

Company Registration No. 07986090 (England and Wales)

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND AUDITED ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2016



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WATER TREATMENT PLANT

# **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

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# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Members</b>	Mr G Harvey Ms S Barnes Mr I Moore Mrs M Williams Mrs L Berry (appointed 1 April 2016)
<b>Governors</b>	Mr I Moore (Chair of Governors) Ms S Barnes (Headteacher and Accounting Officer) Mrs K Wood (Staff Governor) Mr P Taylor (Staff Governor) Mrs J Berry (Community Governor) Mrs L Berry (Vice Chair of Governors) Mrs A Bellew (Staff Governor) Mrs B Duke (Parent Governor) Mrs E Lowe (Parent Governor) Mr G Harvey (Parent Governor) Mrs M Williamson (Community Governor) Mr J Bevan (Staff Governor) (Appointed 4 September 2015) Mrs S Brown (Staff Governor) (Resigned 4 September 2015)
<b>Senior management team</b>	
- Headteacher	Ms S Barnes
- Deputy Headteacher	Mrs D Spencer
- Assistant Headteacher (on secondment)	Mr P Urry
- Acting Assistant Headteacher	Mr J Bevan
<b>Company Secretary</b>	Mr I Moore
<b>Company registration number</b>	07986090 (England and Wales)
<b>Company name</b>	Harwood Meadows Community Primary School
<b>Registered office</b>	Orchard Gardens Harwood Bolton BL2 3PS
<b>Independent auditor</b>	Moore and Smalley LLP Richard House 9 Winckley Square Preston PR1 3HP
<b>Solicitors</b>	Browne Jacobson Ground Floor 3 Piccadilly Manchester M1 3BN

# **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

## **GOVERNORS' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2016**

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The Governors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The principal object and activity of the charitable company is the operation of a school to provide education for pupils of mixed abilities between the ages of 3 and 11 serving a catchment area in Harwood and Breightmet. It has a pupil capacity of 236 and had a roll of 234 in the school census on October 2016.

In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

#### **Structure, governance and management**

##### Constitution

Harwood Meadows Community Primary School converted to Harwood Meadows Community Primary School ("The Academy") on 1 April 2013. 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 Academy was incorporated on 12 March 2012 and commenced its activities on transfer from the Local Authority on the conversion date stated above.

The Governors are the trustees of Harwood Meadows Community Primary School and are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as Harwood Meadows Community Primary School. Details of the Governors who served during the year are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Governors' indemnities

The Academy has purchased indemnity insurance to protect governors and officers from claims arising in connection with Academy business. The insurance provides cover of up to £10million on any one claim.

##### Method of recruitment and appointment or election of Governors

The term of office is 4 years. Governors can be reappointed if they still meet the eligibility criteria.

The Governors are appointed by the following:

- |                    |                                                   |
|--------------------|---------------------------------------------------|
| • Parent Governors | Elected by parents of the students of the Academy |
| • Staff Governors  | Elected by staff of the Academy                   |
| • Other Governors  | Appointed by Governing Body of the Academy        |

##### Policies and procedures adopted for the induction and training of Governors

All Governors are provided with copies of a Governors' Handbook containing relevant documents (Articles, Code of Conduct, School Development Plan, etc.) on appointment. Induction training is provided by the Chair and/or Headteacher and ongoing training is provided through BMBC Governor Support Unit and officers from the school's accountancy and solicitors firms. On-going mentoring is provided by the Headteacher and/or Chair of Governors.

# **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

## **GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016**

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### Organisational structure

The Academy is governed by its Governing Body, whose members are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. The organisational structure of the Academy consists of 4 levels: the Governing Body, the subcommittees of the Governing Body, the Headteacher and the Senior Leadership Team.

The Governing Body is responsible for setting general policies, adopting a school development plan and budget, monitoring the school's performance, making major policy decisions, appointing senior staff. Certain elements of these responsibilities are delegated to the following sub committees who make recommendations to the full Governing Body:

- Resources Committee
- Every Child Matters Committee

The Headteacher is also the Accounting Officer and has responsibility for ensuring financial probity.

The following standing committees meet as and when required:

- Staff Discipline and Grievance Appeals
- Pupil Discipline (exclusions)
- Complaints

The Senior Leadership Team comprises:

- Headteacher
- Deputy Headteacher
- Assistant Headteacher

### Arrangements for setting pay and remuneration of key management personnel

Key management personnel include the headteacher, deputy headteacher and assistant headteacher. The pay and remuneration decisions are based in the adopted local authority pay policy. Teachers' terms and conditions, alongside Teachers' Standards, apply and must be adhered to in order for any pay award to be considered. In reaching a pay determination, the local authority performance management policy is followed and used as a tool for an objective and considered decision. The Headteachers pay and remuneration is decided by a panel of governors and an external professional.

### Related parties and other connected charities and organisations

The academy is part of the following:

Cluster 1: a group of nine geographically close schools in Bolton MBC who co-operate in the areas of joint procurement, Senior Leadership, CPD and activities to improve standards of teaching & learning.

Bolton Primary Academies Network: A group of converter academies who work together on joint procurement; and are also a School Direct provider for ITT.

By Schools For Schools, a not for profit organisation whose primary purpose is to support school with difficulties to improve standards.

The school supports the local uniformed organisations, Christ's Church, Harwood Sunday School, and Slimming World through hosting meetings in the school premises.

# **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

## **GOVERNORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### **Objectives and activities**

#### Objects and aims

The main objects of the Academy as set out in its governing document are:

- establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum; and
- to promote, for the benefit of individuals living in Bolton and the surrounding area, the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the provision of improving the condition of life of the said individuals.

#### Objectives, strategies and activities

The main objectives for the period were:

- to provide for the public benefit a school offering a broad and balance curriculum
- to promote for the benefit of individuals living in Harwood and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances, or for the public at large, the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

These were achieved by:

- continuing to apply effective strategies to enable the school to remove barriers to learning in order that children can achieve better results;
- continuing to broaden the curriculum and widen the opportunities for cross-curricular application of skills in reading, writing and mathematics;
- continuing to provide facilities for use by the community to enhance local lives.

#### Public benefit

The Governors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

The school provides a variety of local football and rounders teams access to premises and grounds.

