

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

**HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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**HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Members and Trustees	Mr A J Hunt, Headteacher and Accounting Officer ^{1,2} Mr J A McKenzie, Chair of Trustees ^{1,2} Mr N J Swain ²
Trustees	Mr J E R Hartill (resigned 21 May 2015) Mrs J M Dixon, Vice Chair ² Mrs K Bennett ² Mr A M Goodright, Staff Trustee ² Dr S J Platten (resigned 4 December 2014) ¹ Mr J E Bassett ¹ Mr R C Dyter ¹ Mr T Witton Mr S Morris (appointed 4 December 2014, resigned 26 March 2015)
	¹ Finance, Personnel & Audit Committee ² Teaching, Learning & Achievement Committee
Company registered number	07770592
Principal and Registered office	School Road Harrowbarrow Callington Cornwall PL17 8BQ
Company secretary	Mrs E C Moyle
Accounting officer	Mr A J Hunt
Senior management team	Mr A J Hunt, Headteacher Miss M Pinfield, Deputy Headteacher Mr A M Goodright, Year 3/4 Teacher Mrs E C Moyle, Business Manager
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN
Bankers	Lloyds Bank The Parade Liskeard Cornwall PL14 6AW

**HARROWBARROW SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Administrative details (continued)

Solicitors	Cornwall Council Legal Services County Hall Treyew Road Truro Cornwall TR1 3AY
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**HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2015. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 4 to 11 in Harrowbarrow. It has a pupil capacity of 119 and had a roll of 113 in the school census on 1 October 2015.

For the purposes of this report, Trustees are also known as Governors.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy 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.

The Trustees of Harrowbarrow School 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 pages 1 to 2.

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 they cease to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees 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, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £1,000,000.

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.

TRUSTEES

Method of recruitment and appointment or election of Trustees

On 1 October 2011 the Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed for 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.

The Academy shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 13 Trustees who are appointed by members.
- up to 1 LA Trustees who are appointed by the Local Authority.
- up to 3 Parent Trustees who are elected by Parents of registered pupils at the Academy.
- up to 2 staff Trustees appointed by the Governing Body
- up to 3 Community Trustees who are appointed by the Governing Body.
- the Headteacher who is treated for all purposes as being an ex officio Governor.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Governors are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governor can be re-appointed or re-elected.

When appointing new Governors, the Board will give consideration to the skills and experience mix of existing Governors 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 Trustees

The Governing Body and the Headteacher believe it is essential that all new governors receive a comprehensive induction package covering a broad range of issues and topics. There is a commitment to ensure new governors are given the necessary support and information to fulfil their role with confidence, leading to more effective governance and governor retention.

The training and induction provided for new Governors depends upon their existing experience but will include a tour of the Academy and a chance to meet staff and pupils. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

The Board of Governors normally meets once each half term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are two committees as follows:

Finance, Personnel and Audit Committee - this meets at least once each term and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.

Teaching, Learning and Achievement Committee - this meets once each half term and is responsible for monitoring the progress being made against the school's Ofsted Action Plan, monitoring and evaluating the quality of teaching and the progress of all groups of pupils, including those for whom the pupil premium, provides support relative to other schools nationally, monitoring the performance of the school and monitoring and maintaining a strong link between performance management and appraisal and salary progression. The committee is also responsible for supporting the Headteacher and School Staff in fulfilling the changes set out in the Ofsted Action Plan.

The following decisions are reserved to the Board of Governors; to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Governors, to approve the Annual Development Plan and budget.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

The Board of Governors have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The Senior Leadership Team (SLT) consists of the Headteacher, Deputy Headteacher, Y3/Y4 Teacher and the Business Manager. The SLT controls the Academy at an executive level, implementing the policies laid down by the Governors and reporting back to them. The Headteacher, Academy Business Manager and Finance Committee, are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Governor.

The Headteacher is the Accounting Officer.

Connected Organisations, including Related Party Relationships

The Academy has strong collaborative links with Callington Community College and the recently formed Duchy MAT.

