

Company Registration No. 07986090 (England and Wales)

# **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2018**



TUESDAY



\*A7XNJUTK\*  
A20 22/01/2019 #18  
COMPANIES HOUSE



**MHA** Moore & Smalley  
Trusted Thinking

# **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

## **CONTENTS**

---

	<b>Page</b>
Reference and administrative details	1
Governors' report	2 - 11
Governance statement	12 - 15
Statement on regularity, propriety and compliance	16
Statement of Governors' responsibilities	17
Independent auditor's report on the accounts	18 - 20
Independent reporting accountant's report on regularity	21 - 22
Statement of financial activities including income and expenditure account	23
Balance sheet	24
Statement of cash flows	25
Notes to the accounts including accounting policies	26 - 45

---

## **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

### **REFERENCE AND ADMINISTRATIVE DETAILS**

---

#### **Members**

Mr G Harvey  
Ms S Barnes  
Mr I Moore  
Mrs M Williams  
Mrs L Berry

#### **Governors**

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 E Lowe (Parent Governor)  
Mr G Harvey (Parent Governor)  
Mrs M Williamson (Community Governor)  
Mr J Bevan (Staff Governor)

#### **Senior management team**

- Headteacher	Ms S Barnes
- Deputy Headteacher	Mrs D Spencer
- Assistant Headteacher	Mr J Bevan

#### **Company Secretary**

Mr I Moore

#### **Company name**

Harwood Meadows Community Primary School

#### **Company registration number**

07986090 (England and Wales)

#### **Registered office**

Orchard Gardens  
Harwood  
Bolton  
BL2 3PS

#### **Independent auditor**

MHA Moore and Smalley  
Richard House  
9 Winckley Square  
Preston  
PR1 3HP

#### **Solicitors**

Browne Jacobson  
Ground Floor  
3 Piccadilly  
Manchester  
M1 3BN

# **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

## **GOVERNORS' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2018**

---

The Governors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. 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 Brightmet. It has a roll of 248 in the school census as at May 2018.

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
- Staff Governors
- Other Governors

##### **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 2018**

---

### 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.

Alliance for Leading Learning, a not for profit organisation whose primary purpose is to support schools with difficulties to improve standards..

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

# **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

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

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

### **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 good outcomes;
- 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:

- Reading;
- Spelling, grammar and punctuation;
- Maths - reasoning - resources - training;
- More able.

#### 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:

- 65% of pupils achieved at least the expected standard in reading, writing and maths combined, compared with 64% nationally;

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 have fulfilled their ambition to extend this and, consequently, instrumental tuition is accessed by all pupils in KS2.

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 and working in partnership with Bolton Music Service.

### Administration

Total number on roll 248 as at May 2018 census.

### Pupil Movement

Pupil movement from school for the period 1st September 2017 to 31st August 2018: 11

Pupil movement to school for the period 1st September 2017 to 31st August 2018: 2

### 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. Total number on roll is 248.

#### Harwood Meadows - Class Numbers 2017 / 2018

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	01/09/2013	16	20	36	36	66	249
		KM pm	—	16	20	36			
	Reception	KW	01/09/2014	17	13	30	30		
			—						
			31/08/2013						
Key Stage 1	Year 1	NT	01/09/2011	16	14	30	30	61	
			—						
			31/08/2012						
	Year 2	AW	01/09/2010	16	15	31	31		
—									
			31/08/2011						
Key Stage 2	Year 3	WA	01/09/2009	15	15	30	30	122	
			—						
			31/08/2010						
	Year 4	FM/JP	01/09/2008	17	11	28	28		
			—						
			31/08/2009						
Year 5	GJ	01/09/2007	17	15	32	32			
		—							
		31/08/2008							
Year 6	JB/BH	01/09/2006	17	15	32	32			
		—							
			31/08/2007						
As at 07.06.18				115(R-Y6)	98 (R-Y6)				

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

---

### Staff Responsibilities for 2017/ 2018 (9 Classes) 13 teachers

#### School Leadership Team

Ms Siobain Barnes	Headteacher
Mrs Dianne Spencer	Deputy Headteacher
Mr Julian Bevan	Assistant Headteacher
Mr Gareth Johns	TLR

