

QUEENS PARK ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016



QUEENS PARK ACADEMY
(A Company Limited by Guarantee)

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QUEENS PARK ACADEMY
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members	C Friend (resigned 1 September 2016) S Le Page (resigned 1 September 2016) A Thwaites Q Stone
Trustees	C Friend (resigned 1 September 2016) ² S Le Page (resigned 1 September 2016) ² A Thwaites, Head teacher ^{1,2} Q Stone, Chair ^{1,2} S Arif ¹ E Bolton, Assistant Head teacher K Boucher, Staff Trustee ¹ Z Rana, Parent Trustee R Shaik, Community Trustee N Shepherd (resigned 1 September 2016) L Tanner, Community Trustee (appointed 22 September 2015) D Workman ^{1,2} J Yildiz, Parent Trustee J Petty, Associate Trustee D Richardson, Associate Trustee (resigned 1 February 2016) ¹ E Mullins, Staff Trustee (resigned 1 November 2015) ¹ Member of Finance Committee ² Director of the Charitable Company
Company registered number	07566528
Company name	Queens Park Academy
Principal and registered office	Chestnut Avenue Bedford Bedfordshire MK40 4HA
Chief executive officer	A Thwaites
Senior management team	A Thwaites, Head teacher E Bolton, Assistant Head teacher V Wilson, Assistant Head teacher G Shreeves, Assistant Head teacher S Kirby, Assistant Head teacher S Evans, Business Manager
Independent auditors	Landau Baker Limited Chartered Accountants Mountcliff House 154 Brent Street London MW4 2DR

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016

Advisers (continued)

Bankers

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

QUEENS PARK ACADEMY
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

The trust operates an Academy for pupils aged 6 months to 11 years serving a catchment area in Bedford. It has a pupil capacity of 428 and had a roll of 486 in the school census on 6 October 2016.

Structure, governance and management

a. CONSTITUTION

The Academy is a charitable 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 Trustees of Queens Park Academy are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Queens Park Academy .

Details of the Trustees who served during the are included in the Reference and administrative details on page 1.

b. 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.

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the Academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

During the period under review, the governors held 4 full governing body meetings. In addition there were regular meetings covering finance, curriculum, premises and personnel. The training and induction provided for new governors will depend on their experience. Where necessary an induction will provide training on charity and educational, legal and financial matters. All new governors are given a tour of the Academy and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as trustees and directors of the Academy.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

e. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The Academy operates a robust Pay Policy which sets out the framework for making decisions on staff pay. It has been developed to comply with current legislation and the requirements of the School Teachers' Pay and Conditions Document (STPCD). The objective of the policy is to:

- ensure that pay and staffing arrangements enable the current and future delivery of the curriculum and Academy improvement plans;
- support the recruitment and retention of high quality staff;
- recognise and reward staff for their contribution to Academy improvement;
- ensure that pay decisions are made in a fair and transparent way; and
- ensure that budgetary funds are allocated appropriately.

Remuneration awards in the year are subject to the key management personnel demonstrating a sustained high quality of performance, as indicated by the extent to which objectives delineated in his/her annual Performance Management appraisal have been met. A discretionary time-limited pay award for key personnel who have reached the top of their relevant pay range may be awarded.

The Head teacher will produce an annual Pay Recommendation Statement which will be presented to the Pay Committee for review and approval.

f. ORGANISATIONAL STRUCTURE

The Academy has established a management structure to enable its efficient running. The structure consists of two levels: the governors and the executive who are the senior leadership team.

The governing body has considered its role thoughtfully and decided that the role of the governors is to approve the strategic direction and objectives of the Academy and monitor its progress towards these objectives.

The governing body has approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, standing orders, a scheme of delegation and terms of reference. The Head teacher is directly responsible for the day to day running of the Academy and is assisted by a senior leadership team.

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

The Head teacher assumes the accounting officer role.

Objectives and Activities

The principal object and activity of the Academy is the operation of Queens Park Academy to provide a broad and balanced education for pupils of all abilities in the Bedford area. The governors have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the academy.

In accordance with the articles of association, the Academy has adopted a "Scheme of Government" approved by the Secretary of State for Education.

