

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2016**

**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 TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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<b>Members</b>	Mr A J Hunt Mr J A McKenzie Mr N J Swain
<b>Members and Trustees</b>	Mr A J Hunt, Headteacher and Accounting Officer <sup>1,2</sup> Mr J A McKenzie, Chair of Trustees (resigned 13 October 2016) <sup>1,2</sup> Mr N J Swain (resigned 13 June 2016) <sup>2</sup> Mr D Clare (appointed 22 June 2016) Mrs J M Dixon, Vice Chair <sup>2</sup> Mrs K Bennett <sup>2</sup> Mr A M Goodright, Staff Trustee (resigned 3 September 2015) <sup>2</sup> Mr J E Bassett <sup>1</sup> Mr R C Dyter, Chair of Trustees <sup>1</sup> Mr T Witton (resigned 13 June 2016) Mrs J Hughes (appointed 22 June 2016) Mrs K Martin (appointed 22 June 2016) Mrs M Pinfield (appointed 11 September 2015) Mr T Taylor (appointed 7 July 2016) Mrs H Warne (appointed 24 September 2015)  <sup>1</sup> Finance, Personnel & Audit Committee <sup>2</sup> Teaching, Learning & Achievement Committee
<b>Company registered number</b>	07770592
<b>Company name</b>	Harrowbarrow School
<b>Principal and Registered office</b>	School Road Harrowbarrow Callington Cornwall PL17 8BQ
<b>Company secretary</b>	Mrs E C Moyle
<b>Accounting officer</b>	Mr A J Hunt
<b>Senior management team</b>	Mr A J Hunt, Headteacher Miss M Pinfield, Deputy Headteacher Mr A M Goodright, Year 3/4 Teacher Mrs E C Moyle, Business Manager
<b>Independent auditors</b>	Bishop Fleming LLP Chartered Accountants Statutory Auditors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN

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

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

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**Advisers (continued)**

**Bankers**

Lloyds Bank  
The Parade  
Liskeard  
Cornwall  
PL14 6AW

**Solicitors**

Cornwall Council Legal Services  
County Hall  
Treyew Road  
Truro  
Cornwall  
TR1 3AY

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

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2016**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016. 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 117 in the school census on 6 October 2016.

**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 ceased 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's Board of Trustees comprises the Headteacher, a minimum of 2 Parent Trustees, up to 3 Staff Trustees (providing that the total number of Trustees, including the Headteacher, who are employees of the Academy Trust, does not exceed one third of the total number of Trustees) and up to 8 other Trustees.

Trustees 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 Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

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

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**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 2016**

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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.

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The Trustees consider the Board of Trustees and the senior leadership team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with the Whole School Pay Policy.

**Connected Organisations, including Related Party Relationships**

The Academy has collaborative links with Callington Community College and the 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/period ended 31 August 2016 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.

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

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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.

**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 in reading across the school through inspiring an enjoyment in reading and increasing the regular reading diet of all children.
- To close the attainment gap between disadvantaged pupils and their peers.
- To raise attainment for underperforming groups, especially boys by the end of KS2.
- 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 development of the EYFS outdoor learning area.
- To foster improved links with the local preschool which help improve outcomes for pupils at FS1.
- To explore options for Harrowbarrow to be part of a new MAT in the local area; this would continue strengthening the performance of the school through strong school improvement partnership work.
- To improve upon the school's recent Ofsted grading of 'good' over the next three years.

**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 Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

- 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 is no longer a partner academy of The Duchy Academy Trust (TDAT). Governors decided the strategic direction of this MAT would not be beneficial to Harrowbarrow pupils and are exploring alternative options. The Headteacher and Chair of Governors have stepped down as directors of TDAT.



