

BOWER PARK ACADEMY
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

BOWER PARK ACADEMY
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the academy, its trustees and advisers	1 - 2
Trustees' report	3 - 9
Governance statement	10 - 13
Statement on regularity, propriety and compliance	14
Trustees' responsibilities statement	15
Independent auditors' report	16 - 17
Independent reporting accountant's assurance report on regularity	18 - 19
Statement of financial activities	20 - 21
Balance sheet	22
Cash flow statement	23
Notes to the financial statements	24 - 44

BOWER PARK ACADEMY
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Trustees

Eddie Aylett, (Staff Governor) (appointed 10 March 2014)
John Braybrook, Member of Finance and Audit Committee.
Margaret Davis, (Vice Chair of Finance and Audit Committee)
Kathleen Ellis, (Vice Chair of Governors). Member of Finance and Audit Committee.¹
Leigh Emmett (resigned 13 May 2014)
Mary Fletcher, (Headteacher) - Accounting Officer. Member of Finance and Audit Committee.
Eileen Grint, (Staff Governor), Member of Finance and Audit Committee.
Paul Hamblet, (Staff Governor)
Paul Henderson (resigned 13 November 2013)
Sarah Levis
Andrew Mann, Member of Finance and Audit Committee.
Liam O'Mahoney
Debbie Nicholls
Peter Scrivener, (Chair of Finance and Audit Committee)¹
Richard Shaw, (Chair of Governors). Member of Finance and Audit Committee.¹
Sharon Shaw (appointed 15 October 2013)
Robert Siggins, Member of Finance and Audit Committee. (resigned 14 February 2014)
Ian Smith (appointed 19 March 2014)
Michelle Stylianou (appointed 15 October 2013)
Mark Sweetingham (resigned 26 June 2014)
Toyin Tukasi (appointed 19 March 2014)

¹ Trust member

Company registered number

8351272

Principal and registered office

Bower Park Academy
Havering Rd
Romford
RM1 4YY

Company secretary

Susan Adams

Senior management team

Mary Fletcher, Headteacher
Mary Higgins, Deputy Headteacher
Catherine Moore, Deputy Headteacher
Susan Adams, School Business Manager
David Alexander, Executive Assistant Head
Katie Conquest, Assistant Head
Melanie Nash, Assistant Head
Gail Passey, Assistant Head
Eddie Aylett, Associate Assistant Head
Ashley Brien, Associate Assistant Head
Elizabeth Luckie, Associate Assistant Head
Anita Notta, Associate Assistant Head

BOWER PARK ACADEMY
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Administrative details (continued)

Independent auditors MHA MacIntyre Hudson
Chartered Accountants
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Bankers Lloyds TSB
Market Place
Romford
Essex
RM1 3AA

Solicitors Winckworth Sherwood
Minerva House
5 Montague Close
London
SE1 9BB

BOWER PARK ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the year ended 31 August 2014. 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 11 to 16 serving a catchment area in Romford, Essex. It has a pupil capacity of 960 and had a roll of 739 in the school census on 19th May 2014.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The trustees of Bower Park Academy Trust Limited are also the directors of the charitable company for the purposes of company law.

Details of the trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

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.

Trustees' Indemnities

Governors benefit from indemnity insurance to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £1,053.

Method of Recruitment and Appointment or Election of Trustees

Our Trustees are Community, Staff or Parent Governors (Trustees). Bower Park Academy constitution does not include LA Governors (Trustees).

The Academy recruits its Parent Trustees through the election process of Parent governors, which includes all parents & guardians of present students. Nominations have to be seconded and applications are given to the Headteacher in a sealed envelope to be opened after the designation closing date. All parents and guardians are notified of the result. Parent elections are ratified by the full Trustee Body and noted as part of the minutes.

Community Trustees are recruited from members of the public who have shown an interest in the governance of the Academy. Those wishing to be considered for any Community Trustee vacancies must write to the Chair of Trustees. As with Parent Trustees their appointment is ratified by the full Trustee Body and noted as part of the minutes. Community Trustees will show in their applications that they have skills that would be useful in the role as a critical friend to the Academy and Trustee body.

Staff Trustees are recruited from within the organisation. Recruitment follows the same systems as set down for Parent Trustees. All staff are informed of the appointment. Their appointment is ratified by the full Trustee Body.

BOWER PARK ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

Policies and Procedures Adopted for the Induction and Training of Trustees

All new governors are given an induction file by the Academy. New governors are encouraged to attend induction courses run by the Local Authority. New governors are encouraged to attend committee meetings and to join any that they feel aligned to either by interest or experience.

Organisational Structure

The trustees delegate the day to day management of the Academy to the Headteacher and her officers. The Headteacher is the Accounting Officer for the Academy and the School Business Manager is her Financial Director.

The principles of the Academy Trust are to ensure that the Academy is compliant with Ofsted's criteria for Academies delivering best value services.

Part of this process is the Academy Trust receiving, scrutinising and monitoring the School Improvement Plan.

The Trustees ensure that resources purchased are used effectively and efficiently and are 'fit for purpose'. Whilst the responsibility for expenditure, including purchase and payment of goods and service, is delegated to the Headteacher and her officers, the Academy Trust are aware of the need to ensure that the Academy is financially compliant and acts within the limits of its Financial Policies.