The school has an agreement with Hardy Mill CP School to allow staff and pupils access to the school grounds in should their premises be inaccessible for any reason (fire, etc.).

### **Strategic report**

#### **Achievements and performance**

The main objectives for the period were:

- to ensure that pupils achieve at least the national standard in the new, increased standards in reading;
- to ensure that pupils achieve at least the national standard in the new, increased standards in spelling, grammar and punctuation;
- to ensure that pupils achieve at least the national standard in the new, increased standards in writing;
- to ensure that pupils achieve at least the national standard in the new, increased standards in maths.

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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### Key performance indicators

- SATs results are at least in line with or better than the national average;
- Reserves targets – monies held in reserve have been approved for retention by governors in order to ensure that the children's musical education within a broad and balanced curriculum is assured for the foreseeable future despite budget cuts in real terms and predicted falling numbers in the area;
- Staff ratios – investment in staff has enabled the school to provide much more personalised learning, some of which has been provided through PPG monies for those children who qualify for that grant. In addition, boosted staff ratios have allowed us to meet the needs of the children who require extra help whether medically, socially/emotionally or academically at either end of the spectrum.

The impact of the school's focus on achieving at least the national average percentage of achievement in the new higher standards in reading; spelling, grammar and punctuation; writing and mathematics is as follows:

- 72% of pupils achieved at least the new, higher expected standard in reading compared with 66% nationally;
- 85% of pupils achieved at least the new, higher expected standard in spelling, grammar and punctuation compared with 72% nationally;
- 83% of pupils achieved at least the new, higher expected standard in writing compared with 74% nationally;
- 89% of pupils achieved at least the new, higher expected standard in mathematics compared with 70% nationally.

The school has used its curricular freedoms to expand other areas of provision:

- Reading Recovery: this excellent intervention programme for reading A specialist ECaR teacher is employed on a 0.6 fte contract in order to work directly with children in need of this intervention and also to train teachers in the delivery of the principles of the programme;
- Wider Opportunities in Music: an outstanding musical provision for a class to receive instrumental tuition to enhance and broaden their wider education. The governors' vision is to extend this, if possible, in future years.

Both of these areas of provision have been funded from the monies saved through efficiencies of procurement and economies of scale through group purchasing with other local academies as well as a small donation from the school's PTFA.

### Administration

Total number on roll 262.

### Pupil Movement

Pupil movement from school for the period 1st September 2015 to 31st August 2016: 10

Pupil movement to school for the period 1st September 2015 to 31st August 2016: 9



# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### Current class organisation

N.B. Nursery class totals do not equal year group totals as some children are counted twice – once each for a.m. and p.m. sessions but only count once in the year group total.

Key Stage	Year Group	Initials	DOBs	No. of Boys	No. of Girls	Class Total	Year Group Total	Key Stage Total	School NOR Total	
Foundation Stage	Nursery	KM am	01/09/2009	15	17	32	32	62	262	
		KM pm	31/08/2010	15	17	32				
	Reception	KW	01/09/2010 31/08/2011	16	14	30	30			
Key Stage 1	Year 1	NT	01/09/2009 31/08/2010	15	15	30	30	60		
	Year 2	AW	01/09/2008 31/08/2009	20	10	30	30			
Key Stage 2	Year 3	WA	01/09/2007 31/08/2008	18	14	32	32	140		
	Year 4	AR	01/09/2006 31/08/2007	16	14	30	30			
	Year 5	GJ	01/09/2005 31/08/2006	14	17	31	31			
	Year 6	FM	01/09/2004	12	12	24	47			
		JB/BH	31/08/2005	15	8	23				

As at 09.05.16

127 (R-Y6) 103 (R-Y6)

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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### Staff Responsibilities for 2015/ 2016 (9 Classes) 14 teachers

#### School Leadership Team

Ms Siobain Barnes	Headteacher
Mrs Dianne Spencer	Deputy Headteacher
Mr Paul Urry	Assistant Headteacher - (Currently on secondment)
Mr Julian Bevan	Acting Assistant Headteacher
Mr Gareth Johns	TLR

#### Staff roles

FSN	Mrs Karen Marsden	NQT
FSR	Mrs Karen Wood	EYFS Leader / Healthy Schools / Outdoor Environment
Y1	Miss Natalie Thomas	PSHE
Y2	Mr Andrew Westhead	Art / ICT Team
Y3	Mrs Wendy Austin	ICT Leader
Y4	Mrs Alice Ruddy	Science Leader
Y5	Mr Gareth Johns	SLT / English Leader
Y6M	Mrs Fiona Manning	Maths Leader / Assessment
Y6B	Mr Julian Bevan	SLT / Music / Literacy Team / SENCO
	Mrs Barbara Harding	Maths Team / History Leader

#### Interventions

KS1	Mrs Sally Longworth	Every Child a Reader / Health and Safety / English Team
KS2	Mrs Dianne Spencer	Assessment/English & Maths Intervention/Maths Team/P.H.S.E/SLT

#### Support Staff

Administration:	Mrs Catherine Joyce	Office Manager
	Mrs Holly Green	Office Manager
	Mrs Sharon Pitt	Clerical Assistant

Teaching Assistants: Mrs Gail Booth, Mrs Amanda Lund, Mrs Lawson, Miss Hafizullah, Mrs Pryia Vara, Mrs Gemma Kirk, Mrs Daryl Green, Miss Kay Ashton, Mrs Gill Thomason, Mrs Melinda Saunders, Miss Sophie Green, Mrs Ann Lewis, Mrs Karen Hennessy, Mrs Alison Bellew, Mrs Julie Davies, Mrs Liz Faulder, Mrs Fiona Platt

Site Manager: Mr. Peter Taylor

Welfare Assistants: Mrs Karen Hennessey, Mrs Zoe Rigg, Mr Peter Taylor, Mrs Paula Whaley

Out of School Club: Mrs Debra Johnstone (Manager), Miss Sophie Green (Deputy), Mrs Melinda Saunders (Playworker), Miss Kay Ashton (Playworker)

# **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

## **GOVERNORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### **Self-Evaluation**

Ofsted judged the school to be good in June 2015. There were some areas for us to develop and we continue to work on those points from the Ofsted report and have made improvements in our marking and feedback systems in order that the children will benefit from them more fully. The teachers have been working on their subject leader roles to ensure that they are fully abreast of both standards within school and national developments within their specific subject areas. The governors judged safeguarding within the school to be good based on the findings of both our own safeguarding governor and our SIP.