#### Staff roles

FSN	Mrs Karen Marsden	
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 Fiona Manning	Maths Leader / Assessment
Y4	Mrs Jane Pike	Geography Leader / Eco-school
Y5	Mr Gareth Johns	SLT / English Leader
Y6	Mr Julian Bevan	SLT / Music / Literacy Team / SENCO
	Mrs Barbara Harding	Maths Team / History Leader

#### Interventions

Mrs Sally Longworth	Every Child a Reader / Health and Safety / English Team
Mrs Dianne Spencer	

#### Support Staff

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

Teaching Assistants: Miss Nicola Warrington, Miss Natalie Allen, Mrs Judith Lawson, Mrs Pryia Vara, Mrs Gemma Kirk, Miss Melissa Challenger, Miss Kay Ashton, Mrs Melinda Saunders, Miss Sophie Green, Mrs Ann Lewis, Mrs Karen Hennessey, Mrs Alison Bellew, Mrs Julie Davies, Mrs Liz Faulder, Mrs Fiona Platt

Site Manager: Mr. Peter Taylor

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

Out of School Club: Mrs Debra Johnstone (Manager – mornings)  
Miss Laura Potter (Manager – evenings)  
Ms Karen Jones (Deputy Manager)  
Mrs Amanda Lund (Playworker)  
Miss Kay Ashton (Playworker)

#### 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.



# **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

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

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

### 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
Risk Assessment
First Aid
Autistic Spectrum training
Early Help form training
CEOP
ASD
Safe administration of medicines for children
IOSH
Reading Recovery
LAC Governor training
EYFS Moderation
KS2 Moderation

### Premises

The ongoing issue of the alleged noise from the kitchen fan outlet on the roof has been closed. Reasonable adjustments have been made by the school in order to mitigate any perceived inconvenience, including: reducing the number of fans used from two to one and reducing the hours the fans are used by 3 hours per day. The local environmental health officer has closed the case declaring it not to be at a level to be considered noise pollution.

# **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

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

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

### Emergency Procedures

Fire Drill – Evacuation completed safely 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. The Christmas and summer fairs have been supplemented by further events which were very well received. The school is enormously grateful for the support it receives from the PTFA.

### Students

Once again, we will be supporting students this term on work experience and School Direct. Our ITT lead, as well as the teachers, invest huge amounts of time in the training of these students (much of which is done 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

There have been 3 temporary exclusions since the last report.

### Vandalism Record

We have not reported any incidents since the last report.

### Commentary

As a school, we have been very focused on keeping a broad and balanced curriculum for which the Academy Governing Board 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 in addition to achieving high standards. Once again, we feel we have been superbly supported in this endeavour by parents and the wider community. There is a powerful belief 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 believe 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**

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 £1,275,374 (2017: £1,312,168).

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 £1,255,104 (2017: £1,289,546) and further details are provided in note 5 to the accounts.

Total outgoing resources for the period were £1,344,798 (2017: £1,320,941), the majority of which related to the direct provision of educational operations £1,334,759 (2017: £1,306,246). The excess of expenditure over income was £69,424 deficit.

# **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

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

### **FOR THE YEAR ENDED 31 AUGUST 2018**

---

At the period end the School's total reserves were £1,633,124 (2017: £1,596,548), including unrestricted funds of £236,510 (2017: £204,557) and restricted funds of £1,396,614 (2017: £1,391,991). Restricted funds include fixed assets of £1,578,356 (2017: £1,616,236), less the LGPS pensions scheme deficit of £307,000 (2017: £350,000). The remaining balances on restricted funds of £125,258 (2017: £125,755) relate to funding received in the period which is due to be spent in 2018/19 in accordance with the terms of funding. Further detail is provided in note note 17.

At 31 August 2018 all assets shown in the accounts were used exclusively for providing education and associated support services to students of the School.

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 £307,000 by 31 August 2018, 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 2019 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 12% of GAG income, and aim to keep the reserve within these parameters.