Whilst the scrutiny of the financial reports is completed by the Trust's Finance & Audit Committee, these reports are recorded as part of the Committee minutes and circulated to all Trustees.

Whilst the Trustees delegate the approval of the Academies Budget to the Finance & Audit committee this is ratified by the full Trustee body.

The Trustee body reviews the delegated powers of its committees and officers at least annually, which forms their terms of reference.

Objectives and Activities

Statement from the Chair of the Trustees Finance & Audit Committee

The role of the Finance and Audit Committee is to ensure Bower Park Academy meets its regulatory, legal and moral financial obligations, through adopting and enforcing transparent industry best practices. Budget plans are produced, audited, scrutinised and monitored throughout the year. The culture generated at Bower Park actively encourages and welcomes governors to challenge the plan, ensuring that transparency and best practices are met. This core philosophy has ensured Bower Park accounts continue to be managed effectively; the Academy has a stable financial platform, as demonstrated in the conclusions of multiple independent audits.

BOWER PARK ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

Statement from the Chair of the Trustees Curriculum Committee

The role of the Curriculum Committee is to ensure that each pupil receives a wide and varied curriculum tailored to their needs and requirements and in line with the Government's floor targets and attainments. At each meeting:

- the Committee monitors and evaluates any under-performance in specified subjects, paying particular attention to English and Maths.
- identifies under-performance between groups and subjects and ways forward to correct these anomalies.
- ensures that every child matters and that each pupil can reach and achieve the best education available within the National Curriculum.

Objects and Aims

The role of the Academy Trust is to support the Headteacher and her officers. It's role is as a critical friend to the Leadership Team of the Academy. The Trustees are encouraged to attend the Academy celebrations as part of the family of Bower Park Academy. This allows the community to see Trustees as part of the internal processes of the Academy and not just as a monitoring board.

Trustees are encouraged to work with curriculum departments and have taken part in Learning Walks throughout the year. They have met with Heads of department and worked with the Academy's Leadership Team in evaluating department progress.

Objectives, Strategies and Activities

- The overall objective of the Academy Trust is to ensure that every student leaves having achieved their full potential.
- The purpose of the Academy Trust is to ensure that the Academy delivers a broad and balanced curriculum to its students from 11 to 16 years of age.
- The Academy Trust will ensure that its students will have access to activities that will broaden their cultural awareness.
- The Academy Trustees are committed to ensuring that students and staff can learn and teach in a safe environment.
- The Academy Trust encourages innovation from its students and staff.

Public Benefit

The Governors of the Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The activities undertaken to further the Academy Trust's purpose for the Public Benefit include the Academy's vision of ensuring that all of its students are aware of other cultures and religions by agreeing and supporting global trips, that are accessible by all students.

BOWER PARK ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

STRATEGIC REPORT

Achievements and Performance

Report from Mary Morrison (HeadTeacher)

This has been the first full academic year for the Academy since its incorporation on the 8th January 2013.

The Academy has continued to improve and August 2014 saw the best results that the Academy has had in to date, with 50% A*-C with English and Maths. The national average is 55% and the Academy has set its targets to go over and above in the year 2014/15.

Students Global awareness has continued with trips organised to: South Africa, Poland, Ski Trip, New York, Paris, Romania.

We have hosted student visitors from: Italy and Russia.

Students have had opportunities to visit the theatre and have seen productions such as: West Side Story, Romeo & Juliet, Matilda, Poetry Live, Shakespeare for Schools, Tricycle Theatre, Safe Drive & Stay Alive, and Maths Challenge.

Students attend Humanities and Arts trips such as Neasden Temple and the Tate Modern.

All students are actively encouraged to join after school clubs, such as badminton, comic club, football, basketball, cricket, dance, drama and Duke of Edinburgh.

Students have put on productions and events through the year, Blackout, Glee, Dance shows, Hospitality events.

The Academy encourages students to think beyond KS4 and have hosted college nights and events, apprenticeship workshops, visits to universities, career & options day, Building apprentice workshops, and Health and Beauty workshops.

Whilst we are encouraging academic excellence we also recognise the need to develop our students into the adults of tomorrow.

Key Performance Indicators

The Academy Trustees were aware of the fall in student numbers and the need therefore to ensure that the Academy was able to set a balanced budget for 2014/15.

The Academy has been prudent in its expenditure for 2013/14 but has ensured that it is fully staffed and resourced. This has been achieved by internal monitoring from the Headteacher and School Business Manager and scrutiny by the Trustees Finance & Audit committee.

Trustees are aware that The Academy must invest in its staff, especially in the Leadership Team and have approved an additional tier in the Academy's Leadership Team, of four Associate Assistant Heads. These are temporary roles for one year and will be evaluated at the end of 2015.

BOWER PARK ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

Going Concern

After making appropriate enquiries, the Board of Trustees 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.

Financial Review

The Academy funding for the year has primarily come from the EFA. The Academy has ensured that the budget supports the staffing levels needed to implement a balanced curriculum. The fall in pupil numbers, due to national trends, has been identified early in the financial year and a contingency for 2014/15 identified in this year's budget. The Academy has reviewed its relevant contracts to ensure best value.