Data throughout the school is good, with any children struggling or beginning to fall behind being identified quickly and swift remedial action being taken. This has resulted in the percentage of children achieving at least expected progress being above the national average in nearly all classes/subjects.

### **Performance Management**

Final meetings for performance management have been held and all staff have met their targets and are being supported in their development.

### **Continuing Professional Development**

Training attended by staff this year has addressed current school needs, legal requirements, individual staff needs and has included:

Speech, Language and Communication
Maths
Writing Moderation
Attachment Training
Music
Safeguarding Training

### **Premises**

The neighbour and a representative from the council came into school to speak to us about the ongoing issue of the alleged noise from the kitchen fan outlet on the roof. The neighbour said that he knew a firm who could look at noise reduction and it was agreed that he should contact the company and ask them to contact the school to investigate. Thus far, no contact has been received.

### **Emergency Procedures**

Fire Drill – Evacuation completed safely in 1 min 59 secs for whole school evacuation including visitors. Invacuation procedures practised successfully.

### **PTFA**

The PTFA has been very active in organising events both for profit for the children and for enjoyment. They have suggested a gift for the children to commemorate the queen's 90th birthday. The children were asked what they would like and voted for a commemorative coin. The school will match fund the gift with the PTFA. The summer fair has been organised for Friday 24th June @ 3:30pm – 5:30pm. All welcome.

### **Students**

Once again, we will be supporting students this term on work experience and School Direct. Our ITT lead and the teachers invest huge amounts of time in training of these students (much of which is done, unpaid, in their own time) so that we create excellent teachers for the pupils of the future. They never do anything other than an outstanding job.

### **Exclusion Report**

There have been no exclusions since the last report.

### **Reports of Racist Incidents**

We have reported one incident since the last report.

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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### Vandalism Record

We have not reported any incidents since the last report.

### Final Word

As we approach the end of the school year, it is worthy of note that many DfE changes have been successfully implemented alongside keeping a broad and balanced curriculum for which the Academy would like to formally thank the staff. The children have been involved in many exciting projects as staff are committed to ensuring that they **enjoy** their learning as well as achieve high standards! Once again, we feel we have been supported in this endeavour by parents and the governing body. There is a tangible feeling at Harwood Meadows that education is about so much more than SATs and assessments and, as a school community, we are committed to ensuring that our children always receive that high quality education. As long as we keep our eye on that twin prize of high standards coupled with an enriching, enjoyable curriculum, we think that we will be serving the children of Harwood Meadows in the best way that we can.

### Going concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the Academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the Board of Governors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

### **Financial review**

During the year the separate trading company the academy operates has been moved into the academy.

Financial management policies reviewed and updated during the period: pay, reserves, risk management, financial hand book for academies. All have been formally adopted by the governing board.

The school's total incoming resources during the period were £1,307,920 (2015: £1,413,335).

The majority of the school's income derives from central government funding via the Education Funding Agency, in the form of current grants. Total funding received for the school's educational operations in the period was £1,146,617 (2015 £1,179,716) and further details are provided in note 4 to the accounts.

Total outgoing resources for the period were £1,206,573 (2015: £1,437,708), the majority of which related to the direct provision of educational operations £1,190,118 (2015: £1,437,708). The excess of income over expenditure was £75,653 deficit.

At the period end the School's total reserves were £1,427,321 (2015: £1,502,974), including unrestricted funds of £161,147 and restricted funds of £1,266,174. Restricted funds include fixed assets of £1,675,456, less the LGPS pensions scheme deficit of £479,000. The remaining balances on restricted funds of £69,718 relate to funding received in the period which is due to be spent in 2016/17 in accordance with the terms of funding. Further detail is provided in note 17.

At 31 August 2016 all assets shown in the accounts were used exclusively for providing education and associated support services to students of the School.

# **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

## **GOVERNORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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On conversion in 2013 the School inherited a deficit of £144,000 in respect of the Local Government Pension Scheme, which many of the non-teaching staff belong to. This deficit had increased to £479,000 by 31 August 2016, mainly due to the changes in actuarial assumptions regarding future returns on investments and the present value of future liabilities. The level of any deficit payments will be reviewed following the next actuarial valuation in 2017 and any changes in the required level of payment will be included in the School's annual budget from the date they take effect. The School does not have an obligation to settle this future liability immediately and there are no indications that it will crystallise in the foreseeable future.

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.

### Reserves policy

The Academy policy for reserves states that any reserves will be held at an acceptable level to support the on-going provision of education. It also uses its reserves from income generation to support the further development of the school in line with the School Development Plan. Monies held in reserve will be utilised to offset the anticipated 1% – 1.5% reduction in real terms in budget year on year; rising costs of resources and outsourcing of services; reduction in EYFS funding and anticipated fall in numbers in the local area.

### **Restricted GAG reserves**

The Governors have considered the level of GAG reserves which they believe will provide sufficient working capital to cover delays between the spending and receipt of grants and unexpected or planned future revenue and capital costs. The Governors believe that, under normal circumstances, the appropriate level of GAG reserve should be up to a maximum of 15% of GAG income, and aim to keep the reserve within these parameters.

At 31 August 2016 the school held GAG reserves of £40,956, which represents 5% of the GAG income for the period. This is considered reasonable as the school aims to use revenue funding in year. Capital and other projects will be funded from other income generation.

### **Unrestricted reserves**

The academy is proactive in income generation through providing external consultancy and wrap around care provision.

In addition to the GAG reserve, which can only be utilised for the restricted purposes set out in the Funding Agreement, the school holds unrestricted free reserves, which provide additional working capital and are not committed or designated. It is the Governors' policy to aim to hold approximately 1 months' expenditure in unrestricted reserves, to provide an additional cushion over and above the restricted GAG reserve and to ensure the continuing level of provision in all aspects of the Academy's work. It also plans to invest in capital build and any excess of this amount will be allocated to this area.

At 31 August 2016 the level of unrestricted reserves held was £184,240, this is deemed reasonable by the governors for the ongoing operation as an Academy Trust.

