

# **Barnes Academy Trust**

(A company limited by guarantee)

**Annual report**

**31 August 2017**

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**Barnes Academy Trust**  
(A company limited by guarantee)

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# Barnes Academy Trust

(A company limited by guarantee)

## Reference and administrative details

Year ended 31 August 2017

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<b>Members</b>	Mr Ian Laws Mrs Winifred Pennington Lightfoot Mr Simon Timothy Mattock
<b>Trustees</b>	Mr Ian Laws Mrs Winifred Pennington Lightfoot Mr Simon Timothy Mattock Ms Patricia Ann Bell Mrs Julia Anne Belshaw
<b>Company registered number</b>	09083904
<b>Company name</b>	Barnes Academy Trust trading as Barnes Infant Academy
<b>Principal and registered office</b>	Mount Road Sunderland Tyne and Wear SR4 7QF
<b>Company secretary</b>	Ms Wendy Adler
<b>Senior management team</b>	Mrs Julia Anne Belshaw, Headteacher Mrs Janine Rushworth, Assistant Headteacher Miss Julie Young, Assistant Headteacher Mrs Lauren Reeves, Academy Business Manager
<b>Independent auditor</b>	UNW LLP Chartered Accountants Citygate St James Boulevard Newcastle upon Tyne NE1 4JE
<b>Bankers</b>	Lloyds Bank plc 54 Fawcett Street Sunderland Tyne and Wear SR1 1SF

# **Barnes Academy Trust**

**(A company limited by guarantee)**

## **Trustees' report**

### **Year ended 31 August 2017**

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The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and auditors' report of Barnes Infant Academy (the academy) for the year 1 September 2016 to 31 August 2017. The trustees confirm that the annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP FRS 102) "Accounting and Reporting by Charities". The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The Trust operates an academy for pupils aged 3 to 7 serving a catchment area in the area of Sunderland. It has a pupil capacity of 360 and had a roll of 320 at the school census on January 2017.

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

#### **Constitution**

The Academy Trust is a charitable 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 trust. The trustees of Barnes Infant Academy are also directors of the charitable company for the purposes of company law. The charitable company is known as Barnes Academy Trust and trades as Barnes Infant Academy.

Details of the trustees who served during the year are included in the Reference and Administrative details set out on page 1.

The principal object of the academy is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school which shall offer a broad and balanced curriculum.

#### **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.

#### **Method of recruitment and appointment or election of trustees**

Membership is determined in accordance with the arrangements set out in the Memorandum and Articles of Association.

The members may appoint up to 12 trustees through such process as they may determine. In addition to the trustees appointed under Article 50, the members may appoint staff directors through such process as they may determine.

The term of office for any trustee shall be four years. This time limit shall not apply to the Chief Executive Officer (Headteacher). Subject to remaining eligible to be a particular type of trustee, any trustee may be re appointed or re elected.

#### **Policies and procedures adopted for the induction and training of trustees**

Barnes Infant Academy has an induction programme in place for newly appointed trustees, which includes safeguarding the welfare of children training and academy specific training.

# **Barnes Academy Trust**

**(A company limited by guarantee)**

## **Trustees' report (continued)**

### **Year ended 31 August 2017**

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A programme of governor training and development is available annually, including access to an online governor training package.

#### **Organisational structure**

The Academy Trust's organisational structure consists of three levels: the Trust Board, Senior Leadership Team ("SLT") and the Academy Business Manager.

The Trust Board is responsible for determining strategic policy, adopting an annual School Improvement Plan following a self evaluation review, monitoring the practices adopted by the Academy, determining the strategic direction of the Academy, capital expenditure and senior staff appointments. Responsibility for day to day operational management is delegated to the Headteacher, who follows policies and procedures determined by and adopted by the Trust Board.

The Senior Leadership Team consists of the Headteacher, Two Assistant Headteachers, and the Academy Business Manager. They are supported by a Family Liaison Officer. The SLT leads and manages the Academy at an executive level, implementing the policies determined by the Trust Board and reporting back to them. The Headteacher and Trustees are responsible for the authorisation of spending within agreed budgets and the appointment of staff as stated in the scheme of delegation and the Academy's finance manual.