Reserves Policy

The Trustees will review the reserves level of the Academy at its Finance & Audit Committee meetings. This will be noted in the committee minutes, to be circulated to all Trustees.

This review will consider the income and expenditure cash flow projection. The trustees will determine what the uncommitted reserves should be in consultation with the Headteacher and the School Business Manager. The aim is to ensure sufficient working capital to cover delays in receipt of income grants and committed expenditure i.e monthly salaries.

The Trustees are also aware of the need to ensure that the Academy has some reserves to cover for unexpected expenditure such as a building emergency.

The Academy has ensured that there are sufficient reserves to cover the reduction in its annual budget due to the fall in student numbers in September 2013, that will have an impact for another four years.

At 31 August 2014 the total funds comprised:

Unrestricted	152,519
Restricted: Fixed asset funds	25,997,913
GAG	309,023
Pension reserve	(808,000)
Other	26,019
	<u>25,677,474</u>

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the Teachers' Scheme, separate assets are held to fund future liabilities as discussed in note 24. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the governors, and represent less than a month's worth of Academy expenditure. The aim of the governors is to increase this reserve to meet future working capital requirements.

BOWER PARK ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

Investment Policy

Trustees will review the Academy's financial position annually in regard to surplus cash and investments. It will monitor its cash flow and expected expenditure and any surplus funds may be banked in a higher interest account with the Academy's current bank, for a disclosed period.

Principal Risks and Uncertainties

The principal risks facing the Academy are:

- Reputational risk – mitigated by the Academy ensuring that its activities follow the guidance given by the EFA. The Governing Body scrutinise the activities of the Academy through its committees.
- Performance risk – mitigated by the Governing Body scrutinising the Academy's performance both nationally and locally, ensuring that targets are SMART.
- Financial Risk – The principal financial risks are a reduction in pupil numbers, reduction in central Government funding, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs. The risks presented here are mitigated by the Headteacher and her Financial Director (SBM) ensure that the budget forecast is attainable, taking into account the reduction in pupil numbers and any known reduction in Government funding. Budgets are set using known and future budgets considered with any potential changes. The Academy's Governing Body receive regular financial reports that are scrutinised at committee and full Governing Body.
- Risks associated with personnel – mitigated by the Headteacher ensuring that the recruitment of staff uses the Academy's safeguarded recruitment processes. The management of staff follow the Academy's policies on staff management and are scrutinised by the Governing Body.

The Academy Trust practices through its Board, namely the Governing Body and the constituted subcommittees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by Senior Executive Officers.

Plans for Future Periods

The Trustees are aware of the need to ensure that there is consistency of success across all subjects and especially in the Core. They will be working closely with the Academy's Leadership Team in ensuring that teaching and learning is tracked and challenged.

Trustees will be looking closely at the curriculum diet offered to our students at both key stages.

In so far as the Trustees are aware:

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

BOWER PARK ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

Auditor

The independent auditor, MHA MacIntyre Hudson, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

Trustees' report, incorporating a strategic report, approved by order of the board of Trustees, as the company directors, on 3 December 2014 and signed on the board's behalf by:

Richard Shaw

Chair of Trustees

BOWER PARK ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Bower 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 Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Bower Park 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 3 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

	Name	Date of appointment / resignation	Meetings attended	Out of a possible
1.	Richard Shaw	8.1.2013	3	3
2.	Kathleen Ellis	8.1.2013	2	3
3.	Peter Scrivener	8.1.2013	3	3
4.	Mary Fletcher	8.1.2013	3	3
5.	Andrew Mann	13.2.2013	3	3
6.	John Braybrook	13.2.2013	2	3
7.	Margaret Davis	13.2.2013	2	3
8.	Eileen Grint	13.2.2013	3	3
9.	Paul Hamblet	13.2.2013	3	3
10.	Liam O'Mahoney	13.2.2013	3	3
11.	Sharon Shaw	15.10.2013	2	3
12.	Leigh Emmett	13.2.2013/13.5.2014	0	2
13.	Sarah Levis	13.2.2013	3	3
14.	Debbie Nicholls	13.2.2013	3	3
15.	Michelle Stylianou	15.10.2013	3	3
16.	Toyin Tukasi	19.3.2014	1	2
17.	Ian Smith	19.3.2014	2	2
18.	Eddie Aylett	10.3.2014	2	2

BOWER PARK ACADEMY
(A company limited by guarantee)

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

19.	Mark Sweetingham	13.2.2013/26.6.2014	1	2
20.	Robert Siggins	13.2.2013/14.2.2014	1	1
21.	Paul Henderson	13.2.2013 / 13.11.2013	0	0

The Finance and Audit Committee is a sub-committee of the main Board of Trustees. The role of the Finance and Audit Committee is to ensure Bower Park Academy meets its regulatory, legal and moral financial obligations, through adopting and enforcing transparent industry best practices. Budget plans are produced, audited, scrutinised and monitored throughout the year. The culture generated at Bower Park actively encourages and welcomes governors to challenge the plan, ensuring that transparency and best practices are met. This core philosophy has ensured Bower Park accounts continue to be managed effectively; the Academy has a stable financial platform, as demonstrated in the conclusions of multiple independent audits.

All members of the committee undertook and passed the 'Focus on Fraud and Corruption', online training.