There are no related parties which either control or significantly influence the decisions and operations of Harrowbarrow School. The school has a Parent Staff Association which is run by volunteers who organise social and fundraising events throughout the year.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Charitable Company is the operation of Harrowbarrow School to provide free education and care for pupils of different abilities between the ages of 4 and 11 offering a broad and balanced curriculum.

The aims of the Academy during the year ended 31 August 2015 are summarised below:

- To continue to raise the standard of educational attainment and achievement of all pupils.
- To provide a broad and balanced curriculum, including extra curricular activities.
- To develop students as more effective learners.
- To enhance the tertiary provision and outcomes.
- To develop the Academy site so that it enables students to achieve their full potential.
- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review.
- To provide value for money for the funds expended.
- To develop greater coherence, clarity and effectiveness in school systems.
- To comply with all appropriate statutory and curriculum requirements.
- To maintain close links with informal primary and secondary partnerships.
- To develop the Academy's capacity to manage change, and
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

At Harrowbarrow School we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Objectives, Strategies and Activities

The academy has identified robust and rigorous targets for the improvement of academic achievement, along with a longer term vision for collaboration, partnership and the increased performance of the school.

- To accelerate progress for pupils in KS1, ensuring achievement by the end of Y2 is stronger than the national average.
- To close the attainment gap between disadvantaged pupils and their peers.
- To embed the new national assessment without levels model across the school, continuing the rigorous tracking systems established since the school's last inspection.
- To ensure the leadership and management of the school effectively and robustly monitor the performance of teachers and hold them to account when standards of teaching are less than good.
- To complete the building of the new classroom by December 2015 with the CIF funding secured in April 2015.
- To present a strong business and academic rationale to the DfE for the incorporation of the local preschool into the school.
- To continue strengthening the performance of the school through our school improvement partnership work with The Duchy Academy Trust (Lewannick, Callington and Boyton primary schools).
- To be categorised as 'good' or 'outstanding' by Ofsted at the next inspection.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission'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.

The academy aims to advance, for the public benefit, education in Harrowbarrow and the surrounding area.

The academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

The academy has a strategic vision to incorporate the local preschool into the school. This would enable the preschool to extend their provision, including before and after school childcare to the benefit of working parents.

The academy has become a partner academy to the newly formed Duchy Multi Academy Trust. The strategic vision is to use partnership and collaboration across the four schools to raise academic attainment and improve the educational performance in each.

STRATEGIC REPORT

Achievements and Performance

- The academy is operating on a significantly lower budget this financial year based on the drop in pupil numbers for 2014/15 to 103. Cost savings have been made, reducing the amount of reserve funding required to set the budget. However, numbers have now risen to 113, which will mean an increased budget for the financial year 2016/17.
- In July 2015, KS2 results were, for a second successive year, a significant improvement on the previous year. Reading, writing and maths results were all above the national average; writing was significantly above, reflecting the work undertaken by the school to improve performance in this priority area.
- In July 2015, KS1 results for reading, writing and maths fell below the national average following two years of strong performance. Improvement in this area is a school improvement priority for 2015/16.
- All KS2 cohorts achieved in line with or above the national average for reading, writing and maths by the July 2015. This strong performance reflects improvements in the quality of teaching since the last inspection.
- A robust post Ofsted action plan was approved by HMI in October 2013 and the school has rigorously adhered to this plan to raise attainment and improve the academic performance of the school.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

- In April 2015 the academy was successful in securing a Condition Improvement Fund grant of £117,274 to replace a dilapidated Elliot hut classroom. The EYFS children will move into this classroom in January 2016.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. The amount the school can carry forward is unrestricted. In period under review, £27,335 was carried forward representing 6.2% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2015/16 were 110 in comparison to 103 for 2014. This number has risen during 2015/2016 due to small Y6 group leaving in July 2015 and a large intake into Reception in September 2015. The NOR in the October 2015 Census was 113.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2014/2015 this was 91.0%.

