

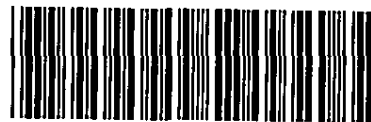
ALEXANDRA PARK SCHOOL
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

PERIOD ENDED 31 AUGUST 2012

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

FRIDAY



A03 *A229GRAW* #160
15/02/2013
COMPANIES HOUSE

ALEXANDRA PARK SCHOOL

CONTENTS

	Page
Reference and Administrative Information	1
Governors' Report	2
Governance Statement	9
Statement on Regularity, Propriety and Compliance	12
Statement of Governors' Responsibilities	13
Independent Auditors' Report	14
Independent Auditors' Report on Regularity	16
Statement of Financial Activities	17
Balance Sheet	18
Cash Flow Statement	19
Principal Accounting Policies	20
Notes to the Financial Statements	22

ALEXANDRA PARK SCHOOL

GOVERNORS' REPORT 31 AUGUST 2012

Governors (Directors)

Janet Barter (*resigned 19 July 2012*)
Sean Burke (*term of office ends 31 August 2014*)
Kamla Chetty (*term of office ends 31 August 2014*)
Christopher Chessum (*term of office ends 18 July 2016*)
Stephanie Gold, Chair (*term of office ends 31 August 2014*)
Elizabeth Goldby (*term of office ends 26 July 2013*)
Kathleen Graham Harrison (*term of office ends 31 August 2014*)
Brian Haley (*term of office ends 15 September 2014*)
Deborah Harris (*term of office ends 31 August 2014*)
Lesley Hoggart (*term of office ceased 11 November 2011*)
Esther Joseph (*term of office ends 29 November 2016*)
Susan Levi (*term of office ends 23 March 2015*)
Michael McKenzie, Headteacher and Governor
Sheena Patel (*term of office ends 18 July 2016*)
Lindsay Pinnick (*term of office ends 31 August 2014*)
Ewan Scott (*term of office ends 6 July 2015*)
Cllr Nigel Scott (*term of office 28 June 2014*)
Jamie Scott, Joint Vice-Chair and Chair of the Resources Committee (*term of office ends 28 July 2013*)
Nicola Venning (*term of office ends 19 April 2014*)
Rachel Wells, Parent Governor, Joint Vice-Chair and Chair of the Personnel Committee (*term of office ends 19 April 2014*)
Gloria Wyse (*term of office ends 3 April 2015*)

Registered Office

Alexandra Park School
Bidwell Gardens
London
N11 2AZ

Company Registration Number

07708890

Statutory Auditor

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

Bankers

Lloyds TSB Bank plc
Silver Street
PO Box 1000
BX1 1LT

ALEXANDRA PARK SCHOOL

GOVERNORS' REPORT 31 AUGUST 2012 (continued)

The Governors present their report together with the financial statements and auditor's report of the charitable company for the period ended 31 August 2012

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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

Members' liability

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

Principal Activities

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

Method of Recruitment and Appointment or Election of Governors

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

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

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

Policies and Procedures adopted for the Induction and Training of Governors

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational Structure

The Governing Body meets at least once a term. The Governing Body has established an overall framework for the governance of the Academy and has established 5 Committees (Academy Governance, Planning and Nominations, Audit (from November 2012), Curriculum, Inclusion, Personnel, Resources). It has determined membership, terms of reference and delegated responsibilities and procedures for its Committees. It receives minutes and reports, including policies, from the Committees for consideration and/or ratification and monitors their activities through reports from the relevant Chairs. Fuller details of the purpose of each committee are shown under the 'Governance' section of the Governance Statement on page 9).