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

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**STRATEGIC REPORT**

**Achievements and Performance**

- The number of pupils for 2015/2016 was 113, with an increase to 117 for the financial year 2016/17. Four of the seven year groups are full or oversubscribed and the school continues to build upon its strong local reputation.
- In July 2016, under the new assessment arrangements, the school was judged to be line with the national average for the number of pupils achieving the Y6 threshold in reading, writing and maths combined (Harrowbarrow – 50%, National – 53%).
- In July 2016, KS1 results reflected a strong response to a dip the previous year. Pupils exceeded the national average in writing and maths but were slightly below in reading, which is a school improvement priority for 2016/17.
- Strong pupil performance across the school, as a result of good quality teaching, resulted in the school being judged 'good' by Ofsted in November 2015.
- Following the academy's successful securing of a Condition Improvement Fund grant of £117,274 to replace a dilapidated Elliot hut classroom the EYFS children moved into a new classroom in February 2016. Work then began on delivering a stimulating and exciting outdoor learning area to complement the new classroom. This is nearing completion.

**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, £28,547 was carried forward representing 6.8% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2015/16 were 113 in comparison to 103 for 2014/2015. This number has again risen during 2016/2017 due to a large intake into Reception in September 2016 and new families from out of area joining the school. The NOR in the October 2016 Census was 117.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2015/2016 this was 96.7%.

**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

**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 2016, total expenditure of £549,454 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 £17,242.

At 31 August 2016 the net book value of fixed assets was £1,027,528 and movements in tangible fixed assets

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

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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 £38,558 remains as Unrestricted Funds, some of which has been set aside as reserves for proposed projects during 2016/2017 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.

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 3 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 £90,000. This would relate to approximately 3 months' worth of salary expenditure. 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 non GAG restricted funds) is £82,499. Free reserves, being GAG and unrestricted undesignated funds are £73,261.

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

- £9,238 carry forward from Catering to be set aside to cover costs of replacement kitchen equipment as and when required.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust 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 Trust.

**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.

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

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**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 96.8% 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.

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.

**PLANS FOR FUTURE PERIODS**

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

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

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been identified:

Longer term objectives for the academy include the following:

- To build upon Ofsted's recent judgement of 'good'.
- To establish new partnership working by being incorporated into a new local MAT, assisting the school in further raising pupil attainment and improve value for money for the academy business.
- To complete the development of an outdoor learning environment the new EYFS classroom 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 ...1.12.16..... and signed on the board's behalf by:



**Mr R C Dyter**  
Chair of Trustees

## **GOVERNANCE STATEMENT**

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### **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 Statement of Trustees' responsibilities. 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	5	6
Mr N J Swain	2	5
Mr D Clare	1	1
Mrs J M Dixon, Vice Chair	5	6
Mrs K Bennett	5	6
Mr A M Goodright, Staff Trustee	0	0
Mr J E Bassett	5	6
Mr R C Dyter, Chair of Trustees	6	6
Mr T Witton	2	5
Mrs J Hughes	0	1
Mrs K Martin	1	1
Mrs M Pinfield	6	6
Mr T Taylor	1	1
Mrs H Warne	6	6

During the year there was 1 resignation and 1 term of office ended for Parent Governors. Following this, a parent election was held and K Martin and D Clare were elected. J Hughes was appointed as a parent governor by the board due to the skills she could bring to the board. It was also decided to appoint another staff governor. Only one nomination was received from T Taylor who was duly appointed to the board. As at the 31st August 2016 there were no vacancies on the board of governors. Since the end of the financial year, Chair of Governors Mr J McKenzie has tendered his resignation.

**GOVERNANCE STATEMENT (continued)**

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**Governance reviews**

- The governors review their performance annually and draft a governor action plan to address areas for improvement.

Areas addressed in the year 2015/16 include:

- The clerk enrolled on a professional clerking course which is due to be completed in 2016/17.
- The clerk accesses local area forums and network meetings.
- A Governor Induction Plan was set up on the Governor Virtual Office which provides all the statutory documents to be read on appointment and a recommended professional development schedule.
- All governors receive regular newsletters from the NGA and some governors have now started to access training through the NGA.
- The governors review their action plan termly.