Going Concern

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

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2015 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 DfE and 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 useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2015, total expenditure of £539,517 was covered by recurrent grant funding from the DfE, together with other incoming resources of £646,997. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £18,251.

At 31 August 2015 the net book value of fixed assets was £931,270 and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings valued on 1 April 2011 at £913,420. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The balance of the former school's budget share (£67,388) was transferred across on conversion of which a balance of £59,743 remains as Unrestricted Funds, some of which has been set aside as reserves for proposed projects during 2015/2016 and longer term.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 25 to the financial statements.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Key financial policies adopted or reviewed during the year include the Finance Policy & Scheme of Delegation which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included: Reserves, VAT, Charging and Remissions.

Trustees have adopted a Responsible Officer Policy and appointed an LFS Technician from Cornwall Council to undertake a programme of internal checks on the financial controls. During the year, the Trustees received 2 reports from the Responsible Officer which contained no matters of significance.

Reserves Policy

The Trustees 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 Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free cash reserves should be approximately £40,000. 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 reserves (total funds less the amount held in fixed assets and restricted funds) is £71,177.

The Trustees have reviewed the future plans of the Academy and have designated free reserves as follows:

- £30,000 for the Elliott classroom replacement (work due to commence Nov 2015)

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy.

Investment Policy

The school will normally use its income during the financial/academic year it is received, with the exception of designated reserves.

Due to the nature of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 96.6% of the Academy's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

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.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Reputational - the continuing success of the Academy is dependent on continuing to attract pupils in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that student success and achievement are closely 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 & safety and discipline.

Staffing - the success of the Academy is reliant on the quality of its staff and so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the 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 considered its risk management process throughout the year and will implement improvements in the process and ensure staff awareness. A risk register has been drawn up, reviewed and updated on a regular basis.

The Governors have considered the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Governors have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. A formal Risk Management Plan and Risk Register are in place and are reviewed on a regular basis.

Whilst the school's NOR remains constant, risks to revenue funding from a falling roll are small. However, the freeze on the Government's overall education budget, changes in funding arrangements for special educational needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Governors examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Governors' and Finance Committee meetings. The Governors also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 24 to the financial statements, represents a significant potential liability. However as the Governors consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

**HARROWBARROW SCHOOL
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

PLANS FOR FUTURE PERIODS

As part of the academy's annual cycle of self-evaluation and school improvement the following actions have been identified:

Longer term objectives for the academy include the following:

- To achieving an 'Good' or 'Outstanding' Ofsted judgement at the next inspection.
- To strengthen partnership working with The Duchy Academy Trust to raise pupil attainment and improve value for money for the academy business.
- To complete the building of a new classroom for the EYFS pupils, develop an outdoor learning environment for this new facility and incorporate the local pre-school into the academy.
- To identify and secure funding for a school hall, which the school has never had, providing an additional community facility.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

TRUSTEES INDEMNITIES

There were no third party indemnity provisions during the year or at the date of approval of the Trustees' report.

AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

The auditors, Bishop Fleming LLP, 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 company directors, on 31.12.15..... and signed on the board's behalf by:

Mr J McKenzie
Chair of Trustees



GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Harrowbarrow 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 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 Harrowbarrow School 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 Trustees' responsibilities statement. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr A J Hunt, Headteacher and Accounting Officer	6	6
Mr J A McKenzie, Chair of Trustees	4	6
Mr N J Swain	1	6
Mr J E R Hartill	1	4
Mrs J M Dixon, Vice Chair	6	6
Mrs K Bennett	4	6
Mr A M Goodright, Staff Trustee	5	6
Dr S J Platten	0	1
Mr J E Bassett	5	6
Mr R C Dyter	6	6
Mr T Witton	2	6
Mr S Morris	0	2

During the year there were 3 resignations. Following the resignation of S Platten, S Morris was appointed as his replacement. S Morris has since resigned. As at the 31st August 2015 there were two vacancies on the board of governors. These should be filled during the autumn term 2015.