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

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

Risk management

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

In making the decision to become an Academy in October 2011 the Governing Body identified a number of Guiding Principles

In particular, it articulated its strong belief that education was for everyone and its commitment to a broad and attainable curriculum for all pupils regardless of ability, race, religion, gender, ethnicity, colour, sexuality or class. The Governing Body's overall aim is to ensure it delivers its charitable objects, as set out in its Articles of Association, in the context of its Guiding Principles and in particular to

- raise the standard of educational attainment and achievement of all pupils,
- provide a broad and balanced curriculum, including extracurricular activities,
- develop students as more effective learners,
- develop the Academy site so that it enables students to achieve their full potential,
- maximise the number of students who achieve 5 A* - C GCSE grades,
- provide value for money for the funds expended,
- fulfil its role as a national training school,
- develop greater coherence, clarity and effectiveness in school systems,
- conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

Objectives, Strategies and Activities

Objectives, strategies and activities are set out in the SDP, having been determined in the context of Academy priorities and the significant challenges and opportunities arising from national changes in education policy and funding. In 2011-2012, these included the following

- the development of the Academy's outdoor environment, including a new multi-use games area and conversion of an area that had been used for car parking into student space with planting and additional outdoor seating,
- strategies to raise the quality of teaching and learning,
- ambitious targets for pupil attainment at Key Stages (KS) 3, 4 and 5,
- the development and embedding of key financial and administrative procedures arising from conversion,
- the continued development and commitment of additional resources to ensure effective systems for tracking and monitoring pupil attainment,
- initiatives and activities to develop further the Academy's specialisms in Maths, Science and International Links

Equal opportunities policy

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

Disabled persons

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

ALEXANDRA PARK SCHOOL

GOVERNORS' REPORT 31 AUGUST 2012 (continued)

PUBLIC BENEFIT

The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities. For the benefit of the inhabitants of North London and the surrounding area, the Academy promotes the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances and, similarly, for the public at large in the interests of social welfare and with the object of improving the condition of life of the aid inhabitants.

ACHIEVEMENTS AND PERFORMANCE

The Academy teaches young people from the age of 11-18. In November 2011, Ofsted Inspectors graded the Academy as 'outstanding' in 24 of the 27 performance indicators in the Common Inspection Framework, including teaching and learning, with the remaining 3 areas graded as 'good'.

The Inspection Report identified as a strength the 'decisive and inspirational leadership of the headteacher and a highly effective leadership team', describing the school as a 'reflective and self-critical organisation which lives its aim to put learning first through its every action'.

The Ofsted Report reflected the extent to which the Academy had been successful in achieving its vision of inclusiveness. It identified the proportion of students at APS known to be eligible for free school meals as above average, the large majority of students as being from a wide range of minority ethnic backgrounds, and one-third of students as speaking English as an additional language. The proportion of the Academy's students identified by Ofsted as having SEN and/or disabilities was well above average and the proportion of students with SEN statements was also well above average.

The Report noted that the 'well-led and very effective Governing Body undertakes its responsibilities in an exemplary manner, particularly in relation to safeguarding the students and planning for greater community cohesion'.

In 2011-2012, the Academy's KS3 results showed an increasing trend in students achieving high levels and the progress made at this stage carried into KS4 outcomes. Achievement in English, Maths and Science was outstanding both in terms of attainment and value-added, putting APS in the top 5% nationally. In 2011-2012 84% of students gained 5 or more A*-C grades at GCSE, with the more important measure of 5 A*-C with English and Maths showing a pass rate of 72%. The Academy had record numbers of students taking A Level examinations, students received a 99% pass rate at A2, with 79% achieving A*-C grades.

The Academy is heavily oversubscribed. There were 1,348 applicants for the 216 places available in year 7 in September 2011.

During the year, the Academy secured a capital grant to resource the building of a Multi-User Games Area which opened in September 2012.

GOING CONCERN

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

ALEXANDRA PARK SCHOOL

GOVERNORS' REPORT 31 AUGUST 2012 (continued)

KEY PERFORMANCE INDICATORS

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2012 were 1,452, an increase of 31 over 2011. It is anticipated that this number will continue to rise.

Another key financial performance indicator is staffing costs as a percentage of total income (excluding Surplus from predecessor school) and in 2011 the Governing Body set an indicator that staff costs should be no more than 80% of total income.

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

- to maintain an operating surplus to support the strategic development of the school,
- to have at least 45 cash days in hand as working balances,
- to have a current ratio of at least 1:1 for current assets relative to current liabilities
- to diversify income streams by increasing the proportion of total income represented by non-core EFA funding and grants e.g. Lettings. In 2011/2012 income from lettings rose to £69k compared to £63k in 2011.