### Investment policy and powers

At present the governors do not invest any surplus balances. A working party will be formed to discuss appropriated investment opportunities, devise a policy and the associated risk should the board decide that this would be a course of action to be pursued. The academy will ensure that prior to any investments been made they are secure in the investment choices available.

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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### Principal risks and uncertainties

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to teaching, health and safety, school trips, child protection, finances and premises. These risks are reviewed on an annual basis by SLT. A number of new operational systems have been implemented during the period in order to minimise specific risks.

The internal financial systems are based on the Academies Financial Handbook and are documented in the Academy's own Financial Handbook and supporting policies. The systems are based on a framework of segregation of duties, schemes of delegation which include authorisation and approval. Financial management information is provided to The Accounting Officer on monthly basis.

The responsible officer role has been performed during the period by Mrs A Worthington and 3 reports have been presented to the Governing Body. No major issues have been identified. Recommendations for the improvements to systems and procedures have been implemented/ are in the process of being implemented.

### Financial and risk management objectives and policies

Cash Balances are monitored on a regular basis to ensure that sufficient funds are available at all time to meet the current liabilities at all times.

The Academy has inherited a deficit on the Local government pension scheme. This will be monitored annually.

### **Plans for future periods**

Further improve reading throughout the school,  
Continue to improve Reading and SPAG,  
Replacement of boilers and heating system and enlarged training facility.

### **Funds held as custodian trustee on behalf of others**

There were no funds held as Custodian Trustee on behalf of others during the period.

### **Auditor**

In so far as the Governors are aware:

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

A resolution proposing that Moore and Smalley LLP be reappointed as auditor of the charitable company will be put to the members.

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 28/11/2016 and signed on its behalf by:



Mr I Moore  
Chair of Governors

# **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

## **GOVERNANCE STATEMENT**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### **Scope of responsibility**

As Governors we acknowledge we have overall responsibility for ensuring that Harwood Meadows Community Primary 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 Governors 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 Harwood Meadows Community Primary School and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Working Committees manage the regular workload of the Governing Body and are recommended to meet at least once per term. Specific matters and school policies may be delegated to these committees in order for a smaller group of governors to consider and where appropriate agree matters on behalf of the Governing Body. At Harwood Meadows, these are:

#### **Resources Committee:**

- personnel matters;
- financial matters;
- premises and building matters.

#### **Every Child Matters Committee:**

- curriculum provision;
- teaching and learning;
- achievement and standards;
- inclusion matters;
- pupil behaviour, health, wellbeing and safety;
- attendance.

The Governors have been effective in moving forward, adapted and risen to the challenges and requirements as an Academy.

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 3 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governors	Meetings attended	Out of possible
Mr I Moore (Chair of Governors)	2	3
Ms S Barnes (Headteacher and Accounting Officer)	3	3
Mrs K Wood (Staff Governor)	2	3
Mr P Taylor (Staff Governor)	3	3
Mrs J Berry (Community Governor)	3	3
Mrs L Berry (Vice Chair of Governors)	2	3
Mrs A Bellew (Staff Governor)	3	3
Mrs B Duke (Parent Governor)	1	3
Mrs E Lowe (Parent Governor)	2	3
Mr G Harvey (Parent Governor)	1	3
Mrs M Williamson (Community Governor)	3	3
Mr J Bevan (Staff Governor) (Appointed 4 September 2015)	2	3

The Board of Governors have appointed new members throughout the accounting period including one new trustee, appointed governors and appointing new chairs for its subcommittees. The board has two vacancies and are looking to fill gaps in skill sets when recruiting new Governors.

The Strategic Committee meets at least annually and constantly reviews its skills set. Governors have taken part in training to develop a deeper understanding. This has had an impact across the board of trustees as it has empowered them to be more challenging, rigorous and supportive. It has led to greater clarity between defining the strategic role of the Board of Governors and the day to day operations of the academy. This has enabled the meetings to be more focused.

The trust carries out annual skills checks and develops its training and recruitment accordingly to support the more limited areas of knowledge and understanding.

New Governors receive a clear induction program to support their early stages of being a Governor and enables them to play a full role.

The Finance and General Purposes Committee is a sub-committee of the main Board of Governors. Its purpose is to discuss any issues surrounding the following areas: Personnel, Financial, Premises and Building Matters.

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Mr I Moore (Chair of Governors)	1	2
Ms S Barnes (Headteacher and Accounting Officer)	2	2
Mr P Taylor (Staff Governor)	2	2
Mrs L Berry (Vice Chair of Governors)	1	2
Mrs A Bellew (Staff Governor)	1	2
Mr G Harvey (Parent Governor)	1	2
Mrs M Williamson (Community Governor)	1	2
Mr J Bevan (Staff Governor) (Appointed 4 September 2015)	1	2



# **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### **Review of value for money**

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

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

- reviewing support staff structure and avoided redundancy payments;
- monitoring pupil performance
- checking spending is effective in supporting pupils;
- conducted a best value review of insurance provider which significantly reduced costs whilst maintaining confidence in ability to continue running the school should a major incident occur.

The Accounting Officer has improved the use of resources to deliver better value for money in their trust during the year. This has been achieved by:

- the appointment of skilled staff;
- focused spending on areas identified in the SDP as necessary for improvement of outcomes for pupils;
- work in/with the wider community.

### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Harwood Meadows Community Primary School for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts.

### **Capacity to handle risk**

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

### **The risk and control framework**

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

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

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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The Board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Mrs A Worthington, as Responsible Officer ('RO') to perform additional checks.

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

- testing of payroll systems;
- testing of expenditure systems;
- testing of income systems;
- testing of control account/bank reconciliations;
- testing of petty cash;
- testing of debtors;
- testing of VAT claims.

On a termly basis, the RO reports to the board of trustees, through the resources committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The Academy trust confirms that the RO has delivered the schedule of work as planned.

The RO officer has carried out termly check across all the company systems. The reports have shown that the Academy is secure in its internal processes, segregation of duties and probity. The Resources Committee is satisfied that measures are in place to prevent fraud and that staff with financial responsibility are suitably qualified.

The RO function has been delivered in accordance with EFA recommendations. No material issues were raised.

### Review of effectiveness

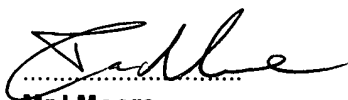
As Accounting Officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the Finance and General Purposes Committee
- the Health & Safety Team
- the financial management and governance self-assessment process;
- the Responsible Officer Reports;
- external audit.