Governance reviews:

In the spring term of 2015 the governing body undertook a full review of governance using the NGA self-audit tool. Aspects reviewed included governor skills, effectiveness, vision, accountability, engagement, role of the chair and impact.

Following this review the governing body formulated an action plan to address areas identified for improvement. The key priorities for 2015/16 are:

- Governors to further engage pupils, parents and staff.
- To improve induction arrangements for new governors.
- To identify opportunities for the clerk to engage in local area clerk forums and network meetings.
- To collaborate more with partners locally and nationally using the NGA as a platform for this.

Governors review progress against their action plan priorities termly. The next annual review of governance will be undertaken in the spring term 2016.

**HARROWBARROW SCHOOL
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GOVERNANCE STATEMENT (continued)

The Finance, Personnel and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

Meet at least once each term and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr A J Hunt, Headteacher	4	4
Mr J A McKenzie, Chair of Trustees	2	4
Mr J Bassett	4	4
Dr S Platten	1	1
R Dyter	2	2

REVIEW OF VALUE FOR MONEY

As accounting officer, the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Harrowbarrow School for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance, Personnel & Audit 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 Angela Andrews, a member of Cornwall Council's LFS team, as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:

On a termly 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.

Three visits had been planned but due to staffing and recruitment problems with the LFS team, only two visits were carried out; one by Justin May who has now left the LFS Team and one by Nicola Holt.

REVIEW OF EFFECTIVENESS

As accounting officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the FPA committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 3/12/15 and signed on its behalf, by:


Mr J A McKenzie
Chair of Trustees


Mr A J Hunt
Accounting Officer

**HARROWBARROW SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Harrowbarrow School I have considered my responsibility to notify the Academy 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 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 Board of Trustees are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy'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.



Mr A J Hunt
Accounting Officer

Date: 3/12/15

**HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

The Trustees (who act as governors of Harrowbarrow School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 and signed on its behalf by:



Mr J A McKenzie
Chair of Trustees

Date: 3/12/15

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARROWBARROW SCHOOL

We have audited the financial statements of Harrowbarrow School for the year ended 31 August 2015 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 2014 to 2015 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 2015 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 2014 to 2015 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.

**HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARROWBARROW SCHOOL

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.



Pamela Tuckett FCA DChA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN
16 December 2015

**HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
HARROWBARROW SCHOOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 4 September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Harrowbarrow School during the year 1 September 2014 to 31 August 2015 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 Harrowbarrow School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Harrowbarrow School 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 Harrowbarrow School and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF HARROWBARROW SCHOOL'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Harrowbarrow School's funding agreement with the Secretary of State for Education dated 1 October 2011, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 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.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
HARROWBARROW SCHOOL 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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Pamela Tuckett FCA DChA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

16 December 2015

HARROWBARROW SCHOOL
(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 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	789	1,845	-	2,634	5,584
Activities for generating funds	3	2,578	-	-	2,578	6,568
Investment income	4	161	-	-	161	139
Incoming resources from charitable activities	5	10,941	505,121	125,562	641,624	529,004
TOTAL INCOMING RESOURCES		14,469	506,966	125,562	646,997	541,295
RESOURCES EXPENDED						
Charitable activities		8,970	484,773	36,333	530,076	525,090
Governance costs	9	-	15,441	-	15,441	18,323
TOTAL RESOURCES EXPENDED	6	8,970	500,214	36,333	545,517	543,413
NET INCOMING / (OUTGOING) RESOURCES BEFORE REVALUATIONS		5,499	6,752	89,229	101,480	(2,118)
Actuarial gains and losses on defined benefit pension schemes		-	-	-	-	(46,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		5,499	6,752	89,229	101,480	(48,118)
Total funds at 1 September		65,678	(60,017)	949,347	955,008	1,003,126
TOTAL FUNDS AT 31 AUGUST		71,177	(53,265)	1,038,576	1,056,488	955,008

All activities relate to continuing operations.

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

The notes on pages 23 to 40 form part of these financial statements.