FINANCIAL REVIEW

Financial report for the period

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, some of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2012 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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

During the period ended 31 August 2012, total expenditure of £8,924k was met by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the period (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £858k.

At 31 August 2012 the net book value of fixed assets was £21,125k. Movements in tangible fixed assets are shown in Note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The London Borough of Haringey Pension Fund, in which the Academy participates, showed a deficit of £1,190k at 31 August 2012. Of this sum, £1,015k was inherited by Alexandra Park School from the London Borough of Haringey on 1 October 2011, the date the local authority's staff transferred to employment with the Academy.

The Statement of Financial Activities includes the assets and liabilities from the predecessor school, details of these can be found in Note 3 on page 23.

Financial and Risk Management Objectives and Policies

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

A risk also arises in relation to the defined benefit pension LGPS scheme due to the deficit as at 31 August 2012 of £1,190k.

Principal Risks and Uncertainties

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

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

Reputational - the continuing success of the Academy is dependent on attracting applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Governors ensure that student success and achievement are rigorously monitored and reviewed.

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

Staffing - the success of the Academy is reliant on the quality of its leadership and staff. The Governors monitor and review policies and procedures to ensure continued development and training for all staff. At the point at which it moved to Academy status, the Governors benchmarked the Headteacher's remuneration to ensure it was commensurate with similar institutions and instituted a risk management strategy to ensure effective succession planning. The start of the 2012 academic year saw the Academy fully staffed in all areas.

Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer to carry out checks on financial systems and records following the guidance in the original Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

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

Reserve policy and financial review

Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the appropriate level of free reserves should be equivalent to four weeks' expenditure, which is approximately £700k.

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves of £1,421k (total funds less the amount held in fixed assets and restricted funds) is greater than is needed and appropriate capital investment plans are under active consideration. The Academy anticipates that any excess of funds will not be utilised until the summer of 2013/14 at the earliest.

ALEXANDRA PARK SCHOOL

GOVERNORS' REPORT 31 AUGUST 2012 (continued)

Investment policy

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

Financial position

The Academy held fund balances at 31 August 2012 of £21,441k comprising £20,020k of restricted funds and £1,421k of unrestricted general funds.

Of the restricted funds, £21,125k is represented by tangible fixed assets.

The Pension reserve which is considered part of restricted funds was £1,190K in deficit.

PLANS FOR FUTURE PERIODS

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

In summary, in 2012-2013 the Academy will

- continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels,
- continue to aim to attract high quality teachers and support staff in order to deliver its objective,
- continue to work with partner schools to improve the educational opportunities for students in the wider community,
- continue to develop its reputation as a leading provider of high quality teacher training placements.

The Academy currently hosts over twenty PGCE students throughout the year and works with a range of providers, including the Institute of Education. We also work with other schools in Haringey by offering short term GTP and Teach First placements in a range of subjects. The Academy has been selected as one of the first Schools Direct providers, a new scheme whereby PGCE students are interviewed and selected by the school itself, with the expectation that the school will employ the candidate at the end of the course.

Professional development for our staff remains a priority and we will ensure that our curriculum managers and staff continue to have access to accredited Middle Leader's and Leadership Training and our support staff to a range of NVQ courses from Level 3 upwards.

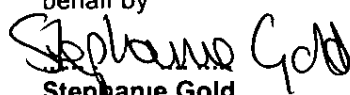
Information provided to auditors

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

AUDITORS

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

The report of the Governors was approved by the Governors on 13th December 2012 and signed on their behalf by


Stephanie Gold
Chair

ALEXANDRA PARK SCHOOL

GOVERNANCE STATEMENT 31 AUGUST 2012

Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Alexandra Park School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' responsibilities. The Governing Body has formally met 5 times during the period under review with an overall attendance of 82%. Attendance during the year at meetings of the Governing Body was as follows:

Name	Meetings attended	Out of a possible
Janet Barter	4	5
Sean Burke	4	5
Kamla Chetty	4	5
Christopher Chessum	1	1
Stephanie Gold	5	5
Elizabeth Goldby	5	5
Kathleen Graham Harrison	4	5
Brian Haley	3	5
Deborah Harris	4	5
Lesley Hoggart	0	1
Esther Joseph	2	3
Sue Levi	4	5
Michael McKenzie	5	5
Sheena Patel	1	1
Lindsay Pinnick	4	5
Ewan Scott	4	4
Jamie Scott	4	5
Cllr Nigel Scott	2	5
Nicola Venning	5	5
Rachel Wells	4	5
Gloria Wyse	4	5

The Governing Body has established six Committees and the main purpose of each is summarised below. Terms of reference for each Committee are available from the Clerk to the Governing Body.