At 31 August 2018 the school held GAG reserves of £80,227, which represents 9.6% of the GAG income for the period. This is considered reasonable as the school aims to use revenue funding in year and to offset anticipated funding reductions. 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 2018 the level of unrestricted reserves held was £236,510, this is deemed reasonable by the governors for the ongoing operation as an Academy Trust.

# **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

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

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

### Investment policy

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.

### 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.

In September 2018 HM Treasury published guidance regarding employer contributions for the Teachers Pension Scheme. Contributions are expected to rise to 23.6% from September 2019 with the rate being finalised in 2019. Following this release and recently announced teachers' pay increases, uncertainties exist regarding the extent to which teachers' pay increases and increases to the TPS contribution rates will be funded, and for how long.

### 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.

### **Fundraising**

The Academy has undertaken two types of fundraising during 2017/18. Firstly funds have been raised to support local and national charities such as Bolton Hospice and Children in Need. Traditional approaches to fundraising have been used, including non uniform days, Christmas jumper days and cake sales. All funds are collected by the Finance Department and paid to the relevant charity via BACS or Cheque.

Secondly, funds have been raised by the PTFA to improve the quality of education for all students. Fundraising initiatives undertaken included Christmas and Summer fairs and funds have been used to provide resources and Christmas trips for the students.

All fundraising activities are monitored by the Senior Leadership Team and are undertaken in accordance with regulations. The Academy does not work with professional fundraisers or commercial participators and has received no complaints in relation to its fundraising activities.

### **Plans for future periods**

Develop maths reasoning throughout the school.

Continue to improve Reading and SPAG.

Replacement of boilers and heating system.

Continue to develop the wider curriculum through visits, enhancements and first-hand experiences and opportunities.

# **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

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

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

### **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 MHA Moore and Smalley 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 ~~27.11.2018~~ <sup>27.11.2018</sup> 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 2018

---

### 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.

### 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)	3	3
Ms S Barnes (Headteacher and Accounting Officer)	2	3
Mrs K Wood (Staff Governor)	3	3
Mr P Taylor (Staff Governor)	2	3
Mrs J Berry (Community Governor)	3	3
Mrs L Berry (Vice Chair of Governors)	3	3
Mrs A Bellew (Staff Governor)	3	3
Mrs E Lowe (Parent Governor)	2	3
Mr G Harvey (Parent Governor)	3	3
Mrs M Williamson (Community Governor)	3	3
Mr J Bevan (Staff Governor)	3	3

---

# **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

There have been no key changes in the composition of the board of trustees. The governing body ensures that the academy is conducted in compliance with its articles. The work of the governing body is to maintain and develop a school offering a broad and balanced curriculum 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.

The governing body has assessed its performance as effective as there is continual ongoing monitoring of school business including both the school's educational and financial performance. As a result of robust monitoring and challenge, savings were identified thereby improving the school's value for money. The quality of data used by the board is found to be acceptable as it uses the data provided by the DfE supplemented by data from the school which is checked externally.

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:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mr I Moore (Chair of Governors)	2	3
Ms S Barnes (Headteacher and Accounting Officer)	3	3
Mr P Taylor (Staff Governor)	3	3
Mrs L Berry (Vice Chair of Governors)	2	3
Mrs A Bellew (Staff Governor)	3	3
Mr G Harvey (Parent Governor)	3	3
Mrs M Williamson (Community Governor)	2	3
Mr J Bevan (Staff Governor)	2	3

### **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 through;

- 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.

# **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

### **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 2017 to 31 August 2018 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 2017 to 31 August 2018 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.

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.



# **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

### **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 27.11.2018 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 2018**

---

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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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 2018.

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 ESFA.



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

27.11.2018

# **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

## **STATEMENT OF GOVERNORS' RESPONSIBILITIES**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

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 & Skills 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 2017 to 2018;
- 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 ESFA/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 members of the Board of Governors on 27.11.2018 and signed on its behalf by:



**Mr I Moore**  
**Chair of Governors**

# **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

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

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

### **Opinion**

We have audited the accounts of Harwood Meadows Community Primary School for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 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 2017 to 2018.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

### **Other information**

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

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

We have nothing to report in this regard.