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07770592

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	15		931,270		949,347
CURRENT ASSETS					
Debtors	16	11,428		28,472	
Cash at bank		231,973		121,404	
		243,401		149,876	
CREDITORS: amounts falling due within one year	17	(33,183)		(65,215)	
NET CURRENT ASSETS			210,218		84,661
TOTAL ASSETS LESS CURRENT LIABILITIES			1,141,488		1,034,008
Defined benefit pension scheme liability	24		(85,000)		(79,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			1,056,488		955,008
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	18	31,735		18,983	
Restricted fixed asset funds	18	1,038,576		949,347	
Restricted funds excluding pension liability		1,070,311		968,330	
Pension reserve		(85,000)		(79,000)	
Total restricted funds			985,311		889,330
Unrestricted funds	18		71,177		65,678
TOTAL FUNDS			1,056,488		955,008

The financial statements were approved by the Trustees, and authorised for issue, on 03-12-15 and are signed on their behalf, by:

Mr J A McKenzie
Chair of Trustees

The notes on pages 23 to 40 form part of these financial statements.

**HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	20	14,284	3,596
Returns on investments and servicing of finance	21	161	139
Capital expenditure and financial investment	21	96,124	(1,680)
INCREASE IN CASH IN THE YEAR		110,569	2,055

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015**

	2015 £	2014 £
Increase in cash in the year	110,569	2,055
MOVEMENT IN NET FUNDS IN THE YEAR	110,569	2,055
Net funds at 1 September 2014	121,404	119,349
NET FUNDS AT 31 AUGUST 2015	231,973	121,404

The notes on pages 23 to 40 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

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 2014 to 2015 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.

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.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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.

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. The Trustees conclude that it is appropriate to prepare accounts on the going concern basis for the year ended 31 August 2014.

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.

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

Long term leasehold property	-	1.66% Straight line
Temporary Buildings	-	12.5% Straight line
Fixtures and fittings	-	20% Straight line
Computer equipment	-	33.3% Straight line

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

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.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8 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.

1.9 GOVERNMENT GRANTS

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

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, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), 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.

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	789	1,845	2,634	5,584

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Fees received	2,578	-	2,578	4,655
Other	-	-	-	1,913
	2,578	-	2,578	6,568

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest	161	-	161	139

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA grants				
Capital Grants	-	125,562	125,562	26,504
General Annual Grant	-	442,123	442,123	436,537
Pupil Premium	-	30,960	30,960	21,510
Other DfE/EFA grants	-	26,062	26,062	18,296
	<u>-</u>	<u>624,707</u>	<u>624,707</u>	<u>502,847</u>
Other funding				
Internal catering income	10,619	-	10,619	18,093
Sales to students	322	-	322	1,575
Other	-	5,976	5,976	6,489
	<u>10,941</u>	<u>5,976</u>	<u>16,917</u>	<u>26,157</u>
	<u>10,941</u>	<u>630,683</u>	<u>641,624</u>	<u>529,004</u>

6. RESOURCES EXPENDED

	Staff costs 2015 £	Non Pay Premises 2015 £	Expenditure Other 2015 £	Total 2015 £	Total 2014 £
Direct costs - Education	324,535	32,700	33,377	390,612	382,959
Support costs - Education	75,361	22,624	41,479	139,464	142,131
CHARITABLE ACTIVITIES	<u>399,896</u>	<u>55,324</u>	<u>74,856</u>	<u>530,076</u>	<u>525,090</u>
GOVERNANCE	<u>7,428</u>	<u>-</u>	<u>8,013</u>	<u>15,441</u>	<u>18,323</u>
	<u>407,324</u>	<u>55,324</u>	<u>82,869</u>	<u>545,517</u>	<u>543,413</u>

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

7. DIRECT COSTS

	Total 2015 £	Total 2014 £
Educational supplies	9,515	10,330
Staff development	7,922	4,574
Other costs	13,597	12,550
Technology costs	2,343	2,818
Wages and salaries	268,712	260,500
National insurance	15,205	13,989
Pension cost	40,618	35,125
Depreciation	32,700	43,073
	390,612	382,959