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.

During the year H Warne joined the 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	3	4
Mr J Bassett	3	4
Mr R C Dyter	4	4
Mrs H Warne	2	3

The **Teaching, Learning & Achievement Committee** is a sub-committee of the main Board of Trustees. Its purpose is to:

- To monitor the progress being made against the school's Ofsted Action Plan.
- To monitor and evaluate 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.
- To monitor the performance of the school.
- To monitor and maintain a strong link between performance management and appraisal and salary progression.
- To support the Headteacher and School Staff in fulfilling the changes set out in the Ofsted action Plan.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Hunt	3	3
J Dixon	3	3
K Bennett	3	3
N Swain	0	3

**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF VALUE FOR MONEY**

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

The accounting officer considers how the 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 governing body is accountable for the way in which the school's resources are allocated to meet the objectives set out in the school's development plans. Governors need to secure the best possible outcomes for pupils, in the most efficient and effective way, at a reasonable cost. This will lead to continuous improvement in the school's achievements and services.

Improving educational results:

We have ensured that resources are directed where they are most needed and most effective in meeting educational requirements, for example:

- Part funding the development of a new EYFS classroom (completed in February 2016) and committing additional funding to the development of a purpose built early years outdoor learning area.
- Appointing a Pupil Support Worker to work with some of the schools most disadvantaged and vulnerable pupils and their parents.
- Approving teacher's pay awards where performance management targets have been met.

Financial governance and oversight:

Our governance arrangements include regular monitoring by the Governing Body and its committees, including the Finance, Staffing and Audit Committee. They receive regular reports, and ask relevant questions as recorded in the minutes.

The work of these committees is further informed by regular Responsible Officer reports from the appointed Cornwall Local Authority LFS technician.

The governors are committed to an annual review of their performance, followed by termly tracking of progress against the priorities for improvement identified during the audit.

Better purchasing:

Examples of steps taken to ensure better purchasing include:

- Compliance with tendering regulations before commissioning contractors to provide the new EYFS classroom.

**GOVERNANCE STATEMENT (continued)**

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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 appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Robust financial governance and budget management.
- Value for money purchasing.
- Reviewing controls and managing risk.
- Considering allocation/targeting/use of resources.
- Not allocating time/resources to areas where few improvements can be achieved.
- Making comparisons with similar Academies using data provided by the EFA and the Government.
- Challenging proposals and examining their effectiveness and efficiency.
- Deploying staff effectively.
- Reviewing quality of curriculum provision and quality of teaching.
- Reviewing quality of children's learning to enable children to achieve nationally expected progress.
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.

**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 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

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

**THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance, 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.



**GOVERNANCE STATEMENT (continued)**

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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 Beverly Lawrence, 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 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.

Three visits were carried out during the 2015/2016 Financial Year.

**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 management report provided by 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. No significant weaknesses have been found. Continuous monitoring will ensure continuous improvement of the system which is in place

Approved by order of the members of the Board of Trustees on 1 December 2016 and signed on their behalf, by:



**Mr R C Dyter**  
**Chair of Trustees**



**Mr A J Hunt**  
**Accounting Officer**

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

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Harrowbarrow School Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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

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



**Mr A J Hunt  
Accounting Officer**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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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 Strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:



**Mr R C Dyter**  
Chair of Trustees

Date: 1/12/16

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES  
OF HARROWBARROW SCHOOL**

We have audited the financial statements of Harrowbarrow School for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the 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 Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

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

**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 ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES  
OF HARROWBARROW SCHOOL**

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**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.

*Bishop Fleming LLP*

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

Date: 8/12/16

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

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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 2015 to 2016, 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 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by 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.

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

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**CONCLUSION**

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

*Bishop Fleming LLP*

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

Date: 8/12/16.

