

Company Registration Number: 07770592 (England & Wales)

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

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HARROWBARROW SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members	Mr A J Hunt Mr J A McKenzie (resigned 2 May 2017) Mr N J Swain Mr R C Dyter (appointed 2 May 2017)
Trustees	Mr A J Hunt, Headteacher and Accounting Officer ^{1,2} Mr D Clare ² Mr J A McKenzie, Chair of Trustees (resigned 13 October 2016) Mrs J M Dixon, Vice Chair ² Mrs K Bennett ² Mr J E Bassett ¹ Mr R C Dyter, Chair of Trustees ¹ Mrs J Hughes Mrs K Martin ¹ Miss M Pinfield Mr T Taylor Mrs H Warne ¹ ¹ Finance, Personnel & Audit Committee ² Teaching, Learning & Achievement Committee
Company registered number	07770592
Company name	Harrowbarrow School
Principal and Registered office	School Road Harrowbarrow Callington PL17 8BQ
Company secretary	Mrs E C Moyle
Accounting officer	Mr A J Hunt
Senior management team	Mr A J Hunt, Headteacher Mrs E C Moyle, Business Manager
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN
Bankers	Lloyds Bank The Parade Liskeard Cornwall PL14 6AW

**HARROWBARROW SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Solicitors	Cornwall Council Legal Services County Hall Treyew Road Truro Cornwall TR1 3AY
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**HARROWBARROW SCHOOL
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2017. 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 118 in the school census on 5 October 2017.

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'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, 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. The limit of this indemnity is £1,000,000.

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.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Trustees Body and the Headteacher believe it is essential that all new Trustees receive a comprehensive

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

induction package covering a broad range of issues and topics. There is a commitment to ensure new Trustees are given the necessary support and information to fulfil their role with confidence, leading to more effective governance and Trustees retention.

The training and induction provided for new Trustees depends upon their existing experience but will include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees 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 Trustees 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 Trustees; 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 Trustees, to approve the Annual Development Plan and budget.

The Trustees 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.

**HARROWBARROW SCHOOL
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees and Board of Trustees 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 Trustees 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 Trustee.

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 collaborates with other local primary schools and the local secondary school on areas of school improvement but it is not a federation or formal partnership.

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

The aims of the Academy during the year ended 31 August 2017 are summarised below:

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

At Harrowbarrow School we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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 and improve outcomes in maths across the school through the implementation of the maths mastery approach.
- To further deepen pupils understanding and comprehension in reading through the introduction of a new shared reading format.
- To secure greater progress in KS1 phonics, ensuring standards are in line with or above the national average by June 2018.
- 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 further develop the informal partnership working with seven other local primary schools; this would continue strengthening the performance of the school through strong school improvement partnership work. This would put the same schools in strong position to submit an application to form a MAT when there is a consensus that the timing is right.
- To ensure the school is in a strong position to maintain its Ofsted rating of 'good' at the next inspection.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

- The Academy aims to advance, for the public benefit, education in Harrowbarrow and the surrounding area.
- The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.
- The Academy welcomed the local preschool on to the school site in January 2017. A leasehold agreement was put in place; enabling the preschool to rent a redundant classroom and outdoor area. This has provided them with an opportunity to extend their provision, increasing their numbers and ensuring their financial viability. Consequently, the school has secured the future for its main feeder of EYFS pupils into the school; the school was heavily oversubscribed for EYFS places for September 2017 which helps maintain the Academy's budget.

STRATEGIC REPORT

Achievements and Performance

- The number of pupils for 2016/2017 was 117, with an increase to 118 for the financial year 2017/18. Three of the seven year groups are full or oversubscribed and the school continues to build upon its strong local reputation.
- The school successfully improved outcomes for pupils at the end of KS2 from the previous academic year. The number of pupils achieving the Age Related Expectation (ARE) for reading rose from 50% to 65%, for writing from 50% to 71% and for maths from 56% to 59%. The school was judged to be above the government's floor standard on pupil progress.
- Standards in KS1 also improved in reading but went down in writing and maths; triggering a school improvement action for 2017/18. The Y1 phonic screening check results also fell well below the national average. The academy has put in place a rigorous improvement schedule to ensure standards are in line with or above the national average for 2017/18.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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, £25,266 was carried forward representing 5.7% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2016/17 were 117 in comparison to 113 for 2015/2016. The NOR in the October 2017 Census was 118.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2016/2017 this was 97%.