8. SUPPORT COSTS

	Total 2015 £	Total 2014 £
Pension finance costs	1,000	-
Other costs	4,749	5,904
Recruitment and support	100	349
Maintenance of premises and equipment	3,165	8,971
Cleaning	1,433	1,139
Rent and rates	6,393	11,097
Energy costs	7,566	6,708
Insurance	6,191	6,184
Security and transport	434	409
Catering	9,849	25,129
Technology costs	9,475	6,877
Office overheads	2,933	3,008
Legal and professional	7,118	7,374
Bank interest and charges	64	64
Wages and salaries	59,722	43,812
National insurance	2,610	1,806
Pension cost	13,029	8,513
Depreciation	3,633	4,787
	139,464	142,131

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

9. GOVERNANCE COSTS

	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	4,250	9,072
Auditors' non audit costs	2,320	783
Responsible Officer Costs	620	590
Legal and Professional	74	100
Other costs	749	495
Wages and salaries	7,428	7,283
	15,441	18,323

10. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	36,333	47,860
Auditors' remuneration	4,250	9,072
Auditors' remuneration - non-audit	2,320	783
Operating leases	711	711

11. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	329,756	301,029
Social security costs	17,815	15,795
Pension costs (Note 24)	53,647	43,638
	401,218	360,462
Supply teacher costs	6,106	10,566
	407,324	371,028

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

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:

	2015 No.	2014 No.
Teachers	5	4
Headteacher	1	1
Business Manager	1	1
Teaching Assistants	5	4
Lunchtime Supervisors	1	1
Site Staff	1	1
	<hr/>	<hr/>
	14	12
	<hr/>	<hr/>

c. Higher paid staff

No employee received remuneration amounting to more than £60,000 in either year.

12. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any benefits in kind (2014: £NIL).

During the year, no Trustees received any reimbursement of expenses (2014: £NIL).

The Headteacher and staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy in respect of their role as Trustees.

The value of trustees' remuneration and other benefits was as follows: Mr A J Hunt, Headteacher: Remuneration between fifty thousand and fifty five thousand pounds (2014: between fifty and fifty five thousand pounds) and employer pension contributions between five and ten thousand pounds (2014: between five and ten thousand pounds). Mr A M Goodright: Remuneration between thirty five and forty thousand pounds (2014: between thirty five and forty thousand pounds) and employer pension contributions between five and ten thousand pounds (2014: between five and ten thousand pounds).

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 2015 was £240 (2014: £228). The cost of this insurance is included in the total insurance cost.

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

14. OTHER FINANCE INCOME

	2015 £	2014 £
Expected return on pension scheme assets	8,000	7,000
Interest on pension scheme liabilities	(9,000)	(7,000)
	<u>(1,000)</u>	<u>-</u>

15. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
COST				
At 1 September 2014	983,974	78,341	10,907	1,073,222
Additions	16,498	1,758	-	18,256
At 31 August 2015	<u>1,000,472</u>	<u>80,099</u>	<u>10,907</u>	<u>1,091,478</u>
DEPRECIATION				
At 1 September 2014	71,055	45,060	7,760	123,875
Charge for the year	27,352	7,781	1,200	36,333
At 31 August 2015	<u>98,407</u>	<u>52,841</u>	<u>8,960</u>	<u>160,208</u>
NET BOOK VALUE				
At 31 August 2015	<u>902,065</u>	<u>27,258</u>	<u>1,947</u>	<u>931,270</u>
At 31 August 2014	<u>912,919</u>	<u>33,281</u>	<u>3,147</u>	<u>949,347</u>

16. DEBTORS

	2015 £	2014 £
Other debtors	1,042	10,373
Prepayments and accrued income	10,386	18,099
	<u>11,428</u>	<u>28,472</u>

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FOR THE YEAR ENDED 31 AUGUST 2015

17. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Trade creditors	873	22,918
Other taxation and social security	10,756	11,285
Accruals and deferred income	21,554	31,012
	33,183	65,215

DEFERRED INCOME

	£
Deferred income at 1 September 2014	20,698
Resources deferred during the year	16,150
Amounts released from previous years	(20,698)
Deferred income at 31 August 2015	16,150

At the balance sheet date the Academy was holding funds received in advance of £4,420 for an educational trip being held in the autumn term 2015. In addition, they were holding government grants received in advance for the 2015/16 academic year of £11,730.