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

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

		Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
	Note					
<b>INCOME FROM:</b>						
Donations and capital grants	2	755	5,655	9,181	15,591	128,196
Charitable activities	5	9,252	486,814	-	496,066	516,062
Other trading activities	3	6,183	-	-	6,183	2,578
Investments	4	153	-	-	153	161
<b>TOTAL INCOME</b>		<b>16,343</b>	<b>492,469</b>	<b>9,181</b>	<b>517,993</b>	<b>646,997</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		13,826	502,659	39,969	556,454	547,517
<b>TOTAL EXPENDITURE</b>	6	<b>13,826</b>	<b>502,659</b>	<b>39,969</b>	<b>556,454</b>	<b>547,517</b>
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		2,517	(10,190)	(30,788)	(38,461)	99,480
Actuarial gains/(losses) on defined benefit pension schemes	22	-	(106,000)	-	(106,000)	2,000
<b>NET MOVEMENT IN FUNDS</b>		<b>2,517</b>	<b>(116,190)</b>	<b>(30,788)</b>	<b>(144,461)</b>	<b>101,480</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		71,177	(53,265)	1,038,576	1,056,488	955,008
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>73,694</b>	<b>(169,455)</b>	<b>1,007,788</b>	<b>912,027</b>	<b>1,056,488</b>

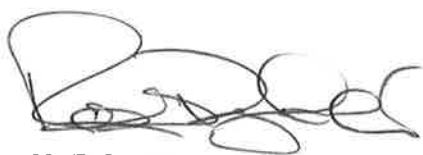


**HARROWBARROW SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 07770592**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
<b>FIXED ASSETS</b>					
Tangible assets	13		<b>1,027,528</b>		931,270
<b>CURRENT ASSETS</b>					
Debtors	14	<b>13,902</b>		11,428	
Cash at bank and in hand		<b>110,632</b>		231,973	
		<b>124,534</b>		243,401	
<b>CREDITORS:</b> amounts falling due within one year	15	<b>(42,035)</b>		(33,183)	
<b>NET CURRENT ASSETS</b>			<b>82,499</b>		210,218
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>1,110,027</b>		1,141,488
Defined benefit pension scheme liability	22		<b>(198,000)</b>		(85,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<b>912,027</b>		1,056,488
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	17	<b>28,545</b>		31,735	
Restricted fixed asset funds	17	<b>1,007,788</b>		1,038,576	
Restricted income funds excluding pension liability		<b>1,036,333</b>		1,070,311	
Pension reserve		<b>(198,000)</b>		(85,000)	
Total restricted income funds			<b>838,333</b>		985,311
Unrestricted income funds	17		<b>73,694</b>		71,177
<b>TOTAL FUNDS</b>			<b>912,027</b>		1,056,488

The financial statements were approved by the Trustees, and authorised for issue, on 1/12/16 and are signed on their behalf, by:



**Mr R C Dyter**  
**Chair of Trustees**

The notes on pages 25 to 44 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2016**

	<b>Note</b>	<b>2016 £</b>	<b>2015 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	<u>4,326</u>	<u>14,284</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		153	161
Purchase of tangible fixed assets		<u>(125,820)</u>	<u>96,124</u>
<b>Net cash (used in)/provided by investing activities</b>		<u>(125,667)</u>	<u>96,285</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(121,341)</b>	<b>110,569</b>
Cash and cash equivalents brought forward		<u>231,973</u>	<u>121,404</u>
<b>Cash and cash equivalents carried forward</b>	20	<u><u>110,632</u></u>	<u><u>231,973</u></u>

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

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**1. ACCOUNTING POLICIES**

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

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

Harrowbarrow School constitutes a public benefit entity as defined by FRS 102.

In accordance with the Academies Accounts Direction 2015 to 2016 capital grants are now recognised in Income from Donations and Capital Grants instead of Charitable Activities. Capital grants recognised in 2015 have been reclassified.

**First time adoption of FRS 102**

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

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 26.