The Academy Business Manager is responsible for the management of the financial systems, sourcing additional funds, and ensuring efficient and effective use of resources. The Academy Business Manager is responsible for the authorisation of spending up to agreed limits as stated in the scheme of delegation and the finance manual, as well as the management of business support staff, and the efficient operation of the school office.

The Headteacher is the Accounting Officer for the Academy.

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

Pay decisions at Barnes Infant Academy are made by the Personnel Committee of the Barnes Infant Academy Trust Board. The Trust Board ensures its processes are open, transparent and fair and that all decisions are objectively justified. Adjustments will be made to take account of special circumstances and the exact adjustments will be made on a case by case basis. In line with its terms of reference, the Trust Board review salaries annually.

#### **Related parties and other connected charities and organisations**

All trustees are required to declare any business interests that may impact upon the Trust. In line with the policy trustees will not be involved in the decision making process where a business interest is declared.

As at 31 August 2017 one trustee had declared an interest, details of which are held by the Academy Trust.

#### **Trustees' indemnities**

Every governor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted by the court from liability for negligence default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

# **Barnes Academy Trust**

(A company limited by guarantee)

## **Trustees' report (continued)**

### **Year ended 31 August 2017**

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#### **Objectives and activities**

##### **Objects and aims**

The principal objective and activity of the charitable company, Barnes Infant Academy is to provide education for pupils of different abilities between the ages of 3 to 7 years old, in accordance with the Articles of Association approved by the Secretary of State.

Barnes Infant Academy aims:

- To provide opportunities and experiences for all pupils to learn and achieve;
- To promote pupil's spiritual, moral, social and cultural development thus preparing all pupils for the opportunities, responsibilities and experiences of life, within a British society;
- To provide a broad and balanced curriculum, including extra curricular and enrichment activities;
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

##### **Objectives, strategies and activities**

The strategic objectives are:

- To raise standards of attainment and progress in areas of underperformance;
- To continue to improve the quality of teaching;
- To promote good behaviour and safety;
- To continue to offer a broad and balanced curriculum based on the school ethos;
- To continue to develop the quality of leadership and management across the school;
- To maximise the use of building and grounds to provide safe and exciting learning experiences.

##### **Public benefit**

Barnes Infant Academy has complied with its duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

##### **Review of activities**

This year Barnes Infant Academy has:

- maintained its 'good' Ofsted rating;
- developed the outdoor learning environment with the aim of significantly contributing towards the raising of standards and improving pupils' personal, social and emotional development;
- utilised the pupil premium grant funding to raise the attainment of disadvantaged pupils through enhanced learning opportunities and provided financial subsidy in order to address any underlying inequalities;
- offered extra-curricular opportunities for pupils to extend their knowledge and understanding and to improve their skills in a range of artistic, creative and sporting activities;
- enhanced the quality and breadth of PE and sport opportunities to increase participation in PE and sport and support children to develop healthy lifestyles;
- invested in music tuition, ensuring a comprehensive music provision is in place, which includes learning an instrument and regular singing activities;
- maintained and improved upon high levels of pupil attendance.

Additionally, Barnes Infant Academy has achieved high standards of attainment (see following table), with figures exceeding national in all areas.

# Barnes Academy Trust

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## Trustees' report (continued)

### Year ended 31 August 2017

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#### Key Stage One 2017

Subject	Expected Standard		Greater Depth	
	School %	National %	School %	National %
Reading	87%	76%	40%	25%
Writing	82%	68%	26%	16%
Maths	85%	75%	36%	21%

The school was inspected by Ofsted in April 2017 and achieved a rating of 'Good'.

Barnes Infant Academy has a programme in place to continuously monitor and review performance related data, which includes rigorous self assessment.

The Academy has also **successfully been awarded the:**

- ICAN Early Talk Accreditation which recognises Academies who show high quality practice in helping children's speech, language and communication skills;
- Learning Outside the Classroom Mark, which is a national accreditation for schools and acknowledges exemplary learning and provision outside the classroom;
- Gold Anti-bullying Charter Mark for the work done to prevent bullying;
- Primary Geography Quality Mark for highly effective teaching of Geography.