Going Concern

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

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA 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 2017 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 2017, the academy received a donation of £30,000 from a member of the public which was used for the purchase of two pre-owned minibuses.

During the year ended 31 August 2017, total expenditure of £596,138 was covered by recurrent grant funding from the DfE, together with other incoming resources of £23,016. The excess of expenditure over income for the year (excluding restricted fixed asset funds) was £19,104.

At 31 August 2017 the net book value of fixed assets was £1,018,502 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The 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 21 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.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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 reserves should be approximately 1-2 months of salary expenditure, approximately £40,000-£80,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £88,490 of which £74,222 is free reserves (GAG and unrestricted funds not represented by designated funds or fixed assets).

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

- £14,268 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.

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

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

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 98.2% 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 Trustees 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 Trustees 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 Trustees monitor and review

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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 Trustees 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 Trustees 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 Governing Body recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 21 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 been identified:

Longer term objectives for the academy include the following:

- To maintain the school's current Ofsted rating of 'good' through rigorous and sustained school improvement.
- To continue to evolve new partnership working by being in a position to establish a new local MAT, assisting the school in further raising pupil attainment and improve value for money for the academy business.
- To develop the working relationship with the local pre-school, review their accounts after a year of operation on the school site and undertake a feasibility study into the possibility of incorporating them into the Academy.
- To secure further provision for children with poor emotional health and wellbeing, enabling them to have greater opportunity for academic success.

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.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

TRUSTEES INDEMNITIES

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, on7.12.17..... and signed on the board's behalf by:



Mr R C Dyter
Chair of Trustees

HARROWBARROW SCHOOL
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the 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 D Clare	6	6
Mr J A McKenzie, Chair of Trustees (prior to resignation)	0	1
Mrs J M Dixon, Vice Chair	5	6
Mrs K Bennett	6	6
Mr J E Bassett	4	6
Mr R C Dyter, Chair of Trustees	5	6
Mrs J Hughes	6	6
Mrs K Martin	5	6
Miss M Pinfield	5	6
Mr T Taylor	6	6
Mrs H Warne	5	6

During the year there was 1 resignation, Chair J McKenzie resigned and this role was taken on by Ross Dyter. As at the 31st August 2017 there was 1 vacancy on the Board of Trustees. Since the end of the financial year, Vice Chair of Trustees Mrs J Dixon has tendered her resignation. The vacancies are yet to be filled and the the board has had to review its succession planning in light of these resignations to ensure future continuity. The board continues to challenge and support the leadership of the school to ensure standards are maintained or improved upon.

Governance reviews

The Trustees review their performance annually and draft a trustee action plan to address areas for improvement.

Areas addressed in the year 2016/2017 include:

- o The clerk successfully completed a clerking qualification.
- o The clerk accesses local area forums and network meetings.
- o Existing Governors moving into new roles have had an induction with the headteacher to ensure they understand the requirements of the role. Access to relevant training has also been offered to them.
- o All Trustees receive regular newsletters from the NGA and some governors have now started to access training through the NGA.

The Trustees review their action plan termly.

GOVERNANCE STATEMENT (continued)

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

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

During the year K Martin joined the Committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr A J Hunt, Headteacher and Accounting Officer	4	4
Mr R C Dyter, Chair of Trustees	4	4
Mr J Bassett	4	4
Mrs K Martin	3	3
Mrs H Warne	1	3
Mr J A McKenzie, Chair of Trustees (prior to resignation)	0	1

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.

During the year, D Clare joined the Committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr A J Hunt, Headteacher and Accounting Officer	6	6
Mrs J Dixon	6	6
Mrs K Bennett	5	6
Mr D Clare	3	5

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

- Tendering for capital improvement works, to secure best value, such as the electrical works undertaken over the summer.
- Reviewing service provider support at the end of contracts to ensure value for money is a consideration before entering into new agreements.