- Academy Governance, Planning and Nominations Committee – meets at least four times a year to determine, monitor, evaluate and/or review Academy policy and performance in relation to governance, including succession planning, nominations and elections to the Governing Body, governance assessment and evaluation processes and the annual programme of work for the Governing Body and its Committees based on its strategic priorities and funders' requirements.

ALEXANDRA PARK SCHOOL

GOVERNANCE STATEMENT 31 AUGUST 2012 (continued)

- Audit Committee (with effect from November 2012) – which meets three times a year to consider reports on the effectiveness of controls, including those from internal audit reviews and to monitor the risk register and business continuity and disaster management policies
- Curriculum Committee - meets once a term to determine, monitor, evaluate and/or review Academy policy, practice and performance in relation to the curriculum, including assessment and examination outcomes, KS3, 4, 5 and other relevant targets
- Inclusion Committee – meets once a term to determine, monitor, evaluate and/or review Academy policy, practice and performance in relation to child protection, SEN provision, G&T pupils and pastoral care in the school
- Personnel Committee – meets once a term to determine, monitor, evaluate and/or review Academy policy, practice and performance in relation to staffing, including CPD and performance management
- Resources Committee - meets at least five times a year to determine, monitor, evaluate and/or review Academy policy and performance in relation to financial management, including the year-end financial statements and the annual budget, and premises management

Attendance during the year at meetings of the Resource Committee was as follows

Name	Meetings attended	Out of a possible
Kamla Chetty	3	4
Stephanie Gold	2	2
Brian Haley	1	4
Michael McKenzie	4	4
Jamie Scott	4	4
Cllr Nigel Scott	2	4
Nicola Venning	3	4
Rachel Wells	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 Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal control has been in place in Alexandra Park School for the 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is reviewed by the Governing Body and its Committees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body,
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines,
- delegation of authority and segregation of duties,
- identification and management of risks

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Hussein Ahmed, a qualified accountant to perform the internal audit function in role as Responsible Officer. His role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. He reports to the Audit Committee 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 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 internal audit reviews conducted by the RO,
- the work of the external auditor,
- the financial management and governance self assessment process,
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the Governing Body on 13 December 2012 and signed on its behalf by


Stephanie Gold
Chair


Michael McKenzie
Accounting Officer

ALEXANDRA PARK SCHOOL

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE 31 AUGUST 2012

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

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

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



.....
Michael McKenzie
Accounting Officer

13 December 2012

ALEXANDRA PARK SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES 31 AUGUST 2012

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

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

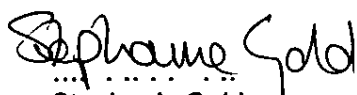
- select suitable accounting policies and they apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures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

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

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

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

Approved by order of the members of the Governing Body on 13th December 2012 and signed on its behalf by -


Stephanie Gold
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALEXANDRA PARK SCHOOL

We have audited the financial statements of Alexandra Park School for the period ended 31 August 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective Responsibilities of Governors and Auditor

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

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

Scope of the Audit of the Financial Statements

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

Opinion on Financial Statements

In our opinion, the financial statements -

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

Opinion on Other Matter Prescribed by the Companies Act 2006

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

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

Matters on which we are Required to Report by Exception

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

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

Wilkins Kennedy LLP

Michelle Wilkes (Senior Statutory Auditor)

For and on behalf of Wilkins Kennedy LLP, Statutory Auditor

Greytown House

221-227 High Street

Orpington

Kent BR6 0NZ

Date

17 December 2012

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

In accordance with the terms of our engagement letter dated 3 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 1 October 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 Auditors

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 and income received during the period 1 October 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 1 October 2011 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Wilkins Kennedy LLP

Michelle Wilkes (Senior Statutory Auditor)