#### Key performance indicators

Barnes Infant Academy is funded primarily through the Education and Skills Funding Agency (ESFA) in the form of the General Annual Grant (GAG) and additional funding streams, such as the UIFSM Grant, Pupil Premium Grant and Sport and PE Grant. This income is supplemented by Early Years funding from the Local Authority, which is restricted to particular purposes. The grants received from the ESFA and Local Authority during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2017, the total expenditure of the Academy exceeded recurrent grant funding together with other incoming resources, the latter being shown as unrestricted funds in the Statement of Financial Activities.

As at 31 August 2017 the net book value of fixed assets was £1,514,005. Assets are exclusively used to provide education and associated services to the pupils of Barnes Infant Academy.

The Trust Board has invested £150,000 into low risk savings accounts with a reputable source, with the aim of increasing funds to spend on the Academy's pupils.

#### Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

# **Barnes Academy Trust**

**(A company limited by guarantee)**

## **Trustees' report (continued)**

**Year ended 31 August 2017**

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### **Financial review**

#### **Principal risks and uncertainties**

Barnes Academy Trust's policy is to adopt best practice in the identification, evaluation and effective control of risks to ensure that they are managed to an acceptable level.

The Trust Board ensure's that the identification, assessment and mitigation of risk is linked to the achievement of the Academy Trust's vision and strategic goals and considers all risks regularly. The Academy has in place a number of systems to review, evaluate and manage risk and ensure that risk management is ongoing and embedded in management and operation procedure. Trustees are satisfied that systems in place to mitigate exposure to major risks are adequate and consider advice from external sources where necessary.

The Academy maintains a risk register and plan, which is reviewed annually by the Finance and Audit Committee, to assure there is adequate arrangements in place to minimise the risks. Specific risks identified relate to strategic, public profile, governance, information management, human resources, financial management, and external factors. Additionally there is an annual review of all risk management matters, undertaken by staff dependent upon their role.

Identified major risks include:

Strategic – dependence upon sufficient pupil numbers to remain sustainable. Development plans endeavour to mitigate the risk by agreeing the standards to be achieved by the Academy to remain desirable.

Governance – potential skill shortage available on Trust Board. A rigorous induction and training programme is in place for Trustees to ensure skills gaps are diminished.

Human resources – reliance upon capable and experienced staff to maintain standards. Performance management procedures in place, which is supported by a comprehensive CPD programme. Changes to NJC Local Government pay award poses potential long term threats to the Academy finances.

Financial management – significant reliance upon government grant funding through the ESFA and Local Authority. Risk is presented as there is no assurance that government policy and practice will remain the same, subsequently meaning that funds may reduce or be lost. The Academy undertakes three year financial forecasting to project its revenue and expenses, allowing realistic objectives to be set and to minimise unnecessary loss and plan expenses where possible.

Risks associated with fraud are decreased through systems and procedures which are designed and operated to minimise losses due to fraud, corruption, and other dishonest action and abuse. In addition the Trust implements and maintains systems of accountability and control to ensure that its resources are properly applied in the way it intended. These systems include, as far as is practical, adequate internal controls to detect not only significant errors but also importantly, fraud and corruption.

The Academy Trust had a pension deficit as at 31 August 2017 of £353,000. The pension deficit has decreased by £82,000.

#### **Reserves policy**

The Trust Board is responsible for determining the level of financial reserves to be carried forward at the end of any financial period to enable the Academy to plan and fund future expenditure related to the Academy Trusts development plans and strategic long term aims and developments.

The policy of the Trust is to carry forward a prudent level of resources designed to meet the long term needs of the Trust and any other unforeseen contingencies, subject to the constraint that the level of resources does not



# **Barnes Academy Trust**

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## **Trustees' report (continued)**

### **Year ended 31 August 2017**

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exceed the level permitted by the DfE/ESFA.