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GOVERNANCE STATEMENT (continued)

- Careful management of staffing costs, in a challenging financial climate, whilst ensuring educational standards aren't compromised.
- Having oversight of all income and expenditure to ensure the school is functioning within its financial means.
- 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 ESFA 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 Trust Board 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. Trustees 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 are most effective in meeting educational requirements, for example:

- Deploying staff to support the areas of greatest academic need.
- Investing in new pupil reading material to support the changing curriculum and areas in need of improvement.
- Investing in two school minibuses to enable pupils to further extend their learning beyond the school site.
- Approving teacher's pay awards where performance management targets have been met.
- Investing in staff professional development which directly links to actions identified within the school improvement plan.

Financial governance and oversight:

Our governance arrangements include regular monitoring by the Trust Board and its committees, including 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 Trustees 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:

- Using the CPC framework when reviewing the photocopier lease; this ensured better value for money than going to Ricoh, the chosen provider, direct.

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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 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.

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 Hayley Forwood, a member of Cornwall Council's LFS team, as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems, including payroll, purchasing and banking.

On a termly basis, the RO reports to the Finance, Personnel & Audit Committee 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 2016/2017 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 work of the external auditors;
- the work of the FPA committee 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 found. Continuous monitoring will ensure continuous improvement of the system which is in place.

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

GOVERNANCE STATEMENT (continued)

Approved by order of the members of the Board of Trustees on 7/12/17 and signed on their behalf, by:



**Mr R C Dyter
Chair of Trustees**



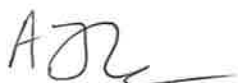
**Mr A J Hunt
Accounting Officer**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Harrowbarrow School I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 2016.

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 2016.

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 ESFA.



Mr A J Hunt
Accounting Officer

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017**

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 and Skills 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 2016 to 2017;
- 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 ESFA/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: 7/12/17

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HARROWBARROW SCHOOL

OPINION

We have audited the financial statements of Harrowbarrow School for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. 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', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills 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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which 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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy's or to cease operations, or have no realistic alternative but to do so.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.

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: 14/12/17

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

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

In accordance with the terms of our engagement letter dated 4 September 2013 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Harrowbarrow School and the ESFA 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 the ESFA, 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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 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: 14/12/17

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	580	3,570	34,589	38,739	15,591
Charitable activities	5	14,147	515,370	-	529,517	496,066
Other trading activities	3	8,698	-	-	8,698	6,183
Investments	4	80	-	-	80	153
TOTAL INCOME		23,505	518,940	34,589	577,034	517,993
EXPENDITURE ON:						
Charitable activities		15,678	541,359	39,101	596,138	556,454
TOTAL EXPENDITURE	6	15,678	541,359	39,101	596,138	556,454
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	17	7,827	(22,419)	(4,512)	(19,104)	(38,461)
		-	(1,860)	1,860	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		7,827	(24,279)	(2,652)	(19,104)	(38,461)
Actuarial gains/(losses) on defined benefit pension schemes	21	-	63,000	-	63,000	(106,000)
NET MOVEMENT IN FUNDS		7,827	38,721	(2,652)	43,896	(144,461)
RECONCILIATION OF FUNDS:						
Total funds brought forward		73,694	(169,455)	1,007,788	912,027	1,056,488
TOTAL FUNDS CARRIED FORWARD		81,521	(130,734)	1,005,136	955,923	912,027

The notes on pages 26 to 46 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	13		1,018,502		1,027,528
CURRENT ASSETS					
Debtors	14	22,871		13,902	
Cash at bank and in hand		110,616		110,632	
		133,487		124,534	
CREDITORS: amounts falling due within one year	15	(40,066)		(42,035)	
NET CURRENT ASSETS			93,421		82,499
TOTAL ASSETS LESS CURRENT LIABILITIES			1,111,923		1,110,027
Defined benefit pension scheme liability	21		(156,000)		(198,000)
NET ASSETS			955,923		912,027
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	17	25,266		28,545	
Fixed asset funds	17	1,005,136		1,007,788	
Restricted funds excluding pension liability		1,030,402		1,036,333	
Pension reserve		(156,000)		(198,000)	
Total restricted funds			874,402		838,333
Unrestricted funds	17		81,521		73,694
TOTAL FUNDS			955,923		912,027

The financial statements on pages 23 to 46 were approved by the Trustees, and authorised for issue, on 7/12/17 and are signed on their behalf, by:



Mr R C Dyter
Chair of Trustees

The notes on pages 26 to 46 form part of these financial statements.