**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.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

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

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**1. ACCOUNTING POLICIES (continued)**

**1.3 INCOME**

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

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

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

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

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

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

**1.4 EXPENDITURE**

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

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

All resources expended are inclusive of irrecoverable VAT.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.5 GOING CONCERN**

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

**1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

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

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

On conversion the Academy Trust was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

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

Long term leasehold property	-	4%, 0.8% or 1.66% Straight line
Temporary Buildings	-	12.5% Straight line
Fixtures and fittings	-	20% Straight line
Computer equipment	-	33.3% Straight line

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

**1.7 OPERATING LEASES**

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

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

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**1. ACCOUNTING POLICIES (continued)**

**1.8 INTEREST RECEIVABLE**

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

**1.9 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 DEBTORS**

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

**1.11 CASH AT BANK AND IN HAND**

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

**1.12 LIABILITIES AND PROVISIONS**

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

**1.13 GOVERNMENT GRANTS**

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

**1.14 FINANCIAL INSTRUMENTS**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial liabilities or equity instruments. An equity instrument is any contractual that evidences a residual interest in the assets of the company after deducting all of its liabilities. Financial instruments includes cash at bank, trade debtors, accrued income from financial instruments (comprising dividends and interest due from investments), trade creditors and accrued expenditure.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.15 PENSIONS**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

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

**1. ACCOUNTING POLICIES (continued)**

**1.16 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	755	5,655	4,000	10,410	2,634
Capital Grants	-	-	5,181	5,181	125,562
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	<b>755</b>	<b>5,655</b>	<b>9,181</b>	<b>15,591</b>	<b>128,196</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from donations and capital grants, £789 was to unrestricted funds and £127,407 was to restricted funds.



**NOTES TO THE FINANCIAL STATEMENTS**  
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**3. OTHER TRADING ACTIVITIES**

	<b>Unrestricted funds 2016 £</b>	<b>Restricted funds 2016 £</b>	<b>Total funds 2016 £</b>	<b>Total funds 2015 £</b>
Fees received	<b>6,183</b>	<b>-</b>	<b>6,183</b>	<b>2,578</b>

In 2015, of the total income from other trading activities, £2,578 was to unrestricted funds and £Nil was to restricted funds.

**4. INVESTMENT INCOME**

	<b>Unrestricted funds 2016 £</b>	<b>Restricted funds 2016 £</b>	<b>Total funds 2016 £</b>	<b>Total funds 2015 £</b>
Bank interest	<b>153</b>	<b>-</b>	<b>153</b>	<b>161</b>

In 2015, of the total investment income, £161 was to unrestricted funds and £Nil was to restricted funds.

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

**5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>DfE/EFA grants</b>				
General Annual Grant	-	419,097	419,097	442,123
Pupil Premium	-	31,608	31,608	30,960
Other DfE/EFA grants	-	27,595	27,595	26,062
	-	478,300	478,300	499,145
<b>Other government grants</b>				
Other government grants non capital	-	141	141	-
	-	141	141	-
<b>Other funding</b>				
Internal Catering Income	9,059	-	9,059	10,619
Sales to students	193	-	193	322
Other	-	8,373	8,373	5,976
	9,252	8,373	17,625	16,917
	9,252	486,814	496,066	516,062

In 2015, of the total income from charitable activities, £10,941 was to unrestricted funds and £505,121 to restricted funds.

**6. EXPENDITURE**

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Education:					
Direct costs	333,247	37,210	27,980	398,437	390,612
Support costs	75,843	22,408	59,766	158,017	139,464
	409,090	59,618	87,746	556,454	530,076

In 2016, of the total expenditure, £13,825 (2015: £8,970) was to unrestricted funds and £535,628 (2015: £536,547) was to restricted funds.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**7. DIRECT COSTS**