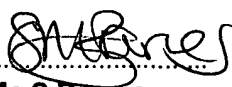
The conclusion is that all systems are robust and effective systems for monitoring are in place.

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

Approved by order of the Board of Governors on 28/11/2016 and signed on its behalf by:



Mr I Moore  
Chair of Governors



Ms S Barnes  
Headteacher and Accounting Officer

## **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

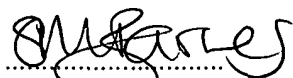
### **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2016**

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

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

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



**Ms S Barnes**  
**Accounting Officer**

28/11/2016

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

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The Governors (who act as trustees for Harwood Meadows Community Primary School and are also the directors of Harwood Meadows Community Primary School for the purposes of company law) are responsible for preparing the Governors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare accounts for each financial year. Under company law the Governors must not approve the accounts 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 accounts, the Governors are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the Board of Governors on 28/11/2016 and signed on its behalf by:



Mr I Moore  
Chair of Governors

# **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

## **INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

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We have audited the accounts of Harwood Meadows Community Primary School for the year ended 31 August 2016 set out on pages 22 to 43. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 charitable company'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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Governors and auditors**

As explained more fully in the Governors' Responsibilities Statement set out on page 17, the Governors, who are also the directors of Harwood Meadows Community Primary School for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the accounts**

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

### **Opinion on accounts**

In our opinion the accounts:

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

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Governors' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts.

## **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

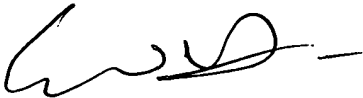
### **INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL (CONTINUED)**

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#### **Matters on which we are required to report by exception**

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

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



**Christine Wilson (Senior Statutory Auditor)  
for and on behalf of Moore and Smalley LLP  
Chartered Accountants  
Statutory Auditor**

Richard House  
9 Winckley Square  
Preston  
PR1 3HP

Dated: 20.12.16

# **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 26 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Harwood Meadows Community Primary School during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Harwood Meadows Community Primary School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Harwood Meadows Community Primary School and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Harwood Meadows Community Primary School and EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Harwood Meadows Community Primary School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Harwood Meadows Community Primary School's funding agreement with the Secretary of State for Education dated 5 May 2012 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

We have undertaken testing as appropriate in line with the guidance included in technical release 08/12AAF from the Institute of Chartered Accountants in England and Wales. This includes an evaluation of the control environment of the school together with enquiry, analytical review and substantive testing.

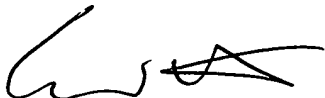
## **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

### **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY (CONTINUED)**

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#### **Conclusion**

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



**Christine Wilson**  
**Reporting Accountant**  
**Moore and Smalley LLP**

Dated: 20/12/16



# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2016

		Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2016	Total 2015
	Notes	£	£	£	£	£
<b>Income and endowments from:</b>						
Donations and capital grants	3	61,917	6,761	-	68,678	206,196
Charitable activities:						
- Funding for educational operations	4	17,055	1,129,562	-	1,146,617	1,179,716
Other trading activities	5	90,416	1,919	-	92,335	27,217
Investments	6	290	-	-	290	206
<b>Total income and endowments</b>		<u>169,678</u>	<u>1,138,242</u>	<u>-</u>	<u>1,307,920</u>	<u>1,413,335</u>
<b>Expenditure on:</b>						
Raising funds	7	12,065	4,390	-	16,455	-
Charitable activities:						
- Educational operations	8	34,549	1,094,537	61,032	1,190,118	1,437,708
<b>Total expenditure</b>	7	<u>46,614</u>	<u>1,098,927</u>	<u>61,032</u>	<u>1,206,573</u>	<u>1,437,708</u>
<b>Net income/(expenditure)</b>		123,064	39,315	(61,032)	101,347	(24,373)
Transfers between funds		2,008	(2,008)	-	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	(177,000)	-	(177,000)	(12,000)
<b>Net movement in funds</b>		<u>125,072</u>	<u>(139,693)</u>	<u>(61,032)</u>	<u>(75,653)</u>	<u>(36,373)</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		36,075	(269,589)	1,736,488	1,502,974	1,539,347
Total funds carried forward	17	<u>161,147</u>	<u>(409,282)</u>	<u>1,675,456</u>	<u>1,427,321</u>	<u>1,502,974</u>

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	12	1,675,456		1,736,488	
Investments	13	-		1	
		<u>1,675,456</u>		<u>1,736,489</u>	
<b>Current assets</b>					
Debtors	14	52,636		151,972	
Cash at bank and in hand		372,875		133,831	
		<u>425,511</u>		<u>285,803</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	15	(194,646)		(239,318)	
		<u>230,865</u>		<u>46,485</u>	
<b>Net current assets</b>					
		230,865		46,485	
<b>Net assets excluding pension liability</b>					
		1,906,321		1,782,974	
Defined benefit pension liability	19	(479,000)		(280,000)	
		<u>1,427,321</u>		<u>1,502,974</u>	
<b>Net assets</b>					
		1,427,321		1,502,974	
<b>Funds of the Academy trust:</b>					
<b>Restricted funds</b>	17				
- Fixed asset funds		1,675,456		1,736,488	
- Restricted income funds		69,718		10,411	
- Pension reserve		(479,000)		(280,000)	
		<u>1,266,174</u>		<u>1,466,899</u>	
<b>Total restricted funds</b>					
		1,266,174		1,466,899	
<b>Unrestricted income funds</b>	17	161,147		36,075	
		<u>1,427,321</u>		<u>1,502,974</u>	
<b>Total funds</b>					
		1,427,321		1,502,974	

The accounts set out on pages 22 to 43 were approved by the Board of Governors and authorised for issue on 28/11/2016 and are signed on its behalf by:



Mr I Moore  
Chair of Governors

Company Number 07986090

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by (used in) operating activities	20		231,992		(38,649)
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		290		206	
Capital grants from DfE and EFA		6,761		104,390	
Payments to acquire tangible fixed assets		-		(43,017)	
Proceeds from sales of investments		1		-	
			7,052		61,579
<b>Change in cash and cash equivalents in the reporting period</b>			239,044		22,930
Cash and cash equivalents at 1 September 2015			133,831		110,901
<b>Cash and cash equivalents at 31 August 2016</b>			372,875		133,831

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

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

---

### 1 Accounting policies

Harwood Meadows Community Primary School is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Governors' report.