	Name	Date of appointment / resignation	Meetings attended	Out of a possible
1.	Richard Shaw	8.1.2013	5	6
2.	Kathleen Ellis	8.1.2013	2	6
3.	Peter Scrivener	8.1.2013	4	6
4.	Mary Fletcher	8.1.2013	6	6
5.	Andrew Mann	13.2.2013	1	6
6.	John Braybrook	13.2.2013	6	6
7.	Margaret Davis	13.2.2013	4	6
8.	Eileen Grint	13.2.2013	6	6
9.	Robert Siggins	13.2.2013/14.2.2014	1	3

BOWER PARK ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bower Park Academy for the period 1 September 2013 to 31 August 2014 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 trust 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 on-going process for identifying, evaluating and managing the academy Trust's significant risks that has been in place for the period 1 September 2013 to 31 August 2014 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 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 Board of Trustees;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The 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 MHA Macintyre Hudson, the external auditor, to perform additional checks as the Responsible Officer (RO).

The RO role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis the RO reports to the Board of Trustees, on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities.

BOWER PARK ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

Review of Effectiveness

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

- the work of the Responsible Officer
- the work of the external auditor;
- 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 Finance & 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 board of trustees on 3 December 2014 and signed on its behalf by:

Richard Shaw

Chair of Trustees

Mary Fletcher

Accounting Officer

BOWER PARK ACADEMY
(A company limited by guarantee)

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2014**

As Accounting Officer of Bower 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. 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 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.

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.

Mary Fletcher
Accounting officer

3 December 2014

BOWER PARK ACADEMY
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2014

The Trustees (who act as governors of Bower 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 published 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 in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 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 3 December 2014 and signed on its behalf by:

Richard Shaw
Chair of Trustees

BOWER PARK ACADEMY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOWER PARK ACADEMY

We have audited the financial statements of Bower Park Academy for the year ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an 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 opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, 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 academy's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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.

BOWER PARK ACADEMY
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOWER PARK ACADEMY

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.

James Gare (Senior statutory auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants

New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ
Date:

BOWER PARK ACADEMY
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 25 September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Bower Park Academy during the year 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Bower Park Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Bower Park Academy and 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 Bower Park Academy and EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Bower Park Academy's funding agreement with the Secretary of State for Education dated 1 November 2012, and the Academies Financial Handbook extant from 1 September 2013 (updated October 2013), for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. 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 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by 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 our conclusions includes:

- reviewing the information in the Financial Management and Governance Self-assessment (FMGS) return and making appropriate enquiries of the Accounting Officer
- testing by review and observation of a sample of payments to staff, suppliers and other third parties
- testing by review and observation of a sample of grants received and other income streams
- reviewing the Minutes of the Governing Body and other evidence made available to us, relevant to our consideration of regularity.

BOWER PARK ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BOWER
PARK ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)**

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 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA MacIntyre Hudson

Chartered Accountants

New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Date:

BOWER PARK ACADEMY
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2014

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds	<i>Total funds 8 January 2013 to 31 August 2013</i>
Note	2014 £	2014 £	2014 £	2014 £	£
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	7,951	-	-	25,255,180
Activities for generating funds	3	73,166	-	-	30,782
Investment income	4	942	-	-	281
Incoming resources from charitable activities:					
Funding for the Academy's educational operations	5	-	5,401,105	457,079	3,134,308
Other incoming resources from educational activities	6	59,051	80,010	-	82,550
TOTAL INCOMING RESOURCES		141,110	5,481,115	457,079	28,503,101
RESOURCES EXPENDED					
Charitable activities	8	-	5,258,856	207,443	3,186,612
Governance costs	9	-	19,370	-	16,650
TOTAL RESOURCES EXPENDED	7	-	5,278,226	207,443	3,203,262
NET INCOMING RESOURCES FOR THE YEAR		141,110	202,889	249,636	25,299,839

BOWER PARK ACADEMY
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds	<i>Total funds 8 January 2013 to 31 August 2013</i>
Note	2014 £	2014 £	2014 £	2014 £	£
Actuarial gains and losses on defined benefit pension schemes	-	(200,000)	-	(200,000)	(16,000)
NET MOVEMENT IN FUNDS FOR THE YEAR	141,110	2,889	249,636	393,635	25,283,839
<i>Total funds at 1 September 2013</i>	<i>11,409</i>	<i>(475,847)</i>	<i>25,748,277</i>	<i>25,283,839</i>	<i>-</i>
TOTAL FUNDS AT 31 AUGUST 2014	152,519	(472,958)	25,997,913	25,677,474	25,283,839

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 24 to 44 form part of these financial statements.

BOWER PARK ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 8351272

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	14		25,984,100		25,727,222
CURRENT ASSETS					
Stocks	15	9,611		6,200	
Debtors	16	238,876		96,745	
Cash at bank and in hand		777,457		377,191	
			<u>1,025,944</u>		<u>480,136</u>
CREDITORS: amounts falling due within one year	17		<u>(524,570)</u>		<u>(310,519)</u>
NET CURRENT ASSETS			501,374		169,617
TOTAL ASSETS LESS CURRENT LIABILITIES			26,485,474		25,896,839
Defined benefit pension scheme liability	24		<u>(808,000)</u>		<u>(613,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			25,677,474		25,283,839
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	18	335,042		137,153	
Restricted fixed asset funds	18	25,997,913		25,748,277	
Restricted funds excluding pension liability		26,332,955		25,885,430	
Pension reserve		(808,000)		(613,000)	
Total restricted funds			25,524,955		25,272,430
Unrestricted funds	18		152,519		11,409
TOTAL FUNDS			25,677,474		25,283,839

The financial statements were approved by the Trustees, and authorised for issue, on 3 December 2014 and are signed on their behalf, by:

Chair of Trustees

The notes on pages 24 to 44 form part of these financial statements.