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>31,423</u>	<u>4,326</u>
Cash flows from investing activities:			
Interest receivable		80	153
Purchase of tangible fixed assets		<u>(31,519)</u>	<u>(125,820)</u>
Net cash used in investing activities		<u>(31,439)</u>	<u>(125,667)</u>
Change in cash and cash equivalents in the year		(16)	(121,341)
Cash and cash equivalents brought forward		<u>110,632</u>	<u>231,973</u>
Cash and cash equivalents carried forward	20	<u>110,616</u>	<u>110,632</u>

The notes on pages 26 to 46 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

All incoming resources are recognised once the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities 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 in full where there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations are recognised on a receivable basis (where there are no performance-related conditions), where the receipt is probable and it 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 Academy has provided the goods and services.

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.

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

All expenditure is inclusive of irrecoverable VAT.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these 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
Motor vehicles	-	20% Reducing balance
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.

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.

1.6 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.7 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 and cash on deposit that has a notice period of less than 30 days.

1.8 LIABILITIES AND PROVISIONS

Liabilities and provisions 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.9 FINANCIAL INSTRUMENTS

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.10 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.

1.11 PENSIONS

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

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 21, 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 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 net income / expenditure 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 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 2017

1. ACCOUNTING POLICIES (continued)

1.12 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 funders 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.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

1.13 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

Estimates and judgments 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 21, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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 judgment:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy 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.

1.14 OPERATING LEASES

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	580	3,570	29,340	33,490	10,410
Capital Grants	-	-	5,249	5,249	5,181
	<u>580</u>	<u>3,570</u>	<u>34,589</u>	<u>38,739</u>	<u>15,591</u>
<i>Total 2016</i>	<u>755</u>	<u>5,655</u>	<u>9,181</u>	<u>15,591</u>	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings	1,684	-	1,684	-
Fees received	7,014	-	7,014	6,183
	<u>8,698</u>	<u>-</u>	<u>8,698</u>	<u>6,183</u>
<i>Total 2016</i>	<u>6,183</u>	<u>-</u>	<u>6,183</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	80	-	80	153
	<u>80</u>	<u>-</u>	<u>80</u>	
<i>Total 2016</i>	<u>153</u>	<u>-</u>	<u>153</u>	

HARROWBARROW SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant	-	443,611	443,611	419,097
Other DfE/ESFA grants	-	62,706	62,706	59,203
	-	506,317	506,317	478,300
Other Government grants				
Other government grants non capital	-	184	184	141
	-	184	184	141
Other funding				
Internal Catering Income	11,005	-	11,005	9,059
Income for hosting trainee teachers	2,603	-	2,603	-
Sales to students	539	-	539	193
Other	-	8,869	8,869	8,373
	14,147	8,869	23,016	17,625
	14,147	515,370	529,517	496,066
<i>Total 2016</i>	9,252	486,814	496,066	

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Education:					
Direct costs	357,369	36,490	30,640	424,499	398,437
Support costs	89,758	23,365	58,516	171,639	158,017
	447,127	59,855	89,156	596,138	556,454
<i>Total 2016</i>	409,090	59,618	87,746	556,454	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

7. DIRECT COSTS

	Total 2017 £	Total 2016 £
Pension finance costs	2,000	1,000
Educational supplies	11,499	9,750
Staff development	2,196	3,448
Other costs	13,263	12,693
Technology costs	1,683	1,027
Wages and salaries	280,045	272,064
National insurance	22,684	16,429
Pension cost	54,640	44,754
Depreciation	36,489	37,272
	<u>424,499</u>	<u>398,437</u>
<i>Total 2016</i>	<u>398,437</u>	

