on any one claim and the cost for the period ended 31 August 2012 was £111.

The cost of this insurance is included in the total insurance costs.

12 Tangible fixed assets

| | Leasehold land and buildings £ | Furniture and equipment £ | IT Equipment £ | Total funds £ |
|------------------------|---|------------------------------------|----------------------|-------------------------|
| Cost/valuation | | | | |
| Transfer on conversion | 2,379,472 | — | — | 2,379,472 |
| Additions | 89,320 | 29,890 | 18,107 | 137,317 |
| At 31 August 2012 | <u>2,468,792</u> | <u>29,890</u> | <u>18,107</u> | <u>2,516,789</u> |
| Depreciation | | | | |
| Charge in period | 138,413 | 5,979 | 6,035 | 150,427 |
| At 31 August 2012 | <u>138,413</u> | <u>5,979</u> | <u>6,035</u> | <u>150,427</u> |
| Net book value | | | | |
| At 31 August 2012 | <u>2,330,379</u> | <u>23,911</u> | <u>12,072</u> | <u>2,366,362</u> |

The leasehold land and buildings value above relates to the Academy site at Chestnut Avenue. As the site is designated for educational purposes only the land has no open market value and hence the value in these financial statements relates to the Academy buildings only.

The land and buildings valued at £2,379,472 were transferred upon conversion to an Academy from the predecessor school. The Academy has signed a 125 year lease agreement for the school buildings, on a peppercorn rent basis, with Bedford Borough Council during the period ended 31 August 2012. The transfer valuation is based on an insurance valuation undertaken by Zurich Municipal in September 2011, discounted to take account of the age of the building at the time of the transfer.

13 Debtors

| | 2012 £ |
|----------------|----------------|
| Trade debtors | 146,113 |
| Prepayments | 38,127 |
| VAT debtor | 9,958 |
| Accrued income | 16,353 |
| | <u>210,551</u> |

Notes to the Financial Statements Period from 16 March 2011 to 31 August 2012

14 Creditors' amounts falling due within one year

| | 2012 £ |
|-----------------------------------|----------------|
| Trade creditors | 132,875 |
| Accruals and deferred income | 52,070 |
| | 184,945 |
| Deferred income | |
| Resources deferred in the period | 12,265 |
| Deferred income at 31 August 2012 | 12,265 |

Deferred income of £12,265 relates to capital grant income received in advance

15 Funds

| | Balance at 16 March 2011 £ | Incoming resources £ | Resources expended £ | Gains, losses and transfers £ | Balance at 31 August 2012 £ |
|---|-------------------------------------|----------------------------|----------------------------|--|--------------------------------------|
| EFA revenue grant fund | | | | | |
| General Annual Grant (GAG) | — | 2,827,895 | (2,724,520) | (68,191) | 35,184 |
| Other EFA grants | — | 85,553 | (85,553) | — | — |
| | — | 2,913,448 | (2,810,073) | (68,191) | 35,184 |
| Pension reserve | — | (261,000) | (24,000) | (198,000) | (483,000) |
| | — | 2,652,448 | (2,834,073) | (266,191) | (447,816) |
| Fixed assets fund | | | | | |
| EFA capital grants | — | 69,126 | (15,590) | 68,191 | 121,727 |
| Academy building transferred from Local Authority | — | 2,379,472 | (134,837) | — | 2,244,635 |
| | — | 2,448,598 | (150,427) | 68,191 | 2,366,362 |
| Other funds | | | | | |
| Other government grants | — | 289,770 | (289,770) | — | — |
| Other income | — | 261,103 | (261,103) | — | — |
| | — | 550,873 | (550,873) | — | — |
| Total restricted funds | — | 5,651,919 | (3,535,373) | (198,000) | 1,918,546 |
| Unrestricted funds | | | | | |
| General fund | — | 735,573 | (207,461) | (400,000) | 128,112 |
| Designated fund | — | — | — | 400,000 | 400,000 |
| Total unrestricted funds | — | 735,573 | (207,461) | — | 528,112 |
| Total funds | — | 6,387,492 | (3,742,834) | (198,000) | 2,446,658 |