QUEENS PARK ACADEMY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

a. OBJECTIVES

The Academy has undertaken self-evaluation activities to correctly identify objectives for the next year. These objectives are:

- o To achieve consistently high standards of teaching and learning which continue to improve outcomes for children
- o To strengthen its accountability structure
- o To work with local partners to provide mutual support and strengthen strategic partnerships
- o To continue to develop a cost-effective and engaging curriculum that provides all pupils with opportunities to develop resilience and an enjoyment of learning
- o To prepare pupils to embrace their place in society confidently and responsibly, secure in the knowledge that they will have the necessary skills to rise to any challenge they meet and to take advantage of any choices presented to them

b. STRATEGIES

These objectives will be realised by:

- o Sharing good practice internally and externally
- o Using data from assessment systems in a timely fashion to address barriers to learning robustly
- o Developing a more robust and transparent appraisal system
- o Seeking external audits of all aspects of our work whenever possible as part of our drive for continuous improvement
- o Providing a wide variety of opportunities for our pupils and their families to share their ideas, expertise and interests to continue to strengthen the partnership between home and school
- o Engaging with all the local organisations that share our vision of working towards an inclusive, fairer society based on the British traditions that value democracy and social justice

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

c. ACTIVITIES

Examples of the activities that support our strategies are:

- o To use peer review, lesson study and observations to share good practice
- o To use a variety of assessment systems and evidence to identify barriers to learning for all pupils
- o To ensure we utilise all our resources and work with outside agencies to help our children and their families overcome these barriers
- o To develop appraisal processes, based on national guidance where possible, that supports and challenges colleagues
- o To ensure all members of staff understand how their personal contribution helps towards achieving the objectives of Queens Park Academy this year
- o To work with local schools including the teaching school, the University of Bedfordshire, organisations that provide audits for specific subject areas and the local authority to audit our efficacy
- o To utilise the support of museums, the emergency services and local charities to provide engaging opportunities to bring the curriculum to life for our pupils
- o To provide children with the skills and enthusiasm to lead a healthy life style by linking sport, outdoor activities and growing and cooking healthy food
- o To offer a wide range of extracurricular activities including those that provides service to the wider community, locally, nationally and globally.
- o To seek the opinions of pupils and families creatively and change our practice to support their engagement with the school wherever possible

The Academy's aims, objectives and strategies will be reviewed and edited in the autumn term of 2017.

d. MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR PUBLIC BENEFIT

As an Academy, we make the best use of our expertise and experience for public benefit, in addition to our core purpose of providing an education for our pupils. Some examples of this are as follows:

Our duty to teach pupils democratic British values and to encourage them to play their part in the wider community means that we participate in many activities that promote community cohesion and raise money for charity. For example:

- Queens Park Community Orchard Winter Fair
- Singing in local sheltered housing for elderly people
- Bedford River Festival
- Saint Pauls Church Christmas Tree Festival
- All Saints Church International Harvest Festival

The children take part in Junior Police Squad which promotes the rule of law.

Participation in the English Speaking Union competition and the Bedford Festival of Music and Drama are examples of our activities which celebrate British culture.

Two year groups go on the Queens Park Faith Tour and all pupils celebrate festivals from different religions and cultures as part of our commitment to multiculturalism.

e. PUBLIC BENEFIT

In setting the objectives, the governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

QUEENS PARK ACADEMY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Achievements and performance

a. KEY FINANCIAL PERFORMANCE INDICATORS

- Profit for the year before depreciation £157,106
- (Loss) for the year after depreciation (£6,663)
- Cash in hand £146,920
- Net current assets £61,587
- Restricted final reserve £52,266
- Fixed asset reserve £2,300,511

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

b. REVIEW OF ACTIVITIES

This year Queens Park Academy set a very clear whole school target of 50% of matched children reaching Age Related Expectation in reading, writing and mathematics. In the Early Years Foundation Stage the target was 50% of children to reach a Good Level of Development.

Having a numeric target to aim for helped staff focus teaching more precisely and almost all year groups got near to, or surpassed this target. As the national assessment system has changed over the last two years and QPA kept our first year 5 pupils in 2015 comparisons are not always possible in all year groups. The bullet points below show that in every area where a comparison can be made, except for writing in Year 1, outcomes have improved, sometimes dramatically.