---

## **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

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

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Governors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Governors' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

#### **Responsibilities of Governors**

As explained more fully in the statement of Governors' responsibilities, the Governors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the accounts**

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

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

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

#### **Use of our report**

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

Richard House  
9 Winckley Square  
Preston  
PR1 3HP

13 | 12 | 18

# **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

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

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

In accordance with the terms of our engagement letter dated 26 September 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Harwood Meadows Community Primary School and ESFA, 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy 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 & SKILLS FUNDING AGENCY (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

#### **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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*MHA Moore and Smalley*

**Reporting Accountant  
MHA Moore and Smalley**

*13/12/18*



# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

		Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2018	Total 2017
	Notes	£	£	£	£	£
<b>Income and endowments from:</b>						
Donations and capital grants	4	-	1,488	6,600	8,088	6,801
Charitable activities:						
- Funding for educational operations	5	116,878	1,138,226	-	1,255,104	1,289,546
Other trading activities	6	11,967	-	-	11,967	15,607
Investments	7	215	-	-	215	214
<b>Total income and endowments</b>		<b>129,060</b>	<b>1,139,714</b>	<b>6,600</b>	<b>1,275,374</b>	<b>1,312,168</b>
<b>Expenditure on:</b>						
Raising funds	8	9,554	485	-	10,039	14,695
Charitable activities:						
- Educational operations	9	86,685	1,202,482	45,592	1,334,759	1,306,246
<b>Total expenditure</b>	<b>8</b>	<b>96,239</b>	<b>1,202,967</b>	<b>45,592</b>	<b>1,344,798</b>	<b>1,320,941</b>
<b>Net income/(expenditure)</b>		<b>32,821</b>	<b>(63,253)</b>	<b>(38,992)</b>	<b>(69,424)</b>	<b>(8,773)</b>
Transfers between funds		(868)	(244)	1,112	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains on defined benefit pension schemes	20	-	106,000	-	106,000	178,000
<b>Net movement in funds</b>		<b>31,953</b>	<b>42,503</b>	<b>(37,880)</b>	<b>36,576</b>	<b>169,227</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		204,557	(224,245)	1,616,236	1,596,548	1,427,321
Total funds carried forward	17	236,510	(181,742)	1,578,356	1,633,124	1,596,548

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		1,578,356		1,616,236
<b>Current assets</b>					
Debtors	14	29,601		34,513	
Cash at bank and in hand		470,013		431,340	
		<u>499,614</u>		<u>465,853</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	15	(137,846)		(135,541)	
<b>Net current assets</b>			361,768		330,312
<b>Net assets excluding pension liability</b>			1,940,124		1,946,548
Defined benefit pension scheme liability	20		(307,000)		(350,000)
<b>Net assets</b>			<u>1,633,124</u>		<u>1,596,548</u>
<b>Funds of the Academy trust:</b>					
<b>Restricted funds</b>	17				
- Fixed asset funds			1,578,356		1,616,236
- Restricted income funds			125,258		125,755
- Pension reserve			(307,000)		(350,000)
<b>Total restricted funds</b>			<u>1,396,614</u>		<u>1,391,991</u>
<b>Unrestricted income funds</b>	17		236,510		204,557
<b>Total funds</b>			<u>1,633,124</u>		<u>1,596,548</u>

The accounts set out on pages 23 to 45 were approved by the Board of Governors and authorised for issue on 27.11.2018 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 2018

---

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	19		32,300		51,461
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		215		214	
Capital grants from DfE Group		6,600		6,790	
Purchase of tangible fixed assets		(442)		-	
		<u>        </u>		<u>        </u>	
Net cash provided by investing activities			6,373		7,004
			<u>        </u>		<u>        </u>
Net increase in cash and cash equivalents in the reporting period			38,673		58,465
Cash and cash equivalents at beginning of the year			431,340		372,875
			<u>        </u>		<u>        </u>
Cash and cash equivalents at end of the year			470,013		431,340
			<u>        </u>		<u>        </u>

---

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

---

### 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 £.

#### 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

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

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

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 1 Accounting policies

(Continued)

#### 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'.

#### Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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.