	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Pension finance costs	<b>1,000</b>	2,000
Educational supplies	<b>9,750</b>	9,515
Staff development	<b>3,448</b>	7,922
Other costs	<b>12,693</b>	13,597
Technology costs	<b>1,027</b>	2,343
Wages and salaries	<b>272,064</b>	268,712
National insurance	<b>16,429</b>	15,205
Pension cost	<b>44,754</b>	41,204
Depreciation	<b>37,272</b>	32,700
	<b>398,437</b>	393,198

**8. SUPPORT COSTS**

	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Pension finance costs	<b>2,000</b>	1,000
Other costs	<b>4,265</b>	4,749
Recruitment and support	<b>170</b>	100
Maintenance of premises and equipment	<b>7,703</b>	3,165
Cleaning	<b>950</b>	1,433
Rent and rates	<b>3,562</b>	6,393
Energy costs	<b>6,854</b>	7,566
Insurance	<b>6,349</b>	6,191
Security and transport	<b>421</b>	434
Catering	<b>8,453</b>	9,849
Technology costs	<b>8,295</b>	9,475
Office overheads	<b>5,452</b>	2,933
Legal and professional	<b>5,991</b>	7,119
Bank interest and charges	<b>64</b>	64
Governance	<b>17,504</b>	15,441
Wages and salaries	<b>60,476</b>	59,135
National insurance	<b>3,011</b>	2,610
Pension cost	<b>12,356</b>	13,029
Depreciation	<b>4,141</b>	3,633
	<b>158,017</b>	154,319

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**FOR THE YEAR ENDED 31 AUGUST 2016**

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**9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the charity	<b>41,413</b>	<b>36,333</b>
Auditors' remuneration - audit	<b>4,870</b>	<b>4,250</b>
Auditors' remuneration - other services	<b>2,130</b>	<b>2,320</b>
Operating lease rentals	<b>711</b>	<b>711</b>
	<b>=====</b>	<b>=====</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
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**10. STAFF COSTS**

Staff costs were as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>327,411</b>	322,328
Social security costs	<b>19,440</b>	17,815
Operating costs of defined benefit pension schemes	<b>57,110</b>	53,647
	<b>403,961</b>	393,790
Supply teacher costs	<b>5,129</b>	6,106
	<b>409,090</b>	399,896

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

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
Teachers	<b>6</b>	6
Educational Support	<b>10</b>	12
Administration and Clerical	<b>5</b>	4
Management	<b>1</b>	1
	<b>22</b>	23

Average headcount expressed as a full time equivalent:

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
Teachers	<b>5</b>	5
Headteacher	<b>1</b>	1
Business Manager	<b>1</b>	1
Teaching Assistant	<b>5</b>	5
Lunchtime supervisors	<b>1</b>	1
Site Staff	<b>1</b>	1
	<b>14</b>	14

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

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and The Senior Management team as listed on page 1. The total benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £199,205 (2015:£194,097).

**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. TRUSTEES' REMUNERATION AND EXPENSES**

During the year, no Trustees received any reimbursement of expenses (2015: £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 (2015: between fifty and fifty five thousand pounds) and employer pension contributions between five and ten thousand pounds (2015: between five and ten thousand pounds). Mr A M Goodright: Remuneration of nil (2015: between thirty five and forty thousand pounds) and employer pension contributions of nil (2015: between five and ten thousand pounds). Mrs M Pinfield: Remuneration between thirty five and forty thousand pounds (2015: nil) and employer pension contributions between five and ten thousand pounds (2015: nil).

**12. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2016 was £240 (2015: £240).

**13. TANGIBLE FIXED ASSETS**

	Long term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>COST</b>				
At 1 September 2015	1,000,472	80,099	10,907	1,091,478
Additions	137,355	316	-	137,671
At 31 August 2016	1,137,827	80,415	10,907	1,229,149
<b>DEPRECIATION</b>				
At 1 September 2015	98,407	52,841	8,960	160,208
Charge for the year	32,903	7,310	1,200	41,413
At 31 August 2016	131,310	60,151	10,160	201,621
<b>NET BOOK VALUE</b>				
At 31 August 2016	1,006,517	20,264	747	1,027,528
At 31 August 2015	902,065	27,258	1,947	931,270