For and on behalf of Wilkins Kennedy LLP, Statutory Auditor

Greytown House

221-227 High Street

Orpington

Kent BR6 0NZ

Date

17 December 2012

ALEXANDRA PARK SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 AUGUST 2012 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	11 months to 31 August 2012 £000
Incoming resources					
<i>Incoming resources from generated funds</i>					
- Voluntary income	4	160	-	-	160
- Assets/liabilities transferred from predecessor school	3	1,045	(1,015)	20,917	20,947
- Activities for generating funds	5	186	-	-	186
- Investment Income		2	-	-	2
<i>Incoming resources from charitable activities</i>					
- Funding for the Academy's educational operations	6	107	8,967	171	9,245
Total incoming resources		<u>1,500</u>	<u>7,952</u>	<u>21,088</u>	<u>30,540</u>
Resources expended					
<i>Charitable activities</i>					
Academy's educational operations	8	79	8,467	320	8,866
Governance costs	9	-	58	-	58
Total resources expended	7	<u>79</u>	<u>8,525</u>	<u>320</u>	<u>8,924</u>
Net incoming (outgoing) resources before other recognised gains and losses		1,421	(573)	20,768	21,616
Other recognised gains and losses					
Actuarial (losses)/gains on defined benefit pension schemes		-	(175)	-	(175)
Transfer between Funds	16	-	(357)	357	-
Net movement in funds		<u>1,421</u>	<u>(1,105)</u>	<u>21,125</u>	<u>21,441</u>
Reconciliation of funds					
Total funds carried forward at 31 August 2012		<u>1,421</u>	<u>(1,105)</u>	<u>21,125</u>	<u>21,441</u>

- All of the Academy's activities derived from acquisitions in the current financial period
- All recognised gains and losses are included in the Statement of Financial Activities

ALEXANDRA PARK SCHOOL

BALANCE SHEET AS AT 31 AUGUST 2012
COMPANY NUMBER 07708890

	Notes	2012 £000	2012 £000
Fixed assets			
Tangible assets	13		21,125
Total fixed assets			21,125
Current assets			
Stock		5	
Debtors	14	400	
Cash at bank and in hand		1,854	
Total current assets		2,259	
Liabilities			
Creditors Amounts falling due within one year	15	(753)	
Net current assets			1,506
Total assets less current liabilities			22,631
Net assets excluding pension liability			
Pension scheme liability	20		(1,190)
Net assets including pension liability			21,441
Funds of the Academy			
Restricted funds			
Fixed asset fund	16		21,125
Pension fund	16		(1,190)
General fund	16		85
			20,020
Unrestricted funds			
General fund	16		1,421
Total unrestricted funds			1,421
TOTAL FUNDS			21,441

The financial statements on pages 17 to 34 were approved by the Governors and authorised for issue on 13th December 2012 and signed on their behalf by



 Stephanie Gold
 Chair



 Michael McKenzie
 Accounting Officer

ALEXANDRA PARK SCHOOL**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 AUGUST 2012**

	Notes	2012 £000s
Net cash inflow from operating activities	23	2,209
Returns on investments and servicing of Finance	24	2
Capital expenditure	25	(357)
Increase in cash in the year		<u>1,854</u>
Reconciliation of net cash flow to movement in net funds		
Net funds at 31 August 2012	26	<u>1,854</u>

1 ACCOUNTING POLICIES

Basis of accounting

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

Going Concern

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of one period from the date of approval of the financial statements.

Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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

Donations

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

Donated services and gifts in kind

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

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

Interest receivable

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

Resources expended

All expenditure is recognised in the 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.

Resources expended (continued)

Allocation of costs

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

Governance Costs

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

Fund accounting

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

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

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

Tangible fixed assets

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

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

Depreciation

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

Buildings	2%
Furniture	25%
IT Equipment	50%
Motor Vehicles	18%

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

Depreciation is not charged in the month of acquisition.