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

#### 1.1 Basis of preparation

The accounts of the Academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006. Adoption of the new accounting standard FRS102 this year has resulted in some classification changes in the presentation of the comparative information from what was reported in the prior year.

Harwood Meadows Community Primary School meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in sterling, which is the functional currency of the School. Monetary amounts in these financial statements are rounded to the nearest £.

These accounts for the year ended 31 August 2016 are the first accounts of Harwood Meadows Community Primary School prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 24.

#### 1.2 Going concern

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

#### 1.3 Income

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

##### Grants receivable

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.

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

---

### 1 Accounting policies

(Continued)

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

#### Sponsorship income

Sponsorship income provided to the Academy trust 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

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

#### Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy trust has provided the goods or services.

#### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy trust's accounting policies.

### 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 1 Accounting policies

(Continued)

#### Expenditure on raising funds

This includes all expenditure incurred by the Academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

#### Charitable activities

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

#### Governance costs

These include the costs attributable to the Academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, Governors' meetings and reimbursed expenses.

### 1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets 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 that require 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 each asset on a straight-line basis over its expected useful life, as follows:

Leasehold Land and buildings	Over the lease term/2%
Computer equipment	33.3%
Fixtures, fittings & equipment	20%

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 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy trust 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.

### 1.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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### 1 Accounting policies

(Continued)

#### 1.8 Taxation

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

#### 1.9 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, 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 are recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities 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.

#### 1.10 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy trust at the discretion of the Governors.

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

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

#### 1.11 Critical accounting estimates and areas of judgement

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

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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### 1 Accounting policies

(Continued)

#### 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.

#### Useful economic life of tangible fixed assets

The useful economic life of tangible fixed assets is judged at the point of purchase.

As standard, a useful economic life of 50 years is applied to buildings, 5 years for fixtures, fittings and equipment and 3 years for computer equipment.

#### Impairment of fixed assets

At each balance sheet date, management undertake an assessment of the carrying value of tangible fixed assets to determine whether there is any indication that the value has been impaired. Where necessary, an impairment is recorded as an impairment loss.

#### Impairment of trade debtors

At each balance sheet date, management undertake a review of outstanding debtor balances and consider whether there is any indication of impairment or any balances requiring provision.

This calculation is based on the financial position of the customers, the payment history and any ongoing discussions.

#### Valuation of the Local Government Pension Scheme defined benefit liability

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### Critical areas of judgement

##### Classification and valuation of long leasehold land and buildings

The academy's long leasehold land and buildings are held under a 125 year lease and are wholly used in the course of the academy's business and are held within the academy. No value was paid for the land and buildings, which have been incorporated into the accounts as a donated asset, based on a depreciated replacement cost valuation carried out as at 31 March 2013 on behalf of the Department for Education by DTZ. This valuation has been adjusted to take account of depreciation in the period since conversion, to arrive at an estimate for the value of land and buildings acquired on conversion.

### 2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Academy trust was not subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next.



# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Capital grants	-	6,761	6,761	104,390
Other donations	61,917	-	61,917	101,806
	<u>61,917</u>	<u>6,761</u>	<u>68,678</u>	<u>206,196</u>

The income from donations and capital grants was £68,678 (2015: £206,196) of which £61,917 was unrestricted (2015: £99,726), £6,761 was restricted (2015: £2,080) and £- was restricted fixed assets (2015: £104,390).

### 4 Funding for the Academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	886,531	886,531	888,839
Other DfE / EFA grants	-	101,812	101,812	108,292
	<u>-</u>	<u>988,343</u>	<u>988,343</u>	<u>997,131</u>
<b>Other government grants</b>				
Local authority grants	-	123,104	123,104	118,986
	<u>-</u>	<u>123,104</u>	<u>123,104</u>	<u>118,986</u>
<b>Other funds</b>				
Other incoming resources	17,055	18,115	35,170	63,599
	<u>17,055</u>	<u>18,115</u>	<u>35,170</u>	<u>63,599</u>
<b>Total funding</b>	<u>17,055</u>	<u>1,129,562</u>	<u>1,146,617</u>	<u>1,179,716</u>

The income from funding for educational operations was £1,146,617 (2015: £1,179,716) of which £17,055 was unrestricted (2015: £40,600) and £1,129,562 was restricted (2015: £1,139,116).

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	3,298	-	3,298	6,148
Other income	87,118	1,919	89,037	21,069
	<u>90,416</u>	<u>1,919</u>	<u>92,335</u>	<u>27,217</u>

The income from other trading activities was £92,335 (2015: £27,217) of which £90,416 was unrestricted (2015: £25,717) and £1,919 was restricted (2015: £1,500).

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	290	-	290	206

The income from funding for investment income was £290 (2015: £206) of which £290 was unrestricted (2015: £206).

### 7 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £	Total 2015 £
<b>Academy's educational operations</b>					
- Direct costs	831,491	15,912	63,630	911,033	961,609
- Allocated support costs	101,681	68,967	108,437	279,085	476,099
	<u>933,172</u>	<u>84,879</u>	<u>172,067</u>	<u>1,190,118</u>	<u>1,437,708</u>
<b>Other expenditure</b>					
Raising funds	-	-	16,455	16,455	-
	<u>-</u>	<u>-</u>	<u>16,455</u>	<u>16,455</u>	<u>-</u>
<b>Total expenditure</b>	<u>933,172</u>	<u>84,879</u>	<u>188,522</u>	<u>1,206,573</u>	<u>1,437,708</u>

The expenditure on raising funds was £16,455 (2015: £-) of which £12,065 was unrestricted (2015: £-) and £4,390 was restricted (2015: £-).