BOWER PARK ACADEMY
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	31 August 2014	<i>8 January 2013 to 31 August 2013</i>
		£	£
Net cash flow from operating activities	20	413,500	272,855
Returns on investments and servicing of finance	21	942	281
Capital expenditure and financial investment	21	(14,176)	11,217
Cash transferred on conversion to an academy trust		-	92,838
INCREASE IN CASH IN THE YEAR		400,266	377,191

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014

		31 August 2014	<i>8 January 2013 to 31 August 2013</i>
		£	£
Increase in cash in the year		400,266	377,191
MOVEMENT IN NET FUNDS IN THE YEAR		400,266	377,191
Net funds at 1 September 2013		377,191	-
NET FUNDS AT 31 AUGUST 2014		777,457	377,191

The notes on pages 24 to 44 form part of these financial statements.

BOWER PARK ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

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 funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

BOWER PARK ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's policies.

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 Resources expended

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.

Charitable activities are costs incurred in the academy's educational operations.

Governance costs include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

BOWER PARK ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

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 one year from the date of approval of 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. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy.

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.

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold Land and Buildings	-	50 years
Motor vehicles	-	5 years
Fixtures and fittings	-	5 years
Computer equipment	-	3 years

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.8 Stocks

Unsold uniform stock is valued at the lower of cost and net realisable value.

BOWER PARK ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

1.9 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.

1.10 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 quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the academy 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 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 the 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 vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2. VOLUNTARY INCOME

	Unrestricted funds	Restricted funds	Total funds	<i>Total funds 8 January 2013 to 31 August 2013</i>
	2014	2014	2014	<i>August 2013</i>
	£	£	£	£
Transfer from local authority on conversion	-	-	-	25,248,869
Other donations	7,951	-	7,951	6,311
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	7,951	-	7,951	25,255,180
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

BOWER PARK ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds	Restricted funds	Total funds	<i>Total funds 8 January 2013 to 31 August 2013</i>
	2014 £	2014 £	2014 £	August 2013 £
Hire of facilities	59,400	-	59,400	21,536
Other income	13,766	-	13,766	9,246
	<u>73,166</u>	<u>-</u>	<u>73,166</u>	<u>30,782</u>

4. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	Total funds	<i>Total funds 8 January 2013 to 31 August 2013</i>
	2014 £	2014 £	2014 £	August 2013 £
Bank interest receivable	942	-	942	281
	<u>942</u>	<u>-</u>	<u>942</u>	<u>281</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds	<i>Total funds 8 January 2013 to 31 August 2013</i>
	2014 £	2014 £	2014 £	August 2013 £
Educational Operations	-	5,858,184	5,858,184	3,134,308
	<u>-</u>	<u>5,858,184</u>	<u>5,858,184</u>	<u>3,134,308</u>

BOWER PARK ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds	Restricted funds	Total funds	<i>Total funds 8 January 2013 to 31 August 2013</i>
	2014 £	2014 £	2014 £	£
DfE/EFA revenue grants				
General Annual grant (GAG)	-	5,013,876	5,013,876	2,942,192
Pupil Premium	-	303,241	303,241	121,323
DfE/EFA Capital Grants	-	457,079	457,079	21,053
Local Authority Grants	-	83,988	83,988	49,740
	-	5,858,184	5,858,184	3,134,308

6. OTHER INCOMING RESOURCES FROM EDUCATIONAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds	<i>Total funds 8 January 2013 to 31 August 2013</i>
	2014 £	2014 £	2014 £	£
Contributions towards school trips	-	80,010	80,010	61,583
Other incoming resources	59,051	-	59,051	20,967
	59,051	80,010	139,061	82,550

BOWER PARK ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

7. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure Premises Other costs		Total	<i>Total</i>
	2014 £	2014 £	2014 £	2014 £	<i>8 January 2013 to 31 August 2013 £</i>
Educational Operations	3,449,088	-	508,767	3,957,855	2,348,353
Support costs	531,617	569,813	407,014	1,508,444	838,259
Charitable activities	3,980,705	569,813	915,781	5,466,299	3,186,612
Governance	-	-	19,370	19,370	16,650
	3,980,705	569,813	935,151	5,485,669	3,203,262