8. SUPPORT COSTS

	Total 2017 £	Total 2016 £
Pension finance costs	2,000	2,000
Other costs	3,728	4,265
Recruitment and support	238	170
Maintenance of premises and equipment	6,985	7,703
Cleaning	1,156	950
Rent and rates	4,122	3,562
Energy costs	7,457	6,854
Insurance	3,245	6,349
Security and transport	1,844	421
Catering	9,190	8,453
Technology costs	9,828	8,295
Office overheads	4,327	5,452
Legal and professional	6,963	5,991
Bank interest and charges	64	64
Governance	16,679	17,504
Wages and salaries	65,526	60,476
National insurance	3,627	3,011
Pension cost	20,605	12,356
Depreciation	4,055	4,141
	<u>171,639</u>	<u>158,017</u>
<i>Total 2016</i>	<u>158,017</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	40,544	41,413
Auditors' remuneration - audit	4,800	4,870
Auditors' remuneration - other services	1,790	2,130
Operating lease rentals	661	711
	=====	=====

HARROWBARROW SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

10. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	340,247	327,411
Social security costs	26,311	19,440
Operating costs of defined benefit pension schemes	75,245	57,110
	<u>441,803</u>	<u>403,961</u>
Supply teacher costs	5,324	5,129
	<u>447,127</u>	<u>409,090</u>

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

	2017 No.	2016 No.
Teachers	7	6
Educational Support	11	10
Administration and Clerical	4	5
Management	1	1
	<u>23</u>	<u>22</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	6	6
Education Support	5	6
Administration and Clerical	1	1
Management	1	1
	<u>13</u>	<u>14</u>

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 and employer NI contributions) received by key management personnel for their services to the Academy Trust was £109,153 (2016: £102,788).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016: £Nil).

The Headteacher and other 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 £56,000 - £60,000 (2016: £50,000 - £55,000) and employer pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000). Mrs M Pinfield: Remuneration £40,000 - £45,000 (2016: £35,000 - £40,000) and employer pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000). Mr T Taylor: Remuneration £25,000 - £30,000 (2016: Nil) and employer pension contributions £0 - £5,000 (2016: 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 2017 was £48 (2016: £240).

13. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
COST					
At 1 September 2016	1,137,827	-	80,415	10,907	1,229,149
Additions	318	29,340	1,860	-	31,518
At 31 August 2017	1,138,145	29,340	82,275	10,907	1,260,667
DEPRECIATION					
At 1 September 2016	131,310	-	60,151	10,160	201,621
Charge for the year	32,909	1,956	5,197	482	40,544
At 31 August 2017	164,219	1,956	65,348	10,642	242,165
NET BOOK VALUE					
At 31 August 2017	973,926	27,384	16,927	265	1,018,502
At 31 August 2016	1,006,517	-	20,264	747	1,027,528

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

14. DEBTORS

	2017 £	2016 £
VAT recoverable	1,717	1,142
Prepayments and accrued income	21,154	12,760
	<u>22,871</u>	<u>13,902</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	3,593	512
Other taxation and social security	14,394	12,776
Accruals and deferred income	22,079	28,747
	<u>40,066</u>	<u>42,035</u>

DEFERRED INCOME

	2017 £	2016 £
Deferred income at 1 September 2016	19,053	16,150
Resources deferred during the year	17,237	16,053
Amounts released from previous years	(19,053)	(16,150)
Deferred income at 31 August 2017	<u>17,237</u>	<u>16,053</u>

At the balance sheet date the Academy was holding funds received in advance of £5,425 for an educational trip being held in the autumn term 2017. In addition, they were holding government grants received in advance for the 2017/18 academic year of £11,812.