Notes to the Financial Statements Period from 16 March 2011 to 31 August 2012

15 Funds (continued)

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

Restricted general funds

These grants relate to the Academy's development and operational activities This includes

General Annual Grant

GAG must be used for the normal running costs of the Academy including salaries and related costs, overheads, repairs and maintenance and insurance The School is allowed to carry forward up to 12% of the current GAG Of the carried forward amount, up to 2% of total GAG can be used for general purposes at the discretion of the School, but any balance over 2% must be used for capital purposes

Pension reserve

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

Other restricted funds

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

Fixed assets fund

These grants relate to capital funding to carry out works of a capital nature

Designated fund

The designated fund relates to funds earmarked for planned future capital maintenance and development projects

16 Analysis of net assets between funds

| | Unrestricted funds £ | Restricted funds | | | Total 2012 £ |
|---|-------------------------|---------------------------|-----------------------------|----------------------------------|--------------------|
| | | Restricted EFA funds £ | Restricted other funds £ | Restricted fixed asset fund £ | |
| Fund balances at 31 August 2012 are represented by | | | | | |
| Tangible fixed assets | — | — | — | 2,366,362 | 2,366,362 |
| Current assets | 528,112 | 220,129 | — | — | 748,241 |
| Current liabilities | — | (184,945) | — | — | (184,945) |
| Pension scheme liability | — | (483,000) | — | — | (483,000) |
| Total net assets | 528,112 | (447,816) | — | 2,366,362 | 2,446,658 |

Notes to the Financial Statements Period from 16 March 2011 to 31 August 2012

17 Financial commitments

Operating leases

At 31 August 2012, the Academy had annual commitments under non cancellable operating leases as follows

| | 2012 £ |
|--|---------------|
| <u>Photocopier lease</u> | |
| Expiring within two and five years inclusive | <u>14,071</u> |

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

| | 2012 £ |
|--|-----------------------|
| Net income | 5,221,149 |
| Inherited pension deficit | 261,000 |
| Depreciation (note 12) | 305,198 |
| Capital grants from DfE and other capital income | (5,179,860) |
| Interest receivable (note 4) | (698) |
| Cash transferred on conversion of academy | (263,113) |
| Liabilities transferred on conversion | 9,749 |
| FRS 17 pension cost less contributions payable (note 23) | 8,000 |
| FRS 17 pension finance expense (note 23) | 16,000 |
| (Increase) in debtors | (210,551) |
| Increase in creditors | 184,945 |
| Net cash inflow from operating activities | <u>351,819</u> |

19 Returns on investment and servicing of finance

| | 2012 £ |
|--|-------------------|
| Interest received | 698 |
| Net cash inflow from returns on investment and servicing of finance | <u>698</u> |

20 Capital expenditure and financial investment

| | 2012 £ |
|--|------------------------|
| Capital grants from DfE / EFA | 69,126 |
| Assets purchased | (137,317) |
| Net cash outflow from capital expenditure and financial investments | <u>(68,191)</u> |

Notes to the Financial Statements Period from 16 March 2011 to 31 August 2012

21 Analysis of changes in net funds

| | At 16 March 2011 £ | Cashflows £ | At 31 August 2012 £ |
|--------------------------|-----------------------------|----------------|------------------------------|
| Cash in hand and at bank | — | 537,690 | 537,690 |

22 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

23 Pension and similar obligations

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

As described in note 24, the LGPS obligation relates to the employees of the trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date

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 was 31 March 2010

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

Teachers' Pension Scheme (TPS)

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

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

23 Pension and similar obligations (continued)

Teachers' Pension Scheme (TPS) (continued)

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

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

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 standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 - 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 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

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

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

23 Pension and similar obligations (continued)

Teachers' Pension Scheme (TPS) (continued)

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

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2012 was £158,000, of which employer's contributions totalled £112,000 and employees' contributions totalled £46,000.