#### 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.

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 1 Accounting policies

(Continued)

#### 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 Leased assets

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

#### 1.8 Financial instruments

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

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

# **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

### **1 Accounting policies**

**(Continued)**

#### **1.9 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.

#### **1.10 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 projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer 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.

#### **1.11 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.

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

---

### 2 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.

#### 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 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

### 3 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Academy trust was not subject to limits at 31 August 2018 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 2018

### 4 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Capital grants	-	6,600	6,600	6,790
Other donations	-	1,488	1,488	11
	-	8,088	8,088	6,801

The income from donations and capital grants was £8,088 (2017: £6,801) of which £- was unrestricted (2017: £11), £1,488 was restricted (2017: £6,790) and £6,600 was restricted fixed assets (2017: £-).

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

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	835,151	835,151	897,248
Other DfE / ESFA grants	-	108,033	108,033	97,668
	-	943,184	943,184	994,916
<b>Other government grants</b>				
Local authority grants	-	164,286	164,286	135,990
<b>Other funds</b>				
Other incoming resources	116,878	30,756	147,634	158,640
<b>Total funding</b>	116,878	1,138,226	1,255,104	1,289,546

The income from funding for educational operations was £1,255,104 (2017: £1,289,546) of which £116,878 was unrestricted (2017: £128,380) and £1,138,226 was restricted (2017: £1,161,166).

### 6 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	5,329	-	5,329	2,935
Other income	6,638	-	6,638	12,672
	11,967	-	11,967	15,607

The income from other trading activities was £11,967 (2017: £15,607) of which £11,967 was unrestricted (2017: £15,607).

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 7 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Short term deposits	215	-	215	214

The income from funding for investment income was £215 (2017: £214) of which £215 was unrestricted (2017: £214).

### 8 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2018 £	Total 2017 £
Expenditure on raising funds					
- Direct costs	-	-	10,039	10,039	14,695
Academy's educational operations					
- Direct costs	842,268	1,268	102,110	945,646	929,346
- Allocated support costs	152,310	120,835	115,968	389,113	376,900
	994,578	122,103	228,117	1,344,798	1,320,941

The expenditure on raising funds was £10,039 (2017: £14,695) of which £9,554 was unrestricted (2017: £14,403) and £485 was restricted (2017: £292).

#### Net income/(expenditure) for the year includes:

	2018 £	2017 £
Fees payable to auditor for:		
- Audit	4,720	4,600
- Other services	2,290	2,400
Depreciation of tangible fixed assets	45,592	59,220
Net interest on defined benefit pension liability	10,000	10,000

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b>Direct costs</b>				
Educational operations	37,479	908,167	945,646	929,346
<b>Support costs</b>				
Educational operations	49,206	339,907	389,113	376,900
	<u>86,685</u>	<u>1,248,074</u>	<u>1,334,759</u>	<u>1,306,246</u>

The expenditure on educational operations was £1,334,759 (2017: £1,306,246) of which £86,685 was unrestricted (2017: £86,399), £1,202,482 was restricted (2017: £1,160,627) and £45,592 was restricted fixed assets (2017: £59,220).

	2018 £	2017 £
<b>Analysis of support costs</b>		
Support staff costs	152,310	135,138
Depreciation	44,324	45,120
Premises costs	66,412	68,185
Other support costs	116,117	113,695
Governance costs	9,950	14,762
	<u>389,113</u>	<u>376,900</u>

### 10 Staff

#### Staff costs

Staff costs during the year were:

	2018 £	2017 £
Wages and salaries	732,499	711,026
Social security costs	58,010	57,282
Pension costs	201,911	180,570
	<u>992,420</u>	<u>948,878</u>
Staff costs	992,420	948,878
Agency staff costs	2,158	2,713
	<u>994,578</u>	<u>951,591</u>
Total staff expenditure	994,578	951,591

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 10 Staff

(Continued)

#### Staff numbers

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

	2018 Number	2017 Number
Teachers	10	10
Administration and support	20	23
Management	3	3
	<u>33</u>	<u>36</u>

#### Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	<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 £202,871 (2017: £199,523).