- Year N –47.9% of children reached a Good Level of Development
- Year R - 46.7% of children reached a Good Level of Development which is up from 38.5% in 2015
- Year 1 – the percentage of children who passed the phonics test is up from 53% in 2015 to 64% this year
- Year 2 -51% of children reached Age Related Expectation in all 3 subjects (reading writing maths) (provisional national outcomes 60% in all 3 subjects)
- Year 3 -60.5% of children ARE in all 3 subjects
- Year 4 -39% of children ARE in all 3 but 46% ARE in matched children
- Year 5 - 14.3% of children ARE in all 3 but 16.7% ARE in matched children

The following comparisons are between 2 different cohorts of children over a 2 year period. The percentages show those children recorded as reaching ARE. The children have been working on the new curriculum for this period of time.

Year 1

	Reading	Writing	Maths	Combined
2015	48.4%	45.1%	54.9%	37.4%
2016	58.9%	42.1%	55.6%	38.9%

Year 3

	Reading	Writing	Maths	Combined
2015	41.0%	16.9%	30.1%	14.5%
2016	72.1%	59.3%	66.3%	57%

Year 4

	Reading	Writing	Maths	Combined
2015 Cohort that remained at QPA	25.6%	11.6%	18.6%	9.3%
2015 All children	27%	20%	35.3%	Not recorded
2016	49%	47%	50.6%	38.6%

c. INVESTMENT POLICY AND PERFORMANCE

It should be noted that the Academy has substantial power with regards to investments due to cash balances held. Investment policies are determined by the Governing Body. This ensures the level of funds the Academy holds can cover any immediate expenditure, without exposing the Academy to additional risk. Should any potential investment opportunity arise this would be escalated to the Board for consideration. The most typical investments that are held by academies are the Special Interest Deposit accounts which are immediately available to draw against. At 31 August 2016, no investments were held.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

d. FACTORS RELEVANT TO ACHIEVE OBJECTIVES

The major factor is clearly reduced funding, regulated by statutory requirements.

Financial review

a. GOING CONCERN

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

b. PRINCIPAL RISKS AND UNCERTAINTIES

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The Academy is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Academy's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The Academy's system of internal controls ensures risk is minimal in these areas.

A risk register has been established and is updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the Academy faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, 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 Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

It should also be noted that procedures are in place to ensure compliance with the health and safety regulations, pertaining to both staff and pupils.

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme, in which there was a deficit at 31 August 2016.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

c. RESERVES POLICY

The definition of reserves in the SORP is 'that part of a charity's income funds that is freely available for its general purposes'. This definition of reserves therefore normally excludes:

- o permanent endowment funds
- o expendable endowment funds
- o restricted income funds
- o any part of unrestricted funds not readily available for spending, specifically income funds which could only be realised by disposing of fixed assets held for charitable use

'Reserves' are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'reserves' are income which becomes available to the Academy and is to be spent at the trustees' discretion in furtherance of any of the Academy's objects (sometimes referred to as 'general purpose' income) but which is not yet spent, committed or designated (ie is 'free').

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The governors will keep this level of reserves under review at each Board meeting and aim to build and maintain the reserves level by entering into cost effective agreements as noted in Objectives and Activities above, whilst in keeping with the principal object of the Academy.

Total reserves at the end of the period amounted to £1,468,778. This balance includes unrestricted funds (free reserves) of £nil, which is considered appropriate for the Academy Trust, and restricted funds of £1,468,778.

Users should also note that a surplus or deficit position of the pension scheme would generally result in a cash flow effect for the Academy Trust in the form of an increase or decrease in employers' pension contributions over a period of years. The Academy Trust thus takes this fact into account when reviewing current business plans and budgets, ascertaining how the pension costs might affect budgets in the future. On the basis that increased pension contributions should generally be met from the Academy Trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund or direct impact on the unrestricted reserves of the Academy Trust due to the recognition of the deficit.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

d. PRINCIPAL FUNDING

During the period, EFA/LA grants received totaled to £2,505,330. Other income included within restricted funds totaled to £571,673. Restricted fund expenditure totaled to £2,910,666.

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the 12 month period ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of financial activities.

The Academy also received grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2015), such grants are shown in the Statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the academy. It should be noted that this does not present the Academy with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

The Academy ended the period with a healthy balance sheet and cash flow and will be using the reserves to maintain the current assets and also to invest back into the school in the form of additional resources and facilities both in the long term and short term in conjunction with the school development plan and school aims.