16. FINANCIAL INSTRUMENTS

	2017 £	2016 £
Financial assets measured at amortised cost	<u>121,428</u>	<u>117,617</u>
Financial liabilities measured at amortised cost	<u>22,829</u>	<u>25,982</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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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

17. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
DESIGNATED FUNDS						
Unrestricted fixed assets	19,740	-	(1,443)	-	-	18,297
Catering funds	9,238	-	-	5,030	-	14,268
	<u>28,978</u>	<u>-</u>	<u>(1,443)</u>	<u>5,030</u>	<u>-</u>	<u>32,565</u>
GENERAL FUNDS						
General funds	44,716	23,505	(14,235)	(5,030)	-	48,956
Total Unrestricted funds	<u>73,694</u>	<u>23,505</u>	<u>(15,678)</u>	<u>-</u>	<u>-</u>	<u>81,521</u>
RESTRICTED FUNDS						
	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	28,545	443,611	(446,890)	-	-	25,266
Pupil Premium	-	35,668	(35,668)	-	-	-
UIFSM	-	18,573	(18,573)	-	-	-
PE and sports grant	-	8,465	(7,805)	(660)	-	-
Donations	-	3,570	(2,370)	(1,200)	-	-
Other curriculum income	-	8,869	(8,869)	-	-	-
Other LA funding	-	184	(184)	-	-	-
Pension reserve	(198,000)	-	(21,000)	-	63,000	(156,000)
	<u>(169,455)</u>	<u>518,940</u>	<u>(541,359)</u>	<u>(1,860)</u>	<u>63,000</u>	<u>(130,734)</u>

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17. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Fixed assets transferred on conversion	824,618	-	(16,714)	-	-	807,904
Devolved Formula Capital	13,446	5,249	(1,816)	-	-	16,879
Fixed assets purchased from GAG and other restricted funds	4,883	-	(1,861)	-	-	3,022
Academy capital maintenance grant	45,601	-	(10,745)	-	-	34,856
CIF funding	112,583	-	(4,691)	-	-	107,892
Other capital income	6,657	29,340	(3,274)	1,860	-	34,583
	<u>1,007,788</u>	<u>34,589</u>	<u>(39,101)</u>	<u>1,860</u>	<u>-</u>	<u>1,005,136</u>
Total restricted funds	<u>838,333</u>	<u>553,529</u>	<u>(580,460)</u>	<u>-</u>	<u>63,000</u>	<u>874,402</u>
Total of funds	<u>912,027</u>	<u>577,034</u>	<u>(596,138)</u>	<u>-</u>	<u>63,000</u>	<u>955,923</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
DESIGNATED FUNDS						
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>
GENERAL FUNDS						
General funds	41,177	16,343	(12,382)	(422)	-	44,716
	<u>41,177</u>	<u>16,343</u>	<u>(12,382)</u>	<u>(422)</u>	<u>-</u>	<u>44,716</u>
Total Unrestricted funds	<u>71,177</u>	<u>16,343</u>	<u>(13,826)</u>	<u>-</u>	<u>-</u>	<u>73,694</u>

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17. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
General Annual Grant (GAG)	27,335	419,097	(417,887)	-	-	28,545
Pupil Premium	4,400	31,608	(36,008)	-	-	-
UFSM	-	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>

RESTRICTED FIXED ASSET FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Fixed assets transferred on conversion	842,432	-	(17,814)	-	-	824,618
Devolved Formula Capital	10,076	5,181	(1,811)	-	-	13,446
Fixed assets purchased from GAG and other restricted funds	8,660	-	(3,777)	-	-	4,883
Academy capital maintenance grant	56,345	-	(10,744)	-	-	45,601
CIF funding	117,274	-	(4,691)	-	-	112,583
Other capital income	3,789	4,000	(1,132)	-	-	6,657
	<u>1,038,576</u>	<u>9,181</u>	<u>(39,969)</u>	<u>-</u>	<u>-</u>	<u>1,007,788</u>
Total restricted funds	<u>985,311</u>	<u>501,650</u>	<u>(542,628)</u>	<u>-</u>	<u>(106,000)</u>	<u>838,333</u>
Total of funds	<u>1,056,488</u>	<u>517,993</u>	<u>(556,454)</u>	<u>-</u>	<u>(106,000)</u>	<u>912,027</u>

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

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

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

Pupil Premium - Pupil premium represents funding received from the ESFA for the children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

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17. STATEMENT OF FUNDS (continued)

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

PE and Sports Grant - This represents funding received from the ESFA and must be used to fund improvements to the provision of PE 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. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy.