# **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

### **11 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 (2017: £60,000 to £65,000)

Employers pension contributions £10,000 to £15,000 (2017: £10,000 to £15,000)

K Wood (Staff governor and trustee):

Remuneration £35,000 to £40,000 (2017: £35,000 to £40,000)

Employers pension contributions £5,000 to £10,000 (2017: £5,000 to £10,000)

A Bellew (Staff governor and trustee):

Remuneration £5,000 to £10,000 (2017: £5,000 to £10,000)

Employers pension contributions £nil to £5,000 (2017: £nil to £5,000)

P Taylor (Staff governor and trustee):

Remuneration £20,000 to £25,000 (2017: £20,000 to £25,000)

Employers pension contributions £5,000 to £10,000 (2017: £5,000 to £10,000)

J Bevan (Staff governor and trustee):

Remuneration £40,000 to £45,000 (2017: £40,000 to £45,000)

Employers pension contributions £5,000 to £10,000 (2017: £5,000 to £10,000)

Other Governors did not receive any payments from the Academy in respect of their role as governors.

During the year no travel and subsistence payments (2017: £nil) were reimbursed to Governors.

Other related party transactions involving the Governors are set out within the related parties note.

### **12 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 providers 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 2018

### 13 Tangible fixed assets

	Leasehold Land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 September 2017	1,751,300	47,724	70,488	1,869,512
Additions	-	-	7,712	7,712
Disposals	-	(428)	-	(428)
At 31 August 2018	1,751,300	47,296	78,200	1,876,796
<b>Depreciation</b>				
At 1 September 2017	158,824	46,457	47,995	253,276
On disposals	-	(428)	-	(428)
Charge for the year	31,020	1,267	13,305	45,592
At 31 August 2018	189,844	47,296	61,300	298,440
<b>Net book value</b>				
At 31 August 2018	1,561,456	-	16,900	1,578,356
At 31 August 2017	1,592,476	1,267	22,493	1,616,236

The net book value of land and buildings comprises:

	2018 £	2017 £
Long leaseholds (over 50 years)	1,561,456	1,592,476

### 14 Debtors

	2018 £	2017 £
VAT recoverable	-	4,759
Other debtors	4,528	1,366
Prepayments and accrued income	25,073	28,388
	29,601	34,513

### 15 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	-	22,045
Other creditors	80,515	78,518
Accruals and deferred income	57,331	34,978
	137,846	135,541

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16	Deferred income	2018 £	2017 £
	Deferred income is included within:		
	Creditors due within one year	30,298	19,066
		<u>          </u>	<u>          </u>
	Deferred income at 1 September 2017	19,066	18,100
	Released from previous years	(19,066)	(18,100)
	Resources deferred in the year	30,298	19,066
		<u>          </u>	<u>          </u>
	<b>Deferred income at 31 August 2018</b>	<b>30,298</b>	<b>19,066</b>
		<u>          </u>	<u>          </u>

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

17	Funds	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
	<b>Restricted general funds</b>					
	General Annual Grant (GAG)	69,693	835,151	(830,295)	5,678	80,227
	Other DfE / ESFA grants	10,050	108,033	(100,079)	(6,790)	11,214
	Other government grants	-	164,286	(164,286)	-	-
	Other restricted funds	46,012	32,244	(45,307)	868	33,817
	Pension reserve	(350,000)	-	(63,000)	106,000	(307,000)
		<u>(224,245)</u>	<u>1,139,714</u>	<u>(1,202,967)</u>	<u>105,756</u>	<u>(181,742)</u>
	<b>Restricted fixed asset funds</b>					
	Transfer on conversion	1,592,476	-	(31,020)	-	1,561,456
	DfE group capital grants	-	6,600	(241)	1,112	7,471
	Capital expenditure from GAG	23,760	-	(14,331)	-	9,429
		<u>1,616,236</u>	<u>6,600</u>	<u>(45,592)</u>	<u>1,112</u>	<u>1,578,356</u>
	<b>Total restricted funds</b>	<u>1,391,991</u>	<u>1,146,314</u>	<u>(1,248,559)</u>	<u>106,868</u>	<u>1,396,614</u>
	<b>Unrestricted funds</b>					
	General funds	204,557	129,060	(96,239)	(868)	236,510
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<b>Total funds</b>	<u>1,596,548</u>	<u>1,275,374</u>	<u>(1,344,798)</u>	<u>106,000</u>	<u>1,633,124</u>

# **HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

### **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 2018.

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 £59,014, which was fully expended in the period, LEA funding for Nursery provision of £90,231, which was fully expended in the period and also LEA funding for Looked After Children of £15,041, 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 £307,000 at 31 August 2018.