The Finance Director has been reviewing the financial processes and controls and one of the changes to be made is to the accounting package used to improve reporting. The Governors through the Finance Committee and Head Teacher receive financial progress reports throughout the year and compare against budgets submitted to the Education Funding Agency. The Finance Committee also review longer term financial models (up to 5 years) to plan and organise resources most effectively to fulfil the aims of the Academy.

e. MATERIAL INVESTMENTS POLICY

It should be noted that the Academy has substantial power with regards to investments due to cash balances held. Investment policies are determined by the Governing Body. This ensures the level of funds the Academy holds can cover any immediate expenditure, without exposing the Academy to additional risk. Should any potential investment opportunity arise this would be escalated to the Board for consideration. The most typical investments that are held by academies are the Special Interest Deposit accounts which are immediately available to draw against. At 31 August 2016, no investments were held.

Plans for future periods

a. FUTURE DEVELOPMENTS

- 65% of pupils to make Age Related Expectation or Good Level of Development in Early Years by 2017
- Full review of staffing structure
- Further development of links with the community including local schools
- Sharing of best practice
- Sponsorship opportunities

QUEENS PARK ACADEMY
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

FUNDS HELD AS CUSTODIAN

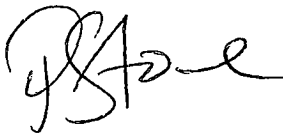
The Academy Trust and/or its trustees did not act as custodian trustee during the current or previous period.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by order of the board of trustees as the company directors, on 15 November 2016 and signed on its behalf by:



Q Stone
Chair of Trustees

QUEENS PARK ACADEMY
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that 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 board of trustees has delegated the day-to-day responsibility to the Head teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Queens Park Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
C Friend	4	4
S Le Page	3	4
A Thwaites, Head teacher	4	4
Q Stone, Chair	3	4
S Arif	4	4
E Bolton, Assistant Head teacher	4	4
K Boucher, Staff Trustee	3	3
Z Rana, Parent Trustee	3	4
R Shaik, Community Trustee	4	4
N Shepherd	3	4
L Tanner, Community Trustee	3	3
D Workman	4	4
J Yildiz, Parent Trustee	4	4
J Petty, Associate Trustee	2	3
D Richardson, Associate Trustee	1	1
E Mullins, Staff Trustee	1	1

The principal challenge for the board was to redress the difficult financial situation as at 31st August 2015.

The Finance Committee is a sub-committee of the main board of trustees. Its purpose is to monitor, review and interrogate the finances of the Academy.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C Friend	6	6
Q Stone	6	6
D Workman	5	6
A Thwaites	6	6
L Tanner	3	6
S Arif	6	6
K Boucher	5	5
J Petty	5	6
D Richardson	1	1

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Head teacher has responsibility for ensuring that the Academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by:

- Competitive tendering for the audit, thus reducing the fees by £10k
- Reduced staffing, saving £90k
- Reduced supply cover saving £12k
- Review of all supplier contracts (ongoing) saving in the region of £5k

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Queens Park Academy for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the 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 board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed:

- Daniel Workman, a Trustee, as Responsible Officer (RO);
- Landau Baker Limited, the external auditors, to perform additional checks.

GOVERNANCE STATEMENT (continued)

- Landau Baker Limited, the external auditors, to perform additional checks.

The appointees' role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the appointees report to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

No reviews were carried out since the appointment of Landau Baker Limited, these will commence in the current financial period.


REVIEW OF EFFECTIVENESS

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

- the work of the Responsible Officer;
- the work of the external auditors;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the 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 board of trustees on 15 November 2016 and signed on their behalf, by:



Q Stone
Chair of Trustees



A Thwaites
Accounting Officer

QUEENS PARK ACADEMY
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Queens Park Academy I have considered my responsibility to notify the Academy Trust board of trustees 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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Academy Trust board of trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.