Leased assets

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

Taxation

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

Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 20 the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until the vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

	2012 £000
2 GENERAL ANNUAL GRANT (GAG)	
a Results and Carry Forward for the Period	
GAG allocation for current period	8,225
Total GAG available to spend	<u>8,225</u>
Recurrent expenditure from GAG	(7,783)
Fixed assets purchased from GAG	(357)
GAG carried forward to next period	<u><u>85</u></u>
Maximum permitted GAG carry forward at end of current period (12% of allocation for current period)	<u>(987)</u>
GAG to surrender to DfE	
(12% rule breached if result is positive)	<u>(902)</u>
	No breach

2 GENERAL ANNUAL GRANT (GAG) contd.**b Use of GAG Brought Forward from Previous Period for Recurrent Purposes**

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

	2012 £000
Recurrent expenditure from GAG in current period	7,783
GAG allocation for current period	(8,225)
GAG allocation for previous period x 2%	-
	<hr/>
GAG b/fwd from previous period in excess of 2%, used on recurrent expenditure in current period	(442)
(2% rule breached if result is positive)	No breach

3 ASSETS TRANSFERRED FROM PREDECESSOR SCHOOL

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Assets £000	2012 Total £000
Pension fund deficit	-	(1,015)	-	(1,015)
Property valuation	-	-	20,830	20,830
Other fixed assets	-	-	87	87
Surplus on schools budget	1,045	-	-	1,045
	<hr/>	<hr/>	<hr/>	<hr/>
	1,045	(1,015)	20,917	20,947

4 VOLUNTARY INCOME

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Assets £000	2012 Total £000
Trips	148	-	-	148
Other donations	12	-	-	12
	<hr/>	<hr/>	<hr/>	<hr/>
	160	-	-	160

5 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Assets £000	2012 Total £000
Hire of facilities	69	-	-	69
Other income	117	-	-	117
	<hr/>	<hr/>	<hr/>	<hr/>
	186	-	-	186

ALEXANDRA PARK SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012 contd

6 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Assets £000	2012 Total £000
DfE/YPLA Revenue Grants				
General Annual Grant (GAG)(note 2)	-	8,225	-	8,225
Start Up Grants	-	35	-	35
Other DfE / EFA Grants	-	103	171	274
	-	8,363	171	8,534
Other Government Grants				
Local Authority Grants	-	604	-	604
Training Development Agency Grants	89	-	-	89
	89	604	-	693
Other Grants				
Other Grants	18	-	-	18
	18	-	-	18
TOTAL	107	8,967	171	9,245

7 RESOURCES EXPENDED	Staff Costs £000	Non Pay Expenditure Premises £000	Other Costs £000	Total 2012 £000
Academy's educational operations				
Direct costs	6,006	320	854	7,180
Allocated support costs	820	607	259	1,686
	6,827	926	1,113	8,866
Governance costs including allocated support costs				
	-	-	58	58
	6,827	926	1,171	8,924

Incoming/ (Outgoing) resources for the year include

Operating Leases 30

Audit fees 9

ALEXANDRA PARK SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012 contd

8 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Assets £000	2012 Total £000
Direct costs				
Teaching and educational support staff costs	9	5,997	-	6,006
Depreciation	-	-	320	320
Educational supplies	28	622	-	650
Examination fees	-	168	-	168
Staff development	5	18	-	23
Educational consultancy	1	12	-	13
Other direct costs	-	-	-	-
	<u>43</u>	<u>6,817</u>	<u>320</u>	<u>7,180</u>
Allocated support costs				
Support staff costs	25	795	-	820
Recruitment and support	-	15	-	15
Maintenance of premises and equipment	7	482	-	489
Cleaning	-	86	-	86
Rent and rates	-	24	-	24
Insurance	-	64	-	64
Catering	-	85	-	85
Security and Transport	-	8	-	8
Other support costs	4	91	-	95
	<u>36</u>	<u>1,650</u>	<u>-</u>	<u>1,686</u>
Total Costs	<u>79</u>	<u>8,467</u>	<u>320</u>	<u>8,866</u>
9 GOVERNANCE COSTS				
Legal and professional fees	-	47	-	47
Audit of financial statements	-	9	-	9
Governor reimbursed expenditure	-	2	-	2
Total Governance Costs	<u>-</u>	<u>58</u>	<u>-</u>	<u>58</u>
10 STAFF COSTS				2012 £000
Staff costs during the period were -				
- Wages and salaries				5,394
- Social security costs				435
- Other pension costs				774
				<u>6,603</u>
Agency supply teacher and educational support costs				224
				<u><u>6,827</u></u>