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.



# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 17 Funds

(Continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	11,549	897,248	(839,104)	-	69,693
Other DfE / ESFA grants	1,328	104,458	(95,736)	-	10,050
Other government grants	-	135,990	(135,990)	-	-
Other restricted funds	56,841	30,260	(41,089)	-	46,012
Pension reserve	(479,000)	-	(49,000)	178,000	(350,000)
	<u>(409,282)</u>	<u>1,167,956</u>	<u>(1,160,919)</u>	<u>178,000</u>	<u>(224,245)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	1,623,496	-	(31,020)	-	1,592,476
Capital expenditure from GAG	51,960	-	(28,200)	-	23,760
	<u>1,675,456</u>	<u>-</u>	<u>(59,220)</u>	<u>-</u>	<u>1,616,236</u>
<b>Total restricted funds</b>	<u>1,266,174</u>	<u>1,167,956</u>	<u>(1,220,139)</u>	<u>178,000</u>	<u>1,391,991</u>
<b>Unrestricted funds</b>					
General funds	161,147	144,212	(100,802)	-	204,557
	<u>161,147</u>	<u>144,212</u>	<u>(100,802)</u>	<u>-</u>	<u>204,557</u>
<b>Total funds</b>	<u>1,427,321</u>	<u>1,312,168</u>	<u>(1,320,941)</u>	<u>178,000</u>	<u>1,596,548</u>

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 17 Funds

(Continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	11,549	1,732,399	(1,669,399)	5,678	80,227
Other DfE / ESFA grants	1,328	212,491	(195,815)	(6,790)	11,214
Other government grants	-	300,276	(300,276)	-	-
Other restricted funds	56,841	62,504	(86,396)	868	33,817
Pension reserve	(479,000)	-	(112,000)	284,000	(307,000)
	<u>(409,282)</u>	<u>2,307,670</u>	<u>(2,363,886)</u>	<u>283,756</u>	<u>(181,742)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	1,623,496	-	(62,040)	-	1,561,456
DfE group capital grants	-	6,600	(241)	1,112	7,471
Capital expenditure from GAG	51,960	-	(42,531)	-	9,429
	<u>1,675,456</u>	<u>6,600</u>	<u>(104,812)</u>	<u>1,112</u>	<u>1,578,356</u>
<b>Total restricted funds</b>	<u>1,266,174</u>	<u>2,314,270</u>	<u>(2,468,698)</u>	<u>284,868</u>	<u>1,396,614</u>
<b>Unrestricted funds</b>					
General funds	<u>161,147</u>	<u>273,272</u>	<u>(197,041)</u>	<u>(868)</u>	<u>236,510</u>
<b>Total funds</b>	<u>1,427,321</u>	<u>2,587,542</u>	<u>(2,665,739)</u>	<u>284,000</u>	<u>1,633,124</u>

### 18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	1,578,356	1,578,356
Current assets	236,510	263,104	-	499,614
Creditors falling due within one year	-	(137,846)	-	(137,846)
Defined benefit pension liability	-	(307,000)	-	(307,000)
<b>Total net assets</b>	<u>236,510</u>	<u>(181,742)</u>	<u>1,578,356</u>	<u>1,633,124</u>

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 18 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	1,616,236	1,616,236
Current assets	204,557	261,296	-	465,853
Creditors falling due within one year	-	(135,541)	-	(135,541)
Defined benefit pension liability	-	(350,000)	-	(350,000)
<b>Total net assets</b>	<b>204,557</b>	<b>(224,245)</b>	<b>1,616,236</b>	<b>1,596,548</b>