The values of reserves (excluding fixed assets and pension) held at 31 August 2017 was £221,411. The reason for this is to provide sufficient working capital to develop and improve the learning environments, undertake maintenance and repair to the building and grounds and meet future demands forecasted as part of budget planning.

#### **Investments policy**

Under the Memorandum and Articles of Association, the Academy has the power to invest funds not immediately required for its own purposes, in any way the trustees see fit. The Trust considers the long and short term financial commitments as well as its expected income and ensures that any surplus funds are invested well so that they achieve the best financial returns with the minimum risk.

The Trust aims to manage its cash balances to ensure that spend of the public monies with which we are entrusted is for the direct educational benefits of pupils. However where any surplus funds are invested, it is done with the aim of increasing funds so they can be spent on teaching and learning.

#### **Plans for future periods**

##### **Future developments**

- To continue to raise standards of attainment and achievement in areas of underperformance, by using pupil evaluation data to improve and build upon high standards and through development of effective strategies close the gaps for children not meeting expectations;
- To continue to improve the quality of teaching, through rigorous systems, to ensure that all teaching is consistently good or better;
- To build upon strategies in place to maintain levels of good attendance and punctuality;
- To remain committed to promoting positive pupils attitudes towards learning, pupils spiritual, moral, social and cultural development, pupils understanding of responsibility and respect and opportunities for pupil voice;
- To embed an appreciation of British values into the curriculum of the Academy;
- To continue to offer a broad and balanced curriculum, including maximising and developing the use of ICT, maintaining the music provision and improving attainment within key subjects. Plans are also in place to increase opportunities for children to take part in a wide range of first hand experiences;
- To continue to support middle leaders to develop their expertise so that they can enhance their contribution to raising standards;
- To maximise the use of building and grounds to provide safe and exciting learning experiences, by implementing agreed plans for improvement and development;
- Utilise reserve funds for the benefit of the Academy's pupils.

**Barnes Academy Trust**  
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**Trustees' report (continued)**  
**Year ended 31 August 2017**

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**Disclosure of information to auditor**

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that trustees have taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

**Auditor**

The auditors, UNW LLP, have indicated their willingness to continue in office. The Designated trustees will propose a motion re-appointing the auditors at a meeting of the trustees.

This report was approved by order of the board of trustees, as the company directors, on 4 December 2017 and signed on its behalf by:

  
Mr Ian Laws

# Barnes Academy Trust

(A company limited by guarantee)

## Governance statement

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### Scope of responsibility

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

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

### Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The board of trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr Ian Laws, Chair	5	7
Mrs Winifred Pennington Lightfoot	6	7
Mr Simon Timothy Mattock	2	7
Ms Patricia Ann Bell	7	7
Mrs Julia Anne Belshaw, Headteacher	7	7

During the year ending 31 August 2017 no trustees resigned.

The Finance and Audit Committee is a sub-committee of the main board of trustees. Its purpose is to:

- review and approve the Annual Budget in detail and to make recommendations to the Board;
- review the Academy's internal and external financial statements and reports to ensure that they reflect best practice;
- discuss with the external auditor the nature and scope of each forthcoming audit and to ensure that the external auditor has the fullest co-operation of staff;
- consider all relevant reports by the Accounting Officer, Finance Director or the appointed external auditor, including reports on the Academy's accounts, achievement of value for money and the response to any management letters;
- review the effectiveness of the Academy's internal control system established to ensure that the aims, objectives and key performance targets are achieved;
- review new and existing policies relating to the financial and audit management;
- should approve all purchases of goods or services above the value as set out in scheme of delegation;
- should regularly monitor the progress of the budget using financial information supplied by the Headteacher and Business Manager.

Attendance at meetings in the year was as follows:

Trustee / local academy board member	Meetings attended	Out of a possible
Mrs J Belshaw	3	3
Mrs PA Bell	2	3
Mr I Laws	2	3
Mrs W P Lightfoot	2	3
Mrs L Reeves	3	3
Mr P Whiteley	3	3

## **Governance statement (continued)**

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

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

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

- Regularly review the functions of the academy, challenge how and why services are provided and set targets and performance indicators for improvement;
- Monitoring outcomes and comparing performance with similar academies and within the school;
- Consulting appropriate stakeholders before major decisions are made; and
- Promoting fair competition through quotations and tenders to ensure that goods and services are secured in the most economic, efficient and effective way

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Barnes Academy Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

# **Barnes Academy Trust**

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## **Governance statement (continued)**

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

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed UNW LLP, the external auditor, to perform additional checks.