10 STAFF COSTS (continued)

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

	2012 No
Charitable Activities	
Teachers	100
Administration and support	72
	<hr/> 172 <hr/>

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

	2012 No
£60,000 - £70,000	7
£70,001 - £80,000	2
£130,001 - £140,000	1
	<hr/> 10 <hr/>

Nine out of ten employees above participated in the Teachers Pension Scheme. During the period to 31 August 2012, pension contributions for nine members of staff amounted to £95k

11 GOVERNORS' REMUNERATION AND EXPENSES

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

Name	Amount
M McKenzie	£125,000 - £130,000
E Scott, S Levi and E Joseph	£106,723

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

During the period ended 31 August 2012, travel and subsistence expenses totalling £2k were reimbursed to 20 governors.

12 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5m on any one claim and the cost for the period ended 31 August 2012 is £2k.

ALEXANDRA PARK SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012 contd

13 TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £000	Furniture and Fittings £000	IT £000	Motor Vehicles £000	Total £000
Cost					
Additions	313	186	3	26	528
Inherited Assets	20,830	77	10	-	20,917
	<u>21,143</u>	<u>263</u>	<u>13</u>	<u>26</u>	<u>21,445</u>
At 31 August 2012					
Depreciation					
Charged in period	278	30	9	3	320
	<u>278</u>	<u>30</u>	<u>9</u>	<u>3</u>	<u>320</u>
At 31 August 2012					
	<u>278</u>	<u>30</u>	<u>9</u>	<u>3</u>	<u>320</u>
Net book values					
At 31 August 2012	<u>20,865</u>	<u>233</u>	<u>4</u>	<u>23</u>	<u>21,125</u>

14 DEBTORS

	2012 £000
Prepayments	63
Sundry debtors	129
VAT recoverable	208
	<u>400</u>

15 CREDITORS amounts falling due within one period

	2012 £000
Other creditors	416
Accruals and deferred income	337
	<u>753</u>

ALEXANDRA PARK SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012 contd

16 FUNDS

	Incoming Resources £000	Resources Expended £000	Transfer £000	Balance at 31 August 2012 £000
Restricted general funds				
General annual grant (GAG)	8,225	(7,783)	(357)	85
Start Up Grant	35	(35)	-	-
Other DfE/EFA grants	103	(103)	-	-
LEA and other grants	604	(604)	-	-
	<u>8,967</u>	<u>(8,525)</u>	<u>(357)</u>	<u>85</u>
Restricted other funds				
Restricted fixed asset funds				
General	-	(8)	357	349
DfE/EFA capital grants	171	-	-	171
Assets transferred from predecessor school	20,917	(312)	-	20,605
	<u>21,088</u>	<u>(320)</u>	<u>357</u>	<u>21,125</u>
Pension reserve	<u>(1,015)</u>	<u>(175)</u>	<u>-</u>	<u>(1,190)</u>
Total restricted funds	<u>29,040</u>	<u>(9,020)</u>	<u>-</u>	<u>20,020</u>
Unrestricted funds				
Unrestricted funds	<u>1,500</u>	<u>(79)</u>	<u>-</u>	<u>1,421</u>
Total unrestricted funds	<u>1,500</u>	<u>(79)</u>	<u>-</u>	<u>1,421</u>
Total funds	<u>30,540</u>	<u>(9,099)</u>	<u>-</u>	<u>21,441</u>

17 ANALYSIS OF NET ASSETS
BETWEEN FUNDS

	Unrestricted General Fund £000	Restricted General Fund £000	Restricted fixed asset Fund £000	Total 2012 £000
Tangible fixed assets	-	-	21,125	21,125
Current assets	2,174	85	-	2,259
Current liabilities	(753)	-	-	(753)
Pension scheme liability	-	(1,190)	-	(1,190)
	<u>1,421</u>	<u>(1,105)</u>	<u>21,125</u>	<u>21,441</u>

18 FINANCIAL COMMITMENTS***Operating leases***

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

	Other £000
Expiring within one period	6
Expiring within two and five periods inclusive	1
	<u>7</u>

19 CONTINGENT LIABILITIES

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

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

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

20 PENSION COSTS

The Academy's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, the London Borough of Haringey Pension Fund (LBHPF) for non-teaching staff

The total pension cost to the Academy during the period ended 31 August 2012 was £774k of which £539k relates to the TPS and £235k relates to LBHPF

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 the Superannuation Act 1972, paid out of monies provided by parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' 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.