### 19 Reconciliation of net expenditure to net cash flow from operating activities

	2018 £	2017 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(69,424)	(8,773)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(6,600)	(6,790)
Investment income receivable	(215)	(214)
Defined benefit pension costs less contributions payable	53,000	39,000
Defined benefit pension net finance cost	10,000	10,000
Depreciation of tangible fixed assets	45,592	59,220
Decrease in debtors	4,912	18,123
(Decrease) in creditors	(4,965)	(59,105)
<b>Net cash provided by operating activities</b>	<b>32,300</b>	<b>51,461</b>

### 20 Pension 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 2016.

Contributions amounting to £11,732 (2017: £11,690) were payable to the schemes at 31 August 2018 and are included within creditors.

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

---

### 20 Pension and similar obligations

(Continued)

#### Teachers' Pension Scheme

##### Introduction

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

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

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

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- 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%

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

The employers pension costs paid to the TPS in the period amounted to £73,358 (2017: £75,474).

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 an unfunded multi-employer pension scheme. The Academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy 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 16.4% for employers and 5.5-12.5% for employees. The estimated value of employer contributions for the forthcoming year is £72,000.

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 20 Pension and similar obligations

(Continued)

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	2018 £	2017 £
Employer's contributions	73,000	66,000
Employees' contributions	17,000	16,000
Total contributions	90,000	82,000

Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	3.2	3.2
Rate of increase for pensions in payment/inflation	2.4	2.4
Discount rate for scheme liabilities	2.8	2.5

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

	2018 Years	2017 Years
Retiring today		
- Males	21.5	21.5
- Females	24.1	24.1
Retiring in 20 years		
- Males	23.7	23.7
- Females	26.2	26.2

The following schedule provides an analysis of the sensitivity of results of the calculations to changes in the actuarial assumptions used. Scheme liabilities would have been affected by changes in assumptions as follows:

Change in assumptions:	2018 Approximate % increase to Employer Liability	2017 Approximate % increase to Employer Liability
0.5% decrease in real discount rate	12	12
0.5% increase in the salary increase rate	2	2
0.5% increase in the pension increase rate	10	9

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 20 Pension and similar obligations

(Continued)

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

	2018 Fair value £	2017 Fair value £
Equities	582,000	539,000
Bonds	137,000	118,000
Cash	77,000	37,000
Property	60,000	44,000
Total market value of assets	856,000	738,000

The actual return on scheme assets was £42,000 (2017: £137,000).

#### Amount recognised in the Statement of Financial Activities

	2018 £	2017 £
Current service cost	126,000	101,000
Interest income	(19,000)	21,000
Interest cost	29,000	(11,000)
Benefit changes, curtailments and settlements gains or losses	-	4,000
Total operating charge	136,000	115,000

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

	2018 £	2017 £
At 1 September 2017	1,088,000	1,017,000
Current service cost	126,000	105,000
Interest cost	29,000	21,000
Employee contributions	17,000	(16,000)
Actuarial gain	(83,000)	(52,000)
Benefits paid	(14,000)	13,000
At 31 August 2018	1,163,000	1,088,000

# HARWOOD MEADOWS COMMUNITY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 20 Pension and similar obligations

(Continued)

#### Changes in the fair value of the Academy trust's share of scheme assets

	2018 £	2017 £
At 1 September 2017	738,000	532,000
Interest income	19,000	11,000
Actuarial gain	23,000	126,000
Employer contributions	73,000	66,000
Employee contributions	17,000	16,000
Benefits paid	(14,000)	(13,000)
At 31 August 2018	856,000	738,000

### 21 Commitments under operating leases

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts due within one year	4,677	3,404
Amounts due in two and five years	17,540	-
	22,217	3,404

### 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 £7,257 (2017: £7,098) for drama lessons in the period. There were no amounts outstanding at 31 August 2018 (2017: nil). The contract with the Governor was entered into prior to 7 November 2013 and therefore the 'at cost' requirement does not apply to this transaction. The Governors are satisfied that the service being provided is good value for money.

### 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.