A Thwaites

A Thwaites
Accounting Officer

Date: 15 November 2016

QUEENS PARK ACADEMY
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as governors of Queens Park Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction 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 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 Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the 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 board of trustees on 15 November 2016 and signed on its behalf by:



Q Stone
Chair of Trustees

QUEENS PARK ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF QUEENS PARK ACADEMY

We have audited the financial statements of Queens Park Academy for the year ended 31 August 2016 which comprise the Statement of Financial Activities Incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

QUEENS PARK ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
QUEENS PARK ACADEMY**

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Michael Durst (Senior Statutory Auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
MW4 2DR
15 November 2016

QUEENS PARK ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO QUEENS
PARK ACADEMY AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 15 April 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Queens Park Academy during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Queens Park Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Queens Park Academy and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Queens Park Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF QUEENS PARK ACADEMY'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Queens Park Academy's funding agreement with the Secretary of State for Education dated 1 April 2011, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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

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

The work undertaken to draw to our conclusion includes:

- review of management reporting documents.
- review of Trustees meeting minutes.
- confirming compliance with the Academy Trust's Scheme of Delegation.
- compliance with delegated authorities.
- consideration of whether any personal benefit has been derived from the Academy Trust's transactions by staff or related parties.
- adherence to tendering policies.summary of work undertaken, demonstrating application of the principles

- outlined in ICAEW guidance.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant
Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
MW4 2DR

15 November 2016

QUEENS PARK ACADEMY
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds (as restated) 2015 £
INCOME FROM:					
Charitable activities	3	2,894,458	9,321	2,903,779	2,978,991
Investments	4	224	-	224	543
TOTAL INCOME		2,894,682	9,321	2,904,003	2,979,534
EXPENDITURE ON:					
Charitable activities		2,746,897	163,769	2,910,666	3,351,441
TOTAL EXPENDITURE	7	2,746,897	163,769	2,910,666	3,351,441
NET INCOME / (EXPENDITURE) BEFORE EXCEPTIONAL ITEM					
Transfers between Funds	16	147,785 (2,170)	(154,448) 2,170	(6,663) -	(371,907) -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		145,615	(152,278)	(6,663)	(371,907)
Actuarial gains/(losses) on defined benefit pension schemes	20	(716,000)	-	(716,000)	10,000
NET MOVEMENT IN FUNDS		(570,385)	(152,278)	(722,663)	(361,907)
RECONCILIATION OF FUNDS:					
Total funds brought forward		(1,078,349)	2,452,789	1,374,440	1,736,347
TOTAL FUNDS CARRIED FORWARD		(1,648,734)	2,300,511	651,777	1,374,440

QUEENS PARK ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07566528

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	13		2,291,190		2,452,789
CURRENT ASSETS					
Debtors	14	71,467		59,198	
Cash at bank and in hand		146,920		63,067	
		<u>218,387</u>		<u>122,265</u>	
CREDITORS: amounts falling due within one year	15	(156,800)		(316,614)	
NET CURRENT ASSETS/(LIABILITIES)			61,587		(194,349)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,352,777</u>		<u>2,258,440</u>
Defined benefit pension scheme liability	20	(1,701,000)		(884,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>651,777</u>		<u>1,374,440</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	16	52,266		(194,349)	
Restricted fixed asset funds	16	2,300,511		2,452,789	
		<u>2,352,777</u>		<u>2,258,440</u>	
Restricted income funds excluding pension liability					
Pension reserve		(1,701,000)		(884,000)	
		<u>651,777</u>		<u>1,374,440</u>	
Total restricted income funds			651,777		1,374,440
TOTAL FUNDS			<u>651,777</u>		<u>1,374,440</u>

The financial statements were approved by the Trustees, and authorised for issue, on 15 November 2016 and are signed on their behalf, by:



Q. Stone
Chair of Trustees

The notes on pages 25 to 42 form part of these financial statements.

QUEENS PARK ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	(96,522)	37,777
Cash flows from investing activities:			
Dividends, interest and rents from investments		173,224	10,543
Purchase of tangible fixed assets		(2,170)	(99,320)
Capital grants from DfE/EFA		9,321	-
Net cash provided by/(used in) investing activities		180,375	(88,777)
Change in cash and cash equivalents in the year		83,853	(51,000)
Cash and cash equivalents brought forward		63,067	114,067
Cash and cash equivalents carried forward		146,920	63,067

QUEENS PARK ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Queens Park Academy constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Queens Park Academy prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Queens Park Academy for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. [The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS']

Reconciliations to previous UK GAAP for the comparative figures are included in note 23.

1.2 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Department for Education.