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18. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
DESIGNATED FUNDS					
CIF match funding	-	-	-	30,000	30,000
GENERAL FUNDS					
General funds	65,678	14,469	(8,970)	(30,000)	41,177
Total Unrestricted funds	65,678	14,469	(8,970)	-	71,177
RESTRICTED FUNDS					
	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
General Annual Grant (GAG)	18,983	442,123	(433,771)	-	27,335
Pupil Premium	-	30,960	(26,560)	-	4,400
UIFSM	-	17,597	(17,597)	-	-
PE and sports grant	-	8,465	(8,465)	-	-
Donations	-	1,845	(1,845)	-	-
Other curriculum income	-	5,976	(5,976)	-	-
Pension reserve	(79,000)	-	(6,000)	-	(85,000)
	(60,017)	506,966	(500,214)	-	(53,265)
RESTRICTED FIXED ASSET FUNDS					
	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
Fixed assets transferred on conversion	862,102	-	(19,670)	-	842,432
Devolved Formula Capital	5,619	8,288	(3,831)	-	10,076
Fixed assets purchased from GAG and other restricted funds	10,272	-	(1,612)	-	8,660
Academy capital maintenance grant	66,951	-	(10,606)	-	56,345
CIF funding	-	117,274	-	-	117,274
Other capital income	4,403	-	(614)	-	3,789
	949,347	125,562	(36,333)	-	1,038,576
Total restricted funds	889,330	632,528	(536,547)	-	985,311
Total of funds	955,008	646,997	(545,517)	-	1,056,488

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

18. STATEMENT OF FUNDS (continued)

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

General Annual Grant - Income from the EFA which is to be use for the normal running costs of the Academy, including education and support costs.

Pupil Premium - Income from the EFA which is to be used to address the current inequalities by ensuring that funding to tackle disadvantage reaches the pupils who need it most.

Pension reserve – This represents the academy's share of the assets and liabilities in the Local Government Pension Scheme.

Fixed assets transferred on conversion – This represent the buildings and equipment donated to the school from the Local Authority on conversion to an academy.

Devolved formula capital - This represent funding from the EFA to cover the maintenance and purchase of the schools assets.

Capital Grants – These funds were received for direct expenditure on fixed asset projects. The balance at the year end represents the NBV of assets and any unspent grant amounts.

CIF funding - These funds were received from EFA to be used for building a new temporary classroom building.

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 2015.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
Designated funds	-	-	-	30,000	30,000
General funds	65,678	14,469	(8,970)	(30,000)	41,177
	<u>65,678</u>	<u>14,469</u>	<u>(8,970)</u>	<u>-</u>	<u>71,177</u>
Restricted funds	(60,017)	506,966	(500,214)	-	(53,265)
Restricted fixed asset funds	949,347	125,562	(36,333)	-	1,038,576
	<u>955,008</u>	<u>646,997</u>	<u>(545,517)</u>	<u>-</u>	<u>1,056,488</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	931,270	931,270	949,347
Current assets	71,177	64,918	107,306	243,401	149,876
Creditors due within one year	-	(33,183)	-	(33,183)	(65,215)
Pension scheme liability	-	(85,000)	-	(85,000)	(79,000)
	<u>71,177</u>	<u>(53,265)</u>	<u>1,038,576</u>	<u>1,056,488</u>	<u>955,008</u>

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	101,480	(2,118)
Returns on investments and servicing of finance	(161)	(139)
Depreciation of tangible fixed assets	36,333	47,860
Capital grants from DfE	(125,562)	(26,504)
Decrease in stocks	-	237
Decrease in debtors	6,398	13,837
Decrease in creditors	(10,204)	(30,577)
Defined benefit pension scheme adjustments	6,000	1,000
NET CASH INFLOW FROM OPERATIONS	<u>14,284</u>	<u>3,596</u>