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems, in accordance with a programme of work agreed in advance with the Finance and Audit Committee.

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

### **Review of effectiveness**

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

- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 4 December 2017 and signed on their behalf, by:



**Mr Ian Laws**  
Chair of Trustees



**Mrs Julia Anne Belshaw**  
Accounting Officer

**Barnes Academy Trust**  
(A company limited by guarantee)

**Statement on regularity, propriety and compliance**

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As Accounting Officer of Barnes Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



**Mrs J Belshaw**  
**Accounting Officer**

Date: 4 December 2017

# **Barnes Academy Trust**

(A company limited by guarantee)

## **Statement of trustees' responsibilities**

### **Year ended 31 August 2017**

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The trustees (who act as governors of Barnes Academy Trust trading as Barnes Infant Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees and signed on its behalf by:



**Mr Ian Laws**  
**Chair**

Date: 4 December 2017



## **Independent auditor's report on the financial statements to the members of Barnes Academy Trust**

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### **Opinion**

We have audited the financial statements of Barnes Academy Trust for the year ended 31 August 2017 which comprise the statement of financial activities incorporating income and expenditure account, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

### **Basis of opinion**

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

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

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

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

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





## **Independent auditor's report on the financial statements to the members of Barnes Academy Trust**

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### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

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

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

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

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



## **Independent auditor's report on the financial statements to the members of Barnes Academy Trust**

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

*Anne Hallowell*

**Anne Hallowell DChA FCA (Senior Statutory Auditor)**  
**for and on behalf of UNW LLP, Statutory Auditor**  
Chartered Accountants  
Newcastle upon Tyne

4 December 2017

# **Barnes Academy Trust**

**(A company limited by guarantee)**

## **Independent reporting auditor's assurance report on regularity to Barnes Academy Trust and the Education Funding Agency**

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In accordance with the terms of our engagement letter dated 19 September 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Barnes Academy Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of Barnes Academy Trust's accounting officer and the reporting auditors**

The accounting officer is responsible, under the requirements of Barnes Academy Trust's funding agreement with the Secretary of State for Education dated 1 April 2012, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to support our conclusion includes:

- testing a sample of expenditure to verify that the trust's procurement procedures have been followed for the items selected;
- testing a sample of payments to ensure that they are correctly authorised in accordance with the trust policies;
- testing a sample of expenditure to verify the nature of spend is in line with funding agreements;
- testing a sample of income and expenditure to ensure systems and controls are being implemented in line with the trust policies;

## **Barnes Academy Trust**


(A company limited by guarantee)

### **Independent reporting auditor's assurance report on regularity to Barnes Academy Trust and the Education Funding Agency (continued)**

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#### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