QUEENS PARK ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

General Annual Grant is recognised in full in the Statement of Financial Activities Incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Charitable activities and Governance costs are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

QUEENS PARK ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities Incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities Incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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 Incorporating Income and Expenditure Account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	4% per annum
Fixtures and fittings	-	20% per annum
Computer equipment	-	33.33% per annum

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the Bank.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

QUEENS PARK ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Financial instruments

The Academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.12 Taxation

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

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

QUEENS PARK ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses

1.14 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

During the period no estimates or judgements have been applied to the financial statements.

QUEENS PARK ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the Academy was subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2 % could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy has not exceeded these limits during the year ended 31 August 2016.

3. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2016 £	Total funds 2016 £	Total funds (as restated) 2015 £
Government grants	2,505,330	2,505,330	2,723,672
Other charitable activities	398,449	398,449	255,319
	<u>2,903,779</u>	<u>2,903,779</u>	<u>2,978,991</u>

In 2015, of the total income from charitable activities, £177,060 was to unrestricted funds and £2,801,931 was to restricted funds.

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2016 £	Total funds 2016 £	Total funds (as restated) 2015 £
DfE/EFA grants			
GAG income	2,111,392	2,111,392	1,890,823
Other EFA grants	145,206	145,206	423,889
Other government grants	248,732	248,732	408,960
	<u>2,505,330</u>	<u>2,505,330</u>	<u>2,723,672</u>

In 2015, of the total income from government grants, £ NIL was to unrestricted funds and £2,723,672 was to restricted funds.

The Academy received Devolved Formula Capital (DFC) funding amounting to £9,321 in the period. This funding was not spent in the period. The Trustees have decided that DFC funding received in the next 4 years will be applied to the replacement of temporary classrooms.

QUEENS PARK ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

4. INVESTMENT INCOME

	Restricted funds 2016 £	Total funds 2016 £	Total funds (as restated) 2015 £
Investment income - local cash	224	224	543
	<u>224</u>	<u>224</u>	<u>543</u>

In 2015, of the total investment income, £ 543 was to unrestricted funds and £ NIL was to restricted funds.

5. DIRECT COSTS

	Educational operations £	Total 2016 £	Total 2015 £
Educational supplies	91,719	91,719	176,624
Staff development	15,920	15,920	30,471
Staff recruitment	-	-	790
Other direct costs	40,265	40,265	70,712
Agency supply staff	9,409	9,409	54,102
Wages and salaries	1,136,925	1,136,925	1,221,734
National insurance	76,533	76,533	77,057
Pension cost	193,597	193,597	136,470
Depreciation	163,769	163,769	175,423
	<u>1,728,137</u>	<u>1,728,137</u>	<u>1,943,383</u>

In 2015, the Academy incurred the following Direct costs:

£1,943,383 in respect of Educational operations

£NIL in respect of Other charitable activities

QUEENS PARK ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

6. SUPPORT COSTS

	Educational operations £	Total 2016 £	Total 2015 £
Maintenance of premises & equipment	48,056	48,056	106,182
Cleaning	7,997	7,997	17,735
Rent and rates	6,587	6,587	53,477
Insurance	32,222	32,222	34,505
Security and transport	1,785	1,785	22,110
Catering costs	71,689	71,689	88,456
Other support costs	65,482	65,482	100,998
Audit fees	6,500	6,500	13,050
Other audit costs	1,843	1,843	2,700
IT costs	23,064	23,064	112,026
Other nursery costs	4,290	4,290	3,565
Wages and salaries	731,390	731,390	632,288
National insurance	27,829	27,829	31,045
Pension cost	153,795	153,795	189,921
	<u>1,182,529</u>	<u>1,182,529</u>	<u>1,408,058</u>

During the year ended 31 August 2016, the Academy incurred the following Governance costs:
£8,343. included within the table above in respect of Educational operations.

In 2015, the Academy incurred the following Support costs:
£1,408,058 in respect of Educational operations

7. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Educational operations:					
Direct costs	1,416,464	110,894	200,779	1,728,137	1,943,383
Support costs	913,014	94,862	174,653	1,182,529	1,408,058
	<u>2,329,478</u>	<u>205,756</u>	<u>375,432</u>	<u>2,910,666</u>	<u>3,351,441</u>

In 2016, of the total expenditure, £NIL (2015 - £83,838) was to unrestricted funds and £2,910,666 (2015 - £3,342,441) was to restricted funds.