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**14. DEBTORS**

	2016 £	2015 £
VAT recoverable	1,142	1,042
Prepayments and accrued income	12,760	10,386
	<u>13,902</u>	<u>11,428</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016 £	2015 £
Trade creditors	512	873
Other taxation and social security	12,776	10,756
Accruals and deferred income	28,747	21,554
	<u>42,035</u>	<u>33,183</u>

	2016 £	2015 £
<b>DEFERRED INCOME</b>		
Deferred income at 1 September 2015	16,150	20,698
Resources deferred during the year	16,053	16,150
Amounts released from previous years	(16,150)	(20,698)
Deferred income at 31 August 2016	<u>16,053</u>	<u>16,150</u>

At the balance sheet date the Academy was holding funds received in advance of £5,470 for an educational trip being held in the autumn term 2016. In addition, they were holding government grants received in advance for the 2015/16 academic year of £10,583.

**16. FINANCIAL INSTRUMENTS**

	2016 £	2015 £
Financial assets measured at amortised cost	<u>117,617</u>	<u>237,415</u>
Financial liabilities measured at amortised cost	<u>25,982</u>	<u>17,033</u>

Financial assets measured at amortised cost comprise cash, accrued income, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise accruals, other creditors and trade creditors.

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**17. STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>DESIGNATED FUNDS</b>						
CIF match funding	30,000	-	-	(30,000)	-	-
Unrestricted fixed assets	-	-	(1,444)	21,184	-	19,740
Catering funds	-	-	-	9,238	-	9,238
	<u>30,000</u>	<u>-</u>	<u>(1,444)</u>	<u>422</u>	<u>-</u>	<u>28,978</u>
<b>GENERAL FUNDS</b>						
General funds	41,177	16,343	(12,382)	(422)	-	44,716
Total Unrestricted funds	<u>71,177</u>	<u>16,343</u>	<u>(13,826)</u>	<u>-</u>	<u>-</u>	<u>73,694</u>
<b>RESTRICTED FUNDS</b>						
	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General Annual Grant (GAG)	27,335	419,097	(417,887)	-	-	28,545
Pupil Premium	4,400	31,608	(36,008)	-	-	-
UIFSM	-	19,125	(19,125)	-	-	-
PE and sports grant	-	8,470	(8,470)	-	-	-
Donations	-	5,655	(5,655)	-	-	-
Other curriculum income	-	8,373	(8,373)	-	-	-
Other grants	-	141	(141)	-	-	-
Pension reserve	(85,000)	-	(7,000)	-	(106,000)	(198,000)
	<u>(53,265)</u>	<u>492,469</u>	<u>(502,659)</u>	<u>-</u>	<u>(106,000)</u>	<u>(169,455)</u>



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

**17. STATEMENT OF FUNDS (continued)**

**RESTRICTED FIXED ASSET FUNDS**

	<b>Brought Forward £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers in/out £</b>	<b>Gains/ (Losses) £</b>	<b>Carried Forward £</b>
Fixed assets transferred on conversion	<b>842,432</b>	-	<b>(17,814)</b>	-	-	<b>824,618</b>
Devolved Formula Capital	<b>10,076</b>	<b>5,181</b>	<b>(1,811)</b>	-	-	<b>13,446</b>
Fixed assets purchased from GAG and other restricted funds	<b>8,660</b>	-	<b>(3,777)</b>	-	-	<b>4,883</b>
Academy capital maintenance grant	<b>56,345</b>	-	<b>(10,744)</b>	-	-	<b>45,601</b>
CIF funding	<b>117,274</b>	-	<b>(4,691)</b>	-	-	<b>112,583</b>
Other capital income	<b>3,789</b>	<b>4,000</b>	<b>(1,132)</b>	-	-	<b>6,657</b>
	<b>1,038,576</b>	<b>9,181</b>	<b>(39,969)</b>	-	-	<b>1,007,788</b>
Total restricted funds	<b>985,311</b>	<b>501,650</b>	<b>(542,628)</b>	-	<b>(106,000)</b>	<b>838,333</b>
Total of funds	<b>1,056,488</b>	<b>517,993</b>	<b>(556,454)</b>	-	<b>(106,000)</b>	<b>912,027</b>

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

Designated Caterings funds - This is funds set aside to cover costs of replacement kitchen equipment as and when required.