20 PENSION COSTS (continued)

Teachers' Pension Scheme (TPS) (continued)

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 investigations, 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.

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.

20 PENSION COSTS (continued)**London Borough of Haringey Pension Scheme**

The Academy is one of several employing bodies included within the London Borough of Haringey

The LBHPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year period 31 August 2012 was £306k, of which employer's contributions totalled £235k and employees' contributions totalled £71k

The following information is based upon a full actuarial valuation of the fund at 31 August 2012 by a qualified independent actuary

Principle Actuarial assumptions

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 in 20 years</i>	
Males	23.3 Years
Females	26.1 Years
<i>Retiring today</i>	
Males	21.9 Years
Females	24.7 Years

	At 31 August 2012	At 1st October 2011
Rate of prices increases (RPI)	2.9%	5.4%
Rate of prices increases (CPI)	2.5%	5.0%
Rate of increase in salaries	4.5%	4.7%
Rate of increase in pensions	2.2%	2.4%
Discount rate for liabilities	4.1%	5.1%

20 PENSION COSTS (continued)**London Borough of Haringey Pension Scheme (continued)**

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

	Long-term rate of return expected at 31 August 2012	Value at 31 August 2012
	%	£'000
Equities	5.5	1,393
Bonds	3.0	384
Property	3.7	141
Cash	2.8	101
Total fair value of assets	15.0	2,019
Present value of scheme liabilities		(3,209)
		1,190
Net pension liability		

The return on the fund (on a bid value to bid value basis) for the period to 31 August 2012 is estimated to be 15%. This is based on the estimated fund value used at the previous accounting date and the estimated fund value used at this accounting date. The actual return on Fund assets over the period may be different.

Amounts recognised in the statement of financial activity 2012

	£'000
Current service cost (net of employee contributions)	216
Past service costs	0
Total Operating Charge	216
Analysis of pension finance income/ (costs)	
Expected return on pension scheme assets	-85
Interest on pension liabilities	124
Pension finance income/ (costs)	255

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £155k loss.

Movements in the present value of defined obligations were as follows 2012 £000

Value of Scheme liabilities at 1 August 2011	2,520
Current service cost	216
Interest cost	124
Contributions by Scheme participants	71
Actuarial loss / (gain) on Scheme liabilities	278
Value of Scheme liabilities at 31 August 2012	3,209

20 PENSION COSTS continued**London Borough of Haringey Pension Scheme (continued)**

Movement in the fair value of academy's share of scheme assets:	2012 £000
Fair value Scheme assets at 1 August 2011	1,505
Expected return on Scheme assets	85
Actuarial gain/(loss) on Scheme assets	123
Contributions by the employer	235
Contributions by Scheme participants	71
Fair value of Scheme assets at 31 August	2,019

The estimated value of employer contributions for the year ended 31 August 2013 is £271k

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 period after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member

22 RELATED PARTY TRANSACTIONS

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

There were no related party transactions during the year.

ALEXANDRA PARK SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2012 contd

23 RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012 £'000
Net income	21,616
Depreciation	320
Inherited land & buildings from predecessor school	(20,830)
Inherited other fixed assets from predecessor school	(87)
Capital grants	(171)
Interest receivable	(2)
LGPS liability from predecessor school	1,015
Increase in stock	(5)
Increase in debtors	(400)
Increase in creditors	753
Net cash inflow from Operating Activities	<u>2,209</u>

24 RETURNS ON INVESTMENTS AND SERVICES OF FINANCE

	2012 £'000
Interest received	<u>2</u>

25 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2012 £'000
Purchase of tangible assets	(528)
Capital Grants	171
Total capital expenditure and financial investment	<u>(357)</u>

26 ANALYSIS OF CHANGES IN NET FUNDS

	Cash Flows £'000	At 31 August 2012 £'000
Cash in hand and at bank	<u>1,854</u>	<u>1,854</u>