QUEENS PARK ACADEMY
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	<u>163,769</u>	<u>175,423</u>

9. AUDITORS' REMUNERATION

	2016 £	2015 £
Fees payable to the academy's auditor in respect of:		
The auditing of accounts of the academy	6,500	8,800
All other non-audit services not included above	<u>1,843</u>	<u>3,450</u>

QUEENS PARK ACADEMY
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

10. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	1,868,316	1,854,022
Social security costs	104,362	108,102
Operating costs of defined benefit pension schemes	347,392	326,391
	<u>2,320,070</u>	<u>2,288,515</u>
Agency supply costs	9,408	54,102
	<u>2,329,478</u>	<u>2,342,617</u>

The average number of persons employed by the Academy during the year was as follows:

	2016 No.	2015 No.
Teachers	19	20
Administration and support	30	57
Management	6	3
	<u>55</u>	<u>80</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2016 No.	2015 No.
In the band £60,001 - £70,000	1	1

The above staff member participated in the Teachers' Pension Scheme and the Academy had employer contributions amounting to £11,367 in respect of this member of staff.

The total remuneration received by key management staff of the Academy amounted to £227,069 (2015: £339,201).

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 2 Trustees (2015 - 2) in respect of defined benefit pension schemes.

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One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Head teacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Head teacher and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2016 £	2015 £
Mrs A Thwaites, Head teacher	Remuneration	65,000-70,000	60,000-65,000
	Pension contributions paid	10,000-15,000	0-5,000

During the year, no Trustees received any benefits in kind (2015 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2016 was £477 (2015 - £477).

13. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2015	2,786,080	212,106	120,414	3,118,600
Additions	-	-	2,170	2,170
At 31 August 2016	2,786,080	212,106	122,584	3,120,770
Depreciation				
At 1 September 2015	453,495	93,328	118,988	665,811
Charge for the year	110,894	50,816	2,059	163,769
At 31 August 2016	564,389	144,144	121,047	829,580
Net book value				
At 31 August 2016	2,221,691	67,962	1,537	2,291,190
At 31 August 2015	2,332,585	118,778	1,426	2,452,789

The leasehold property is held under a 125 year lease, at a peppercorn rental, granted by Bedford Borough Council.

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14. DEBTORS

	2016 £	2015 £
Trade debtors	15,271	16,408
Prepayments and accrued income	56,196	42,790
	<u>71,467</u>	<u>59,198</u>

15. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	71,064	192,920
Other taxation and social security (see below)	20,234	43,341
Accruals and deferred income	65,502	80,353
	<u>156,800</u>	<u>316,614</u>

Other taxation and social security

	2016 £	2015 £
VAT	<u>20,234</u>	<u>43,341</u>
	2016 £	2015 £

Deferred income

Deferred income at 1 September 2015	46,905	-
Resources deferred during the year	42,572	46,905
Amounts released from previous years	(46,905)	-
Deferred income at 31 August 2016	<u>42,572</u>	<u>46,905</u>

16. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Restricted funds						
Restricted Funds - all funds	(196,349)	2,894,682	(2,643,897)	(2,170)	-	52,266
Other funds - other income	2,000	-	(2,000)	-	-	-
Pension reserve	(884,000)	-	(101,000)	-	(716,000)	(1,701,000)
	<u>(1,078,349)</u>	<u>2,894,682</u>	<u>(2,746,897)</u>	<u>(2,170)</u>	<u>(716,000)</u>	<u>(1,648,734)</u>

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16. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Restricted Fixed Asset Funds - all funds	2,452,789	9,321	(163,769)	2,170	-	2,300,511
Total restricted funds	1,374,440	2,904,003	(2,910,666)	-	(716,000)	651,777
Total of funds	1,374,440	2,904,003	(2,910,666)	-	(716,000)	651,777

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

All funds originated from assets gifted by the predecessor school. In addition:

Restricted fixed asset funds have been increased by capital grants provided by the DfE and reduced by depreciation charges.

Restricted general funds have been increased by revenue grants provided by the DfE and reduced by expenditure incurred in the operation of the Academy.