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.

UIFSM - money received to provide free school meals for pupils.

PE and sports grant - This represents funding recieved from the EFA and must be used to fund improvements to the provision o fPE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

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.

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**17. STATEMENT OF FUNDS (continued)**

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 2016.

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	19,740	-	1,007,788	1,027,528	931,270
Current assets	56,921	67,613	-	124,534	243,401
Creditors due within one year	(2,967)	(39,068)	-	(42,035)	(33,183)
Pension scheme liability	-	(198,000)	-	(198,000)	(85,000)
	<u>73,694</u>	<u>(169,455)</u>	<u>1,007,788</u>	<u>912,027</u>	<u>1,056,488</u>

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

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(38,461)	99,480
<b>Adjustment for:</b>		
Depreciation charges	41,413	36,333
Dividends, interest and rents from investments	(153)	(161)
(Increase)/decrease in debtors	(2,474)	6,398
Increase/(decrease) in creditors	8,851	(10,204)
Capital grants from DfE and other capital income	(11,850)	(125,562)
Defined benefit pension scheme cost less contributions payable	4,000	5,000
Defined benefit pension scheme finance cost	3,000	3,000
<b>Net cash provided by operating activities</b>	<u>4,326</u>	<u>14,284</u>

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**20. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Cash in hand	<b>110,632</b>	231,973
Total	<b>110,632</b>	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.

**21. CAPITAL COMMITMENTS**

At 31 August 2016 the Academy had capital commitments as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Contracted for but not provided in these financial statements	-	129,615

**22. 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 Multi-employer defined benefit pension schemes.

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

Contributions amounting to £6,256 were payable to the schemes at 31 August 2016 (2015: £5,762) 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.

**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

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

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

	2016 £	2015 £
Opening fair value of scheme assets	188,000	159,000
Interest income	8,000	6,000
Actuarial gains and (losses)	13,000	(1,000)
Contributions by employer	19,000	19,000
Contributions by employees	5,000	5,000
	<u>233,000</u>	<u>188,000</u>
Closing fair value of scheme assets	<u>233,000</u>	<u>188,000</u>

**23. OPERATING LEASE COMMITMENTS**

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	533	711
Between 1 and 5 years	-	533
	<u>533</u>	<u>1,244</u>
Total	<u>533</u>	<u>1,244</u>

**24. 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.

**25. CONTROLLING PARTY**

The ultimate controlling party is the members.

**26. 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 £NIL for the debts and liabilities contracted before he/she ceases to be a member.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**26. FIRST TIME ADOPTION OF FRS 102**

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

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

<b>RECONCILIATION OF TOTAL FUNDS</b>	<b>Notes</b>	<b>1 September 2014</b> £	<b>31 August 2015</b> £
Total funds under previous UK GAAP		955,008	1,056,488
Total funds reported under FRS 102		<u>955,008</u>	<u>1,056,488</u>

<b>Reconciliation of net income</b>	<b>Notes</b>	<b>31 August 2015</b> £
Net income previously reported under UK GAAP		101,480
Change in recognition of LGPS interest cost	A	(2,000)
Net movement in funds reported under FRS 102		<u>99,480</u>

Explanation of changes to previously reported funds and net income/expenditure:

A	Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS102 a net interest, based on the net defined benefit liability, is recognised in income/expense. There has been no change to the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit/debit to income/expense by £2,000 and increase the debit/credit in other recognised gains and losses in the SoFA by an equivalent amount.
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