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

	2015 £	2014 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	<u>161</u>	<u>139</u>
	2015 £	2014 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(40,084)	(17,538)
Capital grants from DfE	<u>136,208</u>	<u>15,858</u>
NET CASH INFLOW/(OUTFLOW) FROM CAPITAL EXPENDITURE	<u>96,124</u>	<u>(1,680)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

22. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	121,404	110,569	-	231,973
NET FUNDS	121,404	110,569	-	231,973

MEMBERS' LIABILITY

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

23. CAPITAL COMMITMENTS

At 31 August 2015 the Academy had capital commitments as follows:

	2015 £	2014 £
Contracted for but not provided in these financial statements	129,615	-

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 Cornwall County Council. 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 2012 and of the LGPS 31 March 2013.

Contributions amounting to £5,762 were payable to the scheme at 31 August 2015 (2014: 5,714) and are included within creditors.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

24. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The pension costs paid to TPS in the period amounted to £29,590 (2014: £27,305).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy 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 2015 was £24,000, of which employer's contributions totalled £19,000 and employees' contributions totalled £5,000. The agreed contribution rates for future years are 21.3% for employers and 5.5 to 7.5% for employees.

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

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NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(273,000)	(238,000)
Fair value of scheme assets	188,000	159,000
	<u>(85,000)</u>	<u>(79,000)</u>
Net liability	<u>(85,000)</u>	<u>(79,000)</u>

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

	2015 £	2014 £
Current service cost	(24,000)	(15,000)
Interest on obligation	(9,000)	(7,000)
Expected return on scheme assets	8,000	7,000
Past service cost	(1,951)	(313)
	<u>(26,951)</u>	<u>(15,313)</u>
Total	<u>(26,951)</u>	<u>(15,313)</u>

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

	2015 £	2014 £
Opening defined benefit obligation	238,000	145,000
Current service cost	24,000	15,000
Interest cost	9,000	7,000
Contributions by scheme participants	5,000	4,000
Actuarial (Gains)/losses	(3,000)	67,000
Liability transferred on conversion	-	-
	<u>273,000</u>	<u>238,000</u>
Closing defined benefit obligation	<u>273,000</u>	<u>238,000</u>

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24. PENSION COMMITMENTS (continued)

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

	2015 £	2014 £
Opening fair value of scheme assets	159,000	113,000
Expected return on assets	8,000	7,000
Actuarial gains and (losses)	(3,000)	21,000
Contributions by employer	19,000	14,000
Contributions by employees	5,000	4,000
	188,000	159,000

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £(58,000) (2014: £(58,000)).

The Academy expects to contribute £19,000 to its Defined benefit pension scheme in 2016.

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

	2015	2014
Equities	41.00 %	53.00 %
Bonds	50.00 %	40.00 %
Property	7.00 %	6.00 %
Cash	2.00 %	1.00 %

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

	2015	2014
Discount rate for scheme liabilities	3.80 %	3.70 %
Expected return on scheme assets at 31 August	3.80 %	4.80 %
Rate of increase in salaries	4.60 %	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %

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

	2015	2014
Retiring today		
Males	22.2 years	22.2 years
Females	24.4 years	24.4 years
Retiring in 20 years		
Males	24.4 years	24.4 years
Females	26.8 years	26.8 years

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NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2015 £	2014 £
Defined benefit obligation	(273,000)	(238,000)
Scheme assets	188,000	159,000
Deficit	(85,000)	(79,000)
Experience adjustments on scheme liabilities	3,000	(67,000)
Experience adjustments on scheme assets	(3,000)	21,000

25. OPERATING LEASE COMMITMENTS

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
EXPIRY DATE:		
Between 2 and 5 years	711	711

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, it is inevitable that transactions will take place with organisations in which a member of the board of trustees 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. No related party transactions took place in the period of account.