BOWER PARK ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

8. CHARITABLE ACTIVITIES

	Total funds	<i>Total funds</i>
	2014	<i>8 January 2013 to 31 August 2013</i>
	£	£
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teaching and education support staff	3,449,088	2,049,374
Educational Supplies	314,394	165,347
Examination Fees	63,376	55,420
Staff Development and Training	27,660	14,399
Educational Visits	103,337	63,813
	3,957,855	2,348,353
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support staff costs	531,617	273,613
Depreciation	200,910	83,315
FRS17 pension cost	15,000	14,000
Technology Costs	110,736	87,775
Recruitment and Support	19,550	5,792
Maintenance of Premises and Equipment	77,621	37,728
Cleaning	110,005	60,627
Rent and Rates	43,161	22,887
Energy Costs	150,282	74,628
Insurance	54,846	27,807
Security and Transport	6,242	3,664
Bank Interest and Charges	121	-
(Gain) / Loss on Disposal of Tangible Fixed Assets	6,533	-
Other Support Costs	181,820	146,423
	1,508,444	838,259
	5,466,299	3,186,612

BOWER PARK ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

9. GOVERNANCE COSTS

	Unrestricted funds	Restricted funds	Total funds	<i>Total funds 8 January 2013 to 31 August 2013</i>
	2014 £	2014 £	2014 £	£
Fees payable to auditors - Audit remuneration	-	12,150	12,150	12,525
Fees payable to auditors - Other services	-	7,220	7,220	3,000
Support costs	-	-	-	1,125
	<u>-</u>	<u>19,370</u>	<u>19,370</u>	<u>16,650</u>

10. NET INCOMING RESOURCES

This is stated after charging:

	31 August 2014 £	<i>8 January 2013 to 31 August 2013 £</i>
Depreciation of tangible fixed assets: - owned by the charity	200,910	83,315
Auditors' remuneration	12,150	12,525
Auditors' remuneration - non-audit	7,220	3,000
Operating lease rentals: - plant and machinery	147,202	247,378
	<u>267,482</u>	<u>346,218</u>

11. STAFF

a. Staff costs

Staff costs were as follows:

	31 August 2014 £	<i>8 January 2013 to 31 August 2013 £</i>
Wages and salaries	3,286,660	1,922,475
Social security costs	257,479	155,343
Other pension costs (Note 24)	436,566	245,169
	<u>3,980,705</u>	<u>2,322,987</u>

BOWER PARK ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

11. STAFF (continued)

b. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	31 August 2014 No.	<i>8 January 2013 to 31 August 2013 No.</i>
Teachers	44	27
Administration and support	34	25
Management	12	5
	90	57
	90	57

c. Higher paid staff

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

	31 August 2014 No.	<i>8 January 2013 to 31 August 2013 No.</i>
In the band £60,001 - £70,000	2	5
In the band £70,001 - £80,000	1	3
In the band £80,001 - £90,000	0	1
In the band £90,001 - £100,000	1	0
In the band £100,001 - £200,000	0	1
	4	10
	4	10

Three of the above employees participate in the Teachers' Pension Scheme (2013 - 9). During the year ended 31 August 2014, pension costs for these staff amounted to £29,161 (2013 - £44,635).

BOWER PARK ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

12. TRUSTEES' REMUNERATION AND EXPENSES

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the academy in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands:

	31 August	<i>8 January 2013 to</i>
	2014	<i>31 August</i>
	£	<i>2013</i>
		£
Mary Fletcher (principal and governor)	109464	<i>56,458</i>
Paul Hamblet (staff governor)	20,000-25,000	<i>10,000-15,000</i>
Eileen Grint (staff governor)	25,000-30,000	<i>10,000-15,000</i>
Rosemary French (staff governor) - resigned August 2013		<i>25,000-30,000</i>
Eddie Aylett (staff governor) - appointed March 2014	50,000-55,000	

During the year, no Trustees received any reimbursement of expenses (2013 - £NIL).

13. 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 2014 was £1,053 (2013 - £2,000). The cost of this insurance is included in the total insurance cost.

BOWER PARK ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

14. TANGIBLE FIXED ASSETS

	Leasehold Land and Buildings £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2013	25,685,000	8,600	36,060	80,877	25,810,537
Additions	440,632	-	2,116	21,573	464,321
Disposals	-	-	-	(6,632)	(6,632)
	<u>26,125,632</u>	<u>8,600</u>	<u>38,176</u>	<u>95,818</u>	<u>26,268,226</u>
Depreciation					
At 1 September 2013	75,297	5,775	1,550	693	83,315
Charge for the year	137,893	2,825	22,678	37,514	200,910
On disposals	-	-	-	(99)	(99)
	<u>213,190</u>	<u>8,600</u>	<u>24,228</u>	<u>38,108</u>	<u>284,126</u>
Net book value					
At 31 August 2014	<u>25,912,442</u>	<u>-</u>	<u>13,948</u>	<u>57,710</u>	<u>25,984,100</u>
<i>At 31 August 2013</i>	<u>25,609,703</u>	<u>2,825</u>	<u>34,510</u>	<u>80,184</u>	<u>25,727,222</u>

Included in land and buildings is leasehold land valued at conversion of £19,231,000 which is not being depreciated. The leasehold property was professionally valued at conversion by Mouchel.

The leasehold property is held under a lease of 125 years from 1 February 2013.