The restricted funds can only be used in terms of limitations imposed the the Funding Agreement with the DfE and the terms of any specific grant.

Unrestricted funds have been increased by voluntary contributions by parents and reduced by expenditure incurred in the operation of the Academy.

Under the funding agreement with the Secretary of State, the Academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2016. Note 2 discloses whether the limit was exceeded.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds (as restated) 2015 £
Tangible fixed assets	-	-	-	2,452,789
Current assets	209,066	2,291,190	2,291,190	-
Creditors due within one year	(156,800)	9,321	218,387	122,265
Provisions for liabilities and charges	(1,701,000)	-	(156,800)	(316,614)
	(1,648,734)	-	(1,701,000)	(884,000)
	<u>(1,648,734)</u>	<u>2,300,511</u>	<u>651,777</u>	<u>1,374,440</u>

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18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(6,663)	(371,907)
Adjustment for:		
Depreciation charges	163,769	175,423
Dividends, interest and rents from investments	(173,224)	(10,543)
Increase in debtors	(12,269)	(823)
(Decrease)/increase in creditors	(159,814)	231,376
Capital grants from DfE and other capital income	(9,321)	(84,749)
Defined benefit pension scheme cost less contributions payable	66,000	102,000
Defined benefit pension scheme finance cost	35,000	(3,000)
Net cash (used in)/provided by operating activities	(96,522)	37,777

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	146,920	63,067
Total	146,920	63,067

20. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Bedfordshire Pension Scheme. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

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20. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £109,342 (2015 - £98,391).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £191,000 (2015 - £172,000), of which employer's contributions totalled £145,000 (2015 - £129,000) and employees' contributions totalled £46,000 (2015 - £43,000). The agreed contribution rates for future years are 17.8% for employers and between 5.5% and 12.5% for employees.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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20. PENSION COMMITMENTS (continued)

Bedfordshire Pension Fund

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.10 %	2.70 %
Rate of increase in salaries	3.10 %	3.60 %
Rate of increase for pensions in payment / inflation	2.10 %	2.70 %

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

	2016	2015
Retiring today		
Males	22.4	22.4
Females	24.3	24.3
Retiring in 20 years		
Males	24.4	24.4
Females	26.8	26.8

The Academy's share of the assets in the scheme was:

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	1,251,000	824,000
Bonds	162,500	222,000
Property	162,500	135,000
Cash	49,000	50,000
Total market value of assets	<u>1,625,000</u>	<u>1,231,000</u>

The actual return on scheme assets was £173,000 (2015 - £16,000).

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	<u>(217,000)</u>	<u>(208,000)</u>
Actual return on scheme assets	<u>173,000</u>	<u>(16,000)</u>

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20. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening defined benefit obligation	2,115,000	1,831,000
Current service cost	217,000	208,000
Interest cost	85,000	72,000
Contributions by employees	46,000	43,000
Actuarial losses	889,000	-
Changes in financial assumptions	-	(34,000)
Benefits paid	(20,000)	(2,000)
Other experience	(6,000)	(3,000)
	<u>3,326,000</u>	<u>2,115,000</u>
Closing defined benefit obligation	<u>3,326,000</u>	<u>2,115,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	1,231,000	1,036,000
Return on plan assets (excluding net interest on the net defined pension liability)	-	(26,000)
Interest income	50,000	41,000
Actuarial gains and (losses)	173,000	10,000
Contributions by employer	145,000	129,000
Contributions by employees	46,000	43,000
Benefits paid	(20,000)	(2,000)
	<u>1,625,000</u>	<u>1,231,000</u>
Closing fair value of scheme assets	<u>1,625,000</u>	<u>1,231,000</u>

21. 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.

22. RELATED PARTY TRANSACTIONS

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

There were no related party transactions in the period of account.

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23. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the Academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure. The table below shows the effect of the transition to FRS102 on the SOFA for the prior year:

	As previously stated £	Effect of transition £	FRS102 (as restated) £
Total income	2,979,534	0	2,979,534
Total (expenditure)	(3,342,441)	(9,000)	(3,351,441)
Actuarial gain on defined benefit schemes	1,000	9,000	10,000

In the prior year, there were actuarial gains recognised on the scheme of £1,000. Under FRS102, these actuarial gains have been reclassified as shown above.