#### **UNW LLP**

Chartered Accountants  
Newcastle upon Tyne

4 December 2017

**Barnes Academy Trust**  
(A company limited by guarantee)

**Statement of financial activities**  
(including income and expenditure account)  
Year ended 31 August 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>Income from:</b>						
Donations and capital grants	2	41,976	-	-	41,976	38,255
Charitable activities	3	-	1,361,058	7,353	1,368,411	1,374,753
Investments	4	1,654	-	-	1,654	1,715
<b>Total income</b>		<b>43,630</b>	<b>1,361,058</b>	<b>7,353</b>	<b>1,412,041</b>	<b>1,414,723</b>
<b>Expenditure on:</b>						
Charitable activities		6,939	1,518,374	60,364	1,585,677	1,468,127
<b>Total expenditure</b>	5	<b>6,939</b>	<b>1,518,374</b>	<b>60,364</b>	<b>1,585,677</b>	<b>1,468,127</b>
<b>Net income / (expenditure) before transfers</b>		<b>36,691</b>	<b>(157,316)</b>	<b>(53,011)</b>	<b>(173,636)</b>	<b>(53,404)</b>
Transfers between Funds	17	(187,208)	149,094	38,114	-	-
<b>Net expenditure before other recognised gains and losses</b>		<b>(150,517)</b>	<b>(8,222)</b>	<b>(14,897)</b>	<b>(173,636)</b>	<b>(53,404)</b>
Actuarial gains/(losses) on defined benefit pension schemes	21	-	111,000	-	111,000	(292,000)
<b>Net movement in funds</b>		<b>(150,517)</b>	<b>102,778</b>	<b>(14,897)</b>	<b>(62,636)</b>	<b>(345,404)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		371,928	(455,778)	1,528,902	1,445,052	1,790,456
<b>Total funds carried forward</b>		<b>221,411</b>	<b>(353,000)</b>	<b>1,514,005</b>	<b>1,382,416</b>	<b>1,445,052</b>

The notes on pages 23 to 41 form part of these financial statements.

**Barnes Academy Trust**  
(A company limited by guarantee)

**Balance sheet**  
**At 31 August 2017**

	Note	£	2017 £	£	2016 £
<b>Fixed assets</b>					
Tangible assets	13		1,514,005		1,528,902
<b>Current assets</b>					
Debtors	14	43,439		43,258	
Cash at bank and in hand		268,580		516,397	
		<u>312,019</u>		<u>559,655</u>	
<b>Creditors: amounts falling due within one year</b>	15	(87,267)		(201,178)	
<b>Net current assets</b>			<u>224,752</u>		<u>358,477</u>
<b>Total assets less current liabilities</b>			<u>1,738,757</u>		<u>1,887,379</u>
<b>Creditors: amounts falling due after more than one year</b>	16		(3,341)		(7,327)
<b>Net assets excluding pension scheme liabilities</b>			<u>1,735,416</u>		<u>1,880,052</u>
Defined benefit pension scheme liability	21		(353,000)		(435,000)
<b>Net assets including pension scheme liabilities</b>			<u><u>1,382,416</u></u>		<u><u>1,445,052</u></u>
<b>Funds of the academy</b>					
Restricted income funds:					
Restricted income funds	17	-		(20,778)	
Restricted fixed asset funds	17	1,514,005		1,528,902	
Restricted income funds excluding pension liability		<u>1,514,005</u>		<u>1,508,124</u>	
Pension reserve		<u>(353,000)</u>		<u>(435,000)</u>	
Total restricted income funds			<u>1,161,005</u>		<u>1,073,124</u>
Unrestricted income funds	17		<u>221,411</u>		<u>371,928</u>
<b>Total funds</b>			<u><u>1,382,416</u></u>		<u><u>1,445,052</u></u>

**Barnes Academy Trust**  
(A company limited by guarantee)

**Balance sheet (continued)**  
**At 31 August 2017**

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The financial statements on pages 19 to 41 were approved by the trustees, and authorised for issue, on 4 December 2017 and are signed on their behalf, by:



**Mr Ian Laws**  
**Chair of Trustees**

The notes on pages 23 to 41 form part of these financial statements.

Registered company number: 09083904

**Barnes Academy Trust**  
(A company limited by guarantee)

**Statement of cash flows**  
**Year ended 31 August 2017**

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	19	(205,717)	(10,774)
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(45,467)	(39,590)
Capital grants from DfE/ESFA		7,353	7,429
<b>Net cash used in investing activities</b>		(38,114)	(32,161)
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		(3,986)	(3,976)
<b>Net cash used in financing activities</b>		(3,986)	(3,976)
<b>Change in cash and cash equivalents in the year</b>		(247,817)	(46,911)
Cash and cash equivalents brought forward		516,397	563,308
<b>Cash and cash equivalents carried forward</b>		<b>268,580</b>	<b>516,397</b>



# **Barnes Academy Trust**

(A company limited by guarantee)

## **Notes to the financial statements**

### **Year ended 31 August 2017**

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#### **1. Accounting policies**

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

##### **1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Barnes Academy Trust meets the definition of a public benefit entity under FRS 102.