| Principal Actuarial Assumptions | At 31 August 2012 |
|--|--------------------------|
| Rate of increase in salaries | 4.5% |
| Rate of increase for pensions in payment / inflation | 2.2% |
| Discount rate for scheme liabilities | 4.1% |

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

| | At 31 August 2012 |
|-----------------------------|--------------------------|
| <i>Retiring today</i> | |
| Males | 21.6 |
| Females | 23.2 |
| <i>Retiring in 20 years</i> | |
| Males | 23.6 |
| Females | 25.6 |

Notes to the Financial Statements Period from 16 March 2011 to 31 August 2012

23 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

| | Expected return at 31 August 2012 | Fair value at 31 August 2012 £ |
|-------------------------------------|--|--|
| Equities | 5.5% | 320,000 |
| Bonds | 3.5% | 105,000 |
| Property | 3.7% | 56,000 |
| Cash | 2.8% | 136,000 |
| Total market value of assets | | 617,000 |
| Present value of scheme liabilities | | (1,100,000) |
| (Deficit) in the scheme | | (483,000) |

The actual loss on scheme assets was £30,000

| Amounts recognised in statement of financial activities | 2012 £ |
|---|-----------|
| Current service costs (net of employee contributions) | 120,000 |
| Total operating charge | 120,000 |

Analysis of pension finance income / (costs)

| | |
|--|-----------------|
| Expected return on pension scheme assets | 46,000 |
| Interest on pension liabilities | (62,000) |
| Pension finance (costs) | (16,000) |

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a loss of £198,000.

| Movements in the overall deficit were as follows: | 2012 £ |
|---|----------------|
| Deficit inherited at conversion | 261,000 |
| Current service cost | 120,000 |
| Employer contributions | (112,000) |
| Net finance interest | 16,000 |
| Actuarial loss | 198,000 |
| At 31 August 2012 | 483,000 |

23 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

| Movements in the present value of defined benefit obligations were as follows | 2012 £ |
|--|-------------------|
| Deficit inherited at conversion | 704,000 |
| Current service costs | 120,000 |
| Interest costs | 62,000 |
| Employee contributions | 46,000 |
| Actuarial loss | 168,000 |
| At 31 August 2012 | 1,100,000 |

| Movements in the fair value of School's share of scheme assets | 2012 £ |
|---|-------------------|
| Inherited at conversion | 443,000 |
| Expected return on assets | 46,000 |
| Actuarial loss | (30,000) |
| Employer contributions | 112,000 |
| Employee contributions | 46,000 |
| At 31 August 2012 | 617,000 |

The estimated value of the employer contributions for the year ended 31 August 2013 is £87,000

The experience adjustments are as follows

| | 2012 £ |
|---|--------------------|
| Present value of defined benefit obligations | (1,100,000) |
| Fair value of share scheme assets | 617,000 |
| Deficit on the scheme | (483,000) |
| Experience adjustments on share of scheme assets | (30,000) |
| Percentage of scheme assets | 4.9% |
| Experience adjustments on scheme liabilities | — |
| Percentage of scheme liabilities | — |

24 Related party transactions

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

There were no such transactions during the financial period.

Notes to the Financial Statements Period from 16 March 2011 to 31 August 2012

25 Conversion to an academy trust

On 1 April 2011 the Queens Park Lower School converted to academy trust status under the Academies Act 2010 and all operations and assets and liabilities were transferred to Queens Park Academy for Bedford Borough Council for £nil consideration

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities

| | Unrestricted funds £'000 | Restricted general funds £'000 | Restricted fixed asset funds £ | Total £'000 |
|--------------------------------------|--------------------------------|---|---|------------------|
| Tangible fixed assets | | | | |
| Leasehold land and buildings | — | — | 2,379,472 | 2,379,472 |
| Budget surplus on LA funds | 137,377 | — | — | 137,377 |
| Budget surplus on other school funds | 115,987 | — | — | 115,987 |
| LGPS pension deficit | — | (261,000) | — | (261,000) |
| Net assets (liabilities) | 253,364 | (261,000) | 2,379,472 | 2,371,836 |

The above net assets include £263,113 that were transferred as cash