15. STOCKS

	2014 £	2013 £
Clothing / uniform	<u>9,611</u>	<u>6,200</u>

16. DEBTORS

	2014 £	2013 £
VAT repayable	27,651	19,114
Other debtors	106,846	27,403
Prepayments and accrued income	104,379	50,228
	<u>238,876</u>	<u>96,745</u>

BOWER PARK ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

17. CREDITORS:
Amounts falling due within one year

	2014 £	2013 £
Trade creditors	-	690
Other taxation and social security	74,838	141,702
Other creditors	59,802	81,291
Accruals and deferred income	389,930	86,836
	524,570	310,519
		£
Deferred income		
Resources deferred during the year		177,502

At the balance sheet date the academy trust was holding funds received in advance of the 14/15 financial year in respect of capital funding for replacement windows work due to take place in the forthcoming year.

18. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds						
General Funds	11,409	141,110	-	-	-	152,519
Total Unrestricted funds	11,409	141,110	-	-	-	152,519
Restricted funds						
General Annual Grant (GAG)	33,001	5,013,876	(4,711,835)	-	-	335,042
Pupil premium	71,612	303,241	(374,853)	-	-	-
Local authority revenue grants	24,740	83,988	(108,728)	-	-	-
Other activities	7,800	80,010	(87,810)	-	-	-
Pension reserve	(613,000)	-	5,000	-	(200,000)	(808,000)
	(475,847)	5,481,115	(5,278,226)	-	(200,000)	(472,958)

BOWER PARK ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

18. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Transfer from local authority on conversion	25,727,222	-	(207,443)	464,321	-	25,984,100
Dfe / EFA capital grants	21,055	457,079	-	(464,321)	-	13,813
	<u>25,748,277</u>	<u>457,079</u>	<u>(207,443)</u>	<u>-</u>	<u>-</u>	<u>25,997,913</u>
Total restricted funds	<u>25,272,430</u>	<u>5,938,194</u>	<u>(5,485,669)</u>	<u>-</u>	<u>(200,000)</u>	<u>25,524,955</u>
Total of funds	<u><u>25,283,839</u></u>	<u><u>6,079,304</u></u>	<u><u>(5,485,669)</u></u>	<u><u>-</u></u>	<u><u>(200,000)</u></u>	<u><u>25,677,474</u></u>

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

Unrestricted Funds

These funds relate to unrestricted income to be used to support the academy's objectives and educational activities.

Restricted General Funds

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

The pension fund represents the LGPS obligation to the employees of the Academy trust.

Restricted Fixed Asset Fund

These grants relate to fixed assets or unspent capital funding to carry out works of a capital nature.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	11,409	141,110	-	-	-	152,519
Restricted funds	(475,847)	5,481,115	(5,278,226)	-	(200,000)	(472,958)
Restricted fixed asset funds	<u>25,748,277</u>	<u>457,079</u>	<u>(207,443)</u>	<u>-</u>	<u>-</u>	<u>25,997,913</u>
	<u><u>25,283,839</u></u>	<u><u>6,079,304</u></u>	<u><u>(5,485,669)</u></u>	<u><u>-</u></u>	<u><u>(200,000)</u></u>	<u><u>25,677,474</u></u>

BOWER PARK ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds	Total funds 8 January 2013 to 31 August 2013
	2014 £	2014 £	2014 £	2014 £	August 2013 £
Tangible fixed assets	-	-	25,984,100	25,984,100	25,727,222
Current assets	677,089	335,042	13,813	1,025,944	480,136
Creditors due within one year	(524,570)	-	-	(524,570)	(310,519)
Pension scheme liability	-	(808,000)	-	(808,000)	(613,000)
	<u>152,519</u>	<u>(472,958)</u>	<u>25,997,913</u>	<u>25,677,474</u>	<u>25,283,839</u>

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	31 August 2014 £	8 January 2013 to 31 August 2013 £
Net incoming resources before revaluations	593,635	25,299,839
Returns on investments and servicing of finance	(942)	(281)
Cash transferred on conversion	-	(92,838)
Depreciation of tangible fixed assets	200,910	83,315
Surplus on disposal of tangible fixed assets	(6,533)	-
Capital grants from DfE	(457,079)	(21,053)
Increase in stocks	(3,411)	(6,200)
Increase in debtors	(142,131)	(96,745)
Increase in creditors	214,051	310,519
Pension liability transferred on conversion	-	610,000
Fixed assets transferred on conversion	-	(25,800,701)
FRS 17 adjustments	15,000	(13,000)
	-	-
Net cash inflow from operations	<u>413,500</u>	<u>272,855</u>

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	31 August 2014 £	8 January 2013 to 31 August 2013 £
Returns on investments and servicing of finance		
Interest received	942	281

BOWER PARK ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	31 August 2014 £	<i>8 January 2013 to</i> 31 August 2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(464,321)	(9,836)
Sale of tangible fixed assets	(6,934)	-
Capital grants from DfE	457,079	21,053
	(14,176)	11,217
Net cash (outflow)/inflow capital expenditure	(14,176)	11,217

22. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	377,191	400,266	-	777,457
Net funds	377,191	400,266	-	777,457
	377,191	400,266	-	777,457

23. 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.

24. 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 London Borough of Havering. Both are defined benefit schemes.

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

Contributions amounting to £56,301 were payable to the scheme at 31 August 2014 (2013 - 62,675) and are included within creditors.