##### **1.2 Going concern**

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

# **Barnes Academy Trust**

(A company limited by guarantee)

## **Notes to the financial statements**

### **Year ended 31 August 2017**

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#### **1. Accounting policies (continued)**

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

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

Capital grants are recognised in full 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.

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, 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.

##### **1.4 Expenditure**

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

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

All resources expended are inclusive of irrecoverable VAT.

# Barnes Academy Trust

(A company limited by guarantee)

## Notes to the financial statements

### Year ended 31 August 2017

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#### 1. Accounting policies (continued)

##### 1.5 Tangible fixed assets and depreciation

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	- 50 years straight line
Leasehold improvements	- 10 years straight line
Fixtures and fittings	- 10 years straight line
Computer equipment	- 3 years straight line

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

##### 1.6 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation, Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

# Barnes Academy Trust

(A company limited by guarantee)

## Notes to the financial statements

### Year ended 31 August 2017

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#### 1. Accounting policies (continued)

##### 1.7 Financial instruments

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

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

*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 costs as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

##### 1.8 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

# Barnes Academy Trust

(A company limited by guarantee)

## Notes to the financial statements

### Year ended 31 August 2017

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#### 1. Accounting policies (continued)

##### 1.9 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

##### 1.10 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The only significant area of judgement is the useful economic lives of fixed assets, details of which are given above.

#### 2. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	41,976	-	-	41,976	38,255
<i>Total 2016</i>	38,255	-	-	38,255	

**Barnes Academy Trust**  
(A company limited by guarantee)

**Notes to the financial statements**  
**Year ended 31 August 2017**

**3. Funding for Academy's educational operations**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
General Annual Grant (GAG)	-	1,081,730	1,081,730	1,079,150
Other DfE/ESFA grants	-	-	-	358
Local authority revenue	-	128,792	128,792	125,302
Other non capital government grants	-	47,186	47,186	55,012
Catering income	-	103,350	103,350	107,502
Capital income	-	7,353	7,353	7,429
	-	1,368,411	1,368,411	1,374,753
<i>Total 2016</i>	-	1,374,753	1,374,753	

**4. Investment income**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	1,654	-	1,654	1,715
	1,654	-	1,654	1,715
<i>Total 2016</i>	1,715	-	1,715	

**5. Expenditure**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Educational Operations:					
Direct costs	923,371	-	138,796	1,062,167	1,003,021
Support costs	211,291	116,862	195,357	523,510	465,106
	1,134,662	116,862	334,153	1,585,677	1,468,127
<i>Total 2016</i>	1,071,262	92,132	333,041	1,496,435	

In 2016, of the total expenditure, £2,944 was to unrestricted funds and £1,465,183 was to restricted funds.

**Barnes Academy Trust**  
(A company limited by guarantee)

**Notes to the financial statements**  
**Year ended 31 August 2017**

**6. Support costs**

	<b>Educational Operations £</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Pension interest cost	8,000	8,000	5,000
Other costs	29,418	29,418	15,634
Technology costs	10,791	10,791	11,106
Cleaning	28,394	28,394	20,618
Rent and rates	6,740	6,740	6,577
Light and heat	18,538	18,538	23,411
Security and transport	6,749	6,749	6,624
Catering costs	95,407	95,407	103,650
Legal and professional fees	14,127	14,127	12,180
Governance costs	15,796	15,796	10,328
Maintenance of premises and equipment	37,148	37,148	18,926
Wages and salaries	150,574	150,574	149,365
National insurance	8,810	8,810	5,689
Pension cost	51,907	51,907	42,749
Depreciation	41,111	41,111	33,249
	<b>523,510</b>	<b>523,510</b>	<b>465,106</b>
<i>At 31 August 2016</i>	<b>465,106</b>	<b>465,106</b>	

**7. Net income / expenditure**

This is stated after charging:

	<b>2017 £</b>	<b>2016 £</b>
Depreciation of tangible fixed assets	<b>60,364</b>	50,235

**8. Auditor's remuneration**

The auditor's remuneration amounts to an audit fee of £5,075 (2016 - £5,075), and internal assurance and accountancy fees of £4,250 (2016 - £4,250).