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 7 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2016 £	2015 £
Fees payable to auditor for:		
- Audit	4,470	4,380
- Other services	3,490	2,430
- Other services - prior year costs	1,035	-
Depreciation of tangible fixed assets	61,032	56,920

### 8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Direct costs - educational operations	62,138	848,895	911,033	961,609
Support costs - educational operations	(27,589)	306,674	279,085	476,099
	<u>34,549</u>	<u>1,155,569</u>	<u>1,190,118</u>	<u>1,437,708</u>

The expenditure on educational operations was £1,190,118 (2015: £1,437,708) of which £34,549 was unrestricted (2015: £33,276), £1,094,537 was restricted (2015: £1,347,512) and £61,032 was restricted fixed assets (2015: £56,920).

	2016 £	2015 £
<b>Analysis of support costs</b>		
Support staff costs	101,681	102,104
Depreciation and amortisation	45,120	42,288
Premises costs	20,978	194,963
Other support costs	95,102	127,965
Governance costs	16,204	8,779
	<u>279,085</u>	<u>476,099</u>

### 9 Staff costs

	2016 £	2015 £
Wages and salaries	723,997	712,353
Social security costs	48,412	42,848
Operating costs of defined benefit pension schemes	153,650	125,461
Staff costs	<u>926,059</u>	<u>880,662</u>
Supply staff costs	7,113	17,989
Total staff expenditure	<u>933,172</u>	<u>898,651</u>

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 9 Staff costs

(Continued)

#### Staff numbers

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

	2016 Number	2015 Number
Teachers	10	10
Administration and support	23	20
Management	3	3
	<u>36</u>	<u>33</u>

#### Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2016 Number	2015 Number
£60,001 - £70,000	1	1
	<u>1</u>	<u>1</u>

#### Key management personnel

The key management personnel of the Academy trust comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy trust was £221,507 (2015: £214,374).

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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### 10 Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy trust. The Headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy trust in respect of their role as Governors.

The value of Governors' remuneration and other benefits was as follows:

S Barnes (Headteacher and trustee):

Remuneration £60,000 to £65,000 (2015: £60,000 to £65,000)

Employers pension contributions £10,000 to £15,000 (2015: £5,000 to £10,000)

K Wood (Staff governor and trustee):

Remuneration £35,000 to £40,000 (2015: £35,000 to £40,000)

Employers pension contributions £5,000 to £10,000 (2015: £5,000 to £10,000)

S Brown (Staff governor and trustee - resigned 4 September 2015):

Remuneration £nil (2015: £5,000 to £10,000)

Employers pension contributions £nil (2015: £nil to £5,000)

A Bellew (Staff governor and trustee):

Remuneration £5,000 to £10,000 (2015: £5,000 to £10,000)

Employers pension contributions £nil to £5,000 (2015: £nil to £5,000)

P Taylor (Staff governor and trustee):

Remuneration £25,000 to £30,000 (2015: £20,000 to £25,000)

Employers pension contributions £5,000 to £10,000 (2015: £nil to £5,000)

J Bevan (Staff governor and trustee - appointed 4 September 2015):

Remuneration £35,000 to £40,000 (2015: £nil)

Employers pension contributions £5,000 to £10,000 (2015: £nil)

### 11 Governors and officers insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 12 Tangible fixed assets

	Leasehold Land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 September 2015 and 31 August 2016	1,751,300	47,724	70,488	1,869,512
<b>Depreciation</b>				
At 1 September 2015	96,784	16,445	19,795	133,024
Charge for the year	31,020	15,912	14,100	61,032
At 31 August 2016	127,804	32,357	33,895	194,056
<b>Net book value</b>				
At 31 August 2016	1,623,496	15,367	36,593	1,675,456
At 31 August 2015	1,654,516	31,279	50,693	1,736,488

The net book value of land and buildings comprises:

	2016 £	2015 £
Long leaseholds (over 50 years)	1,623,496	1,654,516

### 13 Fixed asset investments

	£
<b>Market value</b>	
At 1 September 2015	1
Disposals at opening book value	(1)
At 31 August 2016	-
<b>Historical cost:</b>	
At 31 August 2016	-
At 31 August 2015	1

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

<b>14 Debtors</b>	<b>2016 £</b>	<b>2015 £</b>
Amounts owed by group undertakings	-	77,282
VAT recoverable	10,472	27,400
Other debtors	351	18,104
Prepayments and accrued income	41,813	29,186
	<u>52,636</u>	<u>151,972</u>
<b>15 Creditors: amounts falling due within one year</b>	<b>2016 £</b>	<b>2015 £</b>
Trade creditors	62,632	112,903
Other creditors	87,126	-
Accruals and deferred income	44,888	126,415
	<u>194,646</u>	<u>239,318</u>
<b>16 Deferred income</b>	<b>2016 £</b>	<b>2015 £</b>
Deferred income is included within:		
Creditors due within one year	<u>18,100</u>	<u>18,992</u>
Deferred income at 1 September 2015	18,992	20,732
Released from previous years	(18,992)	(20,732)
Amounts deferred in the year	<u>18,100</u>	<u>18,992</u>
<b>Deferred income at 31 August 2016</b>	<u>18,100</u>	<u>18,992</u>

At the balance sheet date the Academy Trust was holding funds received in advance for infant free school meals.

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 17 Funds

	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2016 £
<b>Restricted general funds</b>					
General Annual Grant	-	886,531	(822,482)	(52,500)	11,549
Other DfE / EFA grants	-	108,573	(107,245)	-	1,328
Other government grants	-	123,104	(123,104)	-	-
Other restricted funds	10,411	20,034	(24,096)	50,492	56,841
	<u>10,411</u>	<u>1,138,242</u>	<u>(1,076,927)</u>	<u>(2,008)</u>	<u>69,718</u>
Funds excluding pensions	(280,000)	-	(22,000)	(177,000)	(479,000)
	<u>(269,589)</u>	<u>1,138,242</u>	<u>(1,098,927)</u>	<u>(179,008)</u>	<u>(409,282)</u>
<b>Restricted fixed asset funds</b>					
Inherited funds	1,654,516	-	(31,020)	-	1,623,496
Capital expenditure from GAG and other funds	81,972	-	(30,012)	-	51,960
	<u>1,736,488</u>	<u>-</u>	<u>(61,032)</u>	<u>-</u>	<u>1,675,456</u>
<b>Total restricted funds</b>	<u>1,466,899</u>	<u>1,138,242</u>	<u>(1,159,959)</u>	<u>(179,008)</u>	<u>1,266,174</u>
<b>Unrestricted funds</b>					
General funds	36,075	169,678	(46,614)	2,008	161,147
	<u>36,075</u>	<u>169,678</u>	<u>(46,614)</u>	<u>2,008</u>	<u>161,147</u>
<b>Total funds</b>	<u>1,502,974</u>	<u>1,307,920</u>	<u>(1,206,573)</u>	<u>(177,000)</u>	<u>1,427,321</u>



# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 17 Funds

(Continued)

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limited on the amount of GAG that it could carry forward at 31 August 2016.