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

Devolved formula capital - This represents funding from the ESFA to cover the maintenance and purchase of the Academy's assets.

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

CIF funding - These funds were received from ESFA 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 2017.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	18,297	-	1,000,205	1,018,502
Current assets	63,224	65,332	4,931	133,487
Creditors due within one year	-	(40,066)	-	(40,066)
Pension scheme liability	-	(156,000)	-	(156,000)
	<u>81,521</u>	<u>(130,734)</u>	<u>1,005,136</u>	<u>955,923</u>

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FOR THE YEAR ENDED 31 AUGUST 2017

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2016 £	2016 £	2016 £	2016 £
Tangible fixed assets	19,740	-	1,007,788	1,027,528
Current assets	56,921	67,613	-	124,534
Creditors due within one year	(2,967)	(39,068)	-	(42,035)
Provisions for liabilities and charges	-	(198,000)	-	(198,000)
	<u>73,694</u>	<u>(169,455)</u>	<u>1,007,788</u>	<u>912,027</u>

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

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(19,104)	(38,461)
Adjustment for:		
Depreciation charges	40,544	41,413
Dividends, interest and rents from investments	(80)	(153)
Increase in debtors	(8,969)	(2,474)
(Decrease)/increase in creditors	(1,968)	8,851
Capital grants from DfE and other capital income	-	(11,850)
Defined benefit pension scheme cost less contributions payable	17,000	4,000
Defined benefit pension scheme finance cost	4,000	3,000
Net cash provided by operating activities	<u>31,423</u>	<u>4,326</u>

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank and in hand	110,616	110,632
	<u>110,616</u>	<u>110,632</u>

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

21. 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 2016.

Contributions amounting to £7,239 were payable to the schemes at 31 August 2017(2016: £6,256) 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

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £36,821 (2016: £34,669).

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

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21. PENSION COMMITMENTS (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £27,000 (2016: £24,000), of which employer's contributions totalled £21,000 (2016: £19,000) and employees' contributions totalled £6,000 (2016: £5,000). The agreed contribution rates for future years are 21.3% for employers and 5.5 to 7.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Rate of increase in salaries	2.50 %	4.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2017	2016
Retiring today		
Males	22.1	22.2
Females	24.5	24.4
Retiring in 20 years		
Males	24.0	24.4
Females	26.4	26.8

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	126,900	111,840
Cash and other liquid assets	8,100	4,660
Corporate bonds	116,100	100,190
Property	18,900	18,900
Total market value of assets	270,000	240,250

The actual return on scheme assets was £5,000 (2016: £13,000).

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21. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	2016 £
Current service cost	(38,000)	(23,000)
Past service cost	(1,962)	(1,943)
Interest income	5,000	8,000
Interest cost	(9,000)	(11,000)
Total	<u>(43,962)</u>	<u>(27,943)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	431,000	273,000
Current service cost	38,000	23,000
Interest cost	9,000	11,000
Employee contributions	6,000	5,000
Actuarial (gains)/losses	(58,000)	119,000
Closing defined benefit obligation	<u>426,000</u>	<u>431,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	233,000	188,000
Interest income	5,000	8,000
Actuarial losses	5,000	13,000
Employer contributions	21,000	19,000
Employee contributions	6,000	5,000
Closing fair value of scheme assets	<u>270,000</u>	<u>233,000</u>

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22. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
AMOUNTS PAYABLE:		
Within 1 year	510	533
Between 1 and 5 years	892	-
Total	<u>1,402</u>	<u>533</u>

23. 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. The following related party transaction took place in the period of account.

Harrowbarrow & Metherell Pre-School - an organisation in which Mr R Dyter, Mrs K Bennett and Mrs H Warne (trustees of the Academy) are trustees:

The Academy received income from the Pre-School totalling £1,947 in respect of rent and consumables. There were no amounts outstanding at the year end (2016: £Nil).

24. CONTROLLING PARTY

The ultimate controlling party is the members.