BOWER PARK ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

24. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

Introduction

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

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

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

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional

BOWER PARK ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

24. PENSION COMMITMENTS (continued)

protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £202,000, of which employer's contributions totalled £165,000 and employees' contributions totalled £37,000. The agreed contribution rates for future years are 24.4% for employers and 5.5% to 12.0% 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.

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

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £	<i>Expected return at 31 August 2013 %</i>	<i>Fair value at 31 August 2013 £</i>
Equities	6.50	722,000	<i>6.60</i>	<i>585,000</i>
Bonds	3.30	278,000	<i>4.00</i>	<i>168,000</i>
Property	4.50	56,000	<i>4.70</i>	<i>40,000</i>
Cash	3.30	56,000	<i>3.60</i>	<i>8,000</i>
Total market value of assets		1,112,000		<i>801,000</i>
Present value of scheme liabilities		(1,920,000)		<i>(1,414,000)</i>
(Deficit)/surplus in the scheme		(808,000)		<i>(613,000)</i>

BOWER PARK ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

24. PENSION COMMITMENTS (continued)

The amounts recognised in the Balance sheet are as follows:

	31 August	<i>8 January 2013 to</i>
	2014	<i>31 August</i>
	£	<i>2013</i>
		£
Present value of funded obligations	(1,920,000)	<i>(1,414,000)</i>
Fair value of scheme assets	1,112,000	<i>801,000</i>
	<hr/>	<hr/>
Net liability	(808,000)	<i>(613,000)</i>
	<hr/> <hr/>	<hr/> <hr/>

The amounts recognised in the Statement of financial activities are as follows:

	31 August	<i>8 January 2013 to</i>
	2014	<i>31 August</i>
	£	<i>2013</i>
		£
Current service cost	(145,000)	<i>(79,000)</i>
Interest on obligation	(69,000)	<i>(35,000)</i>
Expected return on scheme assets	54,000	<i>21,000</i>
	<hr/>	<hr/>
Total	(160,000)	<i>(93,000)</i>
	<hr/> <hr/>	<hr/> <hr/>
Actual return on scheme assets	94,000	<i>37,000</i>
	<hr/> <hr/>	<hr/> <hr/>

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

	31 August	<i>8 January 2013 to</i>
	2014	<i>31 August</i>
	£	<i>2013</i>
		£
Opening defined benefit obligation	1,414,000	<i>-</i>
Current service cost	145,000	<i>79,000</i>
Interest cost	69,000	<i>35,000</i>
Contributions by scheme participants	37,000	<i>23,000</i>
Actuarial Losses	267,000	<i>32,000</i>
Benefits paid	(12,000)	<i>-</i>
Transfer in on conversion	-	<i>1,245,000</i>
	<hr/>	<hr/>
Closing defined benefit obligation	1,920,000	<i>1,414,000</i>
	<hr/> <hr/>	<hr/> <hr/>

BOWER PARK ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

24. PENSION COMMITMENTS (continued)

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

	31 August 2014	<i>8 January 2013 to 31 August 2013</i>
	£	£
Opening fair value of scheme assets	801,000	-
Expected return on assets	54,000	21,000
Actuarial gains and (losses)	67,000	16,000
Contributions by employer	165,000	106,000
Contributions by employees	37,000	23,000
Benefits paid	(12,000)	-
Transfer in on conversion	-	635,000
	1,112,000	801,000

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £(216,000) (2013 - £(16,000)149000).

The academy expects to contribute £177,000 to its Defined benefit pension scheme in 2015.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014	2013
Equities	65.00 %	73.00 %
Property	5.00 %	5.00 %
Government bonds	25.00 %	21.00 %
Cash	5.00 %	1.00 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2014	2013
Discount rate for scheme liabilities	3.70 %	4.60 %
Expected return on scheme assets at 31 August	5.40 %	6.00 %
Rate of increase in salaries	3.40 %	4.60 %
Rate of increase for pensions in payment / inflation	2.60 %	2.80 %

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

	2014	2013
Retiring today		
Males	22.1	21.9
Females	24.1	24.6
Retiring in 20 years		
Males	24.2	23.8
Females	26.7	26.5

BOWER PARK ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

24. PENSION COMMITMENTS (continued)

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2014	2013
	£	£
Defined benefit obligation	(1,920,000)	<i>(1,414,000)</i>
Scheme assets	1,112,000	<i>801,000</i>
Deficit	(808,000)	<i>(613,000)</i>
Experience adjustments on scheme liabilities	(267,000)	<i>(32,000)</i>
Experience adjustments on scheme assets	67,000	<i>16,000</i>

25. OPERATING LEASE COMMITMENTS

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

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
Within 1 year	-	-	142,110	<i>105,268</i>
Between 2 and 5 years	-	-	5,092	<i>147,202</i>
Total	-	-	147,202	<i>252,470</i>

26. 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 trustees 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.

The following related party transactions took place in the year:

Graceworks - a company in which Richard Shaw, the Chair, has an interest. Transactions totalling £10,980 relating to the supply of Learning Mentors to the Academy took place in the year (2013 : £2,800). There were no amounts outstanding at 31 August 2014 (2013 : £NIL).

Computer Talk - a company in which Liam O'Mahoney is a director of. Transactions totalling £32,007, relating to the supply of ICT support and licences took place in the year (2013 : £20,557). There were no amounts outstanding at 31 August 2014 (2013 : £NIL).