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

General Annual Grant must be used for the normal running expenses of the School and any amounts carried forward at the end of a financial period must be used in accordance with the terms of the Funding Agreement.

Other DfE/EFA grants comprise additional funding received for the furtherance of education, which must be used in accordance with the specific terms of each grant.

Other government grants includes LEA funding for Special Educational Needs of £48,641, which was fully expended in the period LEA funding for Nursery provision of £60,186, which was fully expended in the period and also LEA funding for Looked After Children of £14,277, which was fully expended in the period.

Other restricted funds include contributions received for school trips and non public donations and the related expenditure.

The pension reserve represents the value of the School's share of the deficit in the Local Government Pension Scheme. The value of the deficit inherited in conversion was £144,000, and had risen to £479,000 at 31 August 2016.

Restricted fixed asset funds include assets inherited on conversion and expenditure out of GAG and other capital grants during the period. Depreciation is charged against the funds.

### 18 Analysis of net assets between funds

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2016
	£	£	£	£
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	1,675,456	1,675,456
Current assets	161,147	264,364	-	425,511
Creditors falling due within one year	-	(194,646)	-	(194,646)
Defined benefit pension liability	-	(479,000)	-	(479,000)
	<u>161,147</u>	<u>(409,282)</u>	<u>1,675,456</u>	<u>1,427,321</u>

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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### 19 Pensions and similar obligations

The Academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hymans Robertson LLP. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and that of the LGPS related to the period ended 31 March 2013.

Contributions amounting to £11,987 (2015: £nil) were payable to the schemes at 31 August 2016 and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

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

##### Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the 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 will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employers pension costs paid to the TPS in the period amounted to £77,504 (2015: £74,656).

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 19 Pensions and similar obligations

(Continued)

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

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 the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 14.7% for employers and 5.5-12.5% for employees. The estimated value of employer contributions for the forthcoming year is £62,000.

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.

Total contributions made	2016 £	2015 £
Employer's contributions (rounded)	64,000	69,000
Employees' contributions (rounded)	16,000	16,000
Total contributions	80,000	85,000
<b>Principal actuarial assumptions</b>	<b>2016 %</b>	<b>2015 %</b>
Rate of increases in salaries	3.4	3.8
Rate of increase for pensions in payment	2.1	2.6
Discount rate	2.0	3.7

The following schedule provides an analysis of the sensitivity of results of the calculations to changes in the actuarial assumptions used:

Change in assumptions at 31 August 2016:	Approximate % increase to Employer Liability	Approximate monetary amount (£)
0.5% decrease in real discount rate	12	120,000
1 year increase in member life expectancy	3	30,000
0.5% increase in the salary increase rate	4	40,000
0.5% increase in the pension increase rate	8	77,000

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 19 Pensions and similar obligations

(Continued)

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

	2016 Years	2015 Years
Retiring today		
- Males	21.4	21.4
- Females	24.0	24.0
Retiring in 20 years		
- Males	24.0	24.0
- Females	26.6	26.6

#### The Academy trust's share of the assets in the scheme

	2016 Fair value £	2015 Fair value £
Equities	383,000	294,000
Bonds	90,000	73,000
Cash	27,000	16,000
Property	32,000	24,000
Total market value of assets	532,000	407,000
Actual return on scheme assets - gain/(loss)	85,000	8,000

#### Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost (net of employee contributions)	76,000	74,000
Net interest cost	10,000	9,000
Total operating charge	86,000	83,000

#### Changes in the present value of defined benefit obligations

	2016 £
Obligations at 1 September 2015	687,000
Current service cost	76,000
Interest cost	26,000
Employee contributions	16,000
Actuarial loss	246,000
Benefits paid	(40,000)
At 31 August 2016	1,011,000

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 19 Pensions and similar obligations (Continued)

Changes in the fair value of the Academy trust's share of scheme assets	2016 £
Assets at 1 September 2015	407,000
Interest income	16,000
Return on plan assets (excluding amounts included in net interest):	
Actuarial gain	69,000
Employer contributions	64,000
Employee contributions	16,000
Benefits paid	(40,000)
At 31 August 2016	<u>532,000</u>

### 20 Reconciliation of net income/(expenditure) to net cash flows from operating activities

	2016 £	2015 £
Net income/(expenditure) for the reporting period	101,347	(24,373)
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(6,761)	(104,390)
Investment income	(290)	(206)
Defined benefit pension costs less contributions payable	12,000	5,000
Defined benefit pension net finance cost/(income)	10,000	9,000
Depreciation of tangible fixed assets	61,032	56,920
(Increase)/decrease in debtors	99,336	(78,049)
Increase/(decrease) in creditors	(44,672)	97,449
Net cash provided by operating activities	<u>231,992</u>	<u>(38,649)</u>

### 21 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £	2015 £
Amounts due within one year	4,539	4,539
Amounts due in two and five years	3,404	8,700
	<u>7,943</u>	<u>13,239</u>

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 22 Related party transactions

GT Harvey T/A Class Act, a business owned by G T Harvey, a trustee, invoiced the Academy a total of £4,800 (2015: £5,020) for drama lessons in the period. There were no amounts outstanding at 31 August 2016 (2015: nil).

### 23 Members' liability

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

### 24 Reconciliations on adoption of FRS 102

The transition to FRS 102 affected the figures reported for the comparative period under previous UK GAAP for funds and net income or expenditure, as follows.

#### Reconciliation of funds for the previous financial period

	1 September 2014 £	31 August 2015 £
Funds as reported under previous UK GAAP and under FRS 102	1,539,347	1,502,974

#### Reconciliation of net loss for the previous financial period

	2015 £
Net expenditure as reported under previous UK GAAP and under FRS 102	(36,373)

### Notes to reconciliations on adoption of FRS 102

#### Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to income/expense by £7,000 and increase the credit in other recognised gains and losses in the SOFA by the equivalent amount.