**Barnes Academy Trust**  
(A company limited by guarantee)

**Notes to the financial statements**  
**Year ended 31 August 2017**

**9. Staff costs**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	861,323	845,008
Social security costs	70,409	58,514
Operating costs of defined benefit pension schemes	179,003	139,432
	<u>1,110,735</u>	<u>1,042,954</u>
Supply teacher costs	23,927	28,308
	<u>1,134,662</u>	<u>1,071,262</u>

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

	2017 No.	2016 No.
Teachers	14	15
Administration and support	34	33
Management	3	4
	<u>51</u>	<u>52</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	13	14
Administration and support	20	22
Management	3	4
	<u>36</u>	<u>40</u>

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

	2017 No.	2016 No.
In the band £70,001 - £80,000	1	1

In 2017 the trustees consider the key management personnel of the academy to be the Headteacher, the two assistant head teachers and the business manager. The total remuneration paid to these staff during the year was £172,818.

In 2016 the trustees considered the key management personnel of the academy to be the Headteacher, the two assistant head teachers and all the Key Stage lead members of staff. The total remuneration paid to these staff during 2016 was £172,321.



**Barnes Academy Trust**  
(A company limited by guarantee)

**Notes to the financial statements**  
**Year ended 31 August 2017**

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**10. Trustees' remuneration and expenses**

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as trustees, the value of trustees' remuneration and other benefits was as follows:

		2017 £	2016 £
Mrs J Belshaw	Remuneration	70,000-75,000	70,000-75,000
	Pension contributions paid	10,000-15,000	10,000-15,000

During the year ended 31 August 2017, no trustees received any reimbursement of expenses (2016 - £nil).

**11. Trustees' and Officers' Insurance**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the years ended 31 August 2017 and 2016 was included within the academy's overall risk protection arrangements.

**12. Other finance income**

	2017 £	2016 £
Interest income on pension scheme assets	11,000	15,000
Interest on pension scheme liabilities	(19,000)	(20,000)
	<u>(8,000)</u>	<u>(5,000)</u>

**Barnes Academy Trust**  
(A company limited by guarantee)

**Notes to the financial statements**  
**Year ended 31 August 2017**

**13. Tangible fixed assets**

	Leasehold property £	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2016	1,441,000	122,024	-	56,065	1,619,089
Additions	-	36,645	1,982	6,840	45,467
At 31 August 2017	1,441,000	158,669	1,982	62,905	1,664,556
<b>Depreciation</b>					
At 1 September 2016	48,967	17,393	-	23,827	90,187
Charge for the year	26,042	15,069	-	19,253	60,364
At 31 August 2017	75,009	32,462	-	43,080	150,551
<b>Net book value</b>					
At 31 August 2017	1,365,991	126,207	1,982	19,825	1,514,005
At 31 August 2016	1,392,033	104,631	-	32,238	1,528,902

Included within land and buildings is leasehold land at valuation of £311,000 (2016: £311,000) which is not depreciated.

**14. Debtors**

	2017 £	2016 £
Other debtors	26,646	707
Prepayments and accrued income	16,793	42,551
	<u>43,439</u>	<u>43,258</u>

**15. Creditors: amounts falling due within one year**

	2017 £	2016 £
Other loans	3,986	3,986
Other creditors	-	90,086
Accruals and deferred income	83,281	107,106
	<u>87,267</u>	<u>201,178</u>

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**Year ended 31 August 2017**

**15. Creditors: amounts falling due within one year (continued)**

	2017 £	2016 £
<b>Deferred income</b>		
Deferred income at 1 September 2016	62,710	61,818
Resources deferred during the year	60,288	62,710
Amounts released from previous years	(62,710)	(61,818)
Deferred income at 31 August 2017	<u>60,288</u>	<u>62,710</u>

**16. Creditors: amounts falling due after more than one year**

	2017 £	2016 £
Other loans	<u>3,341</u>	<u>7,327</u>

Other creditors comprises a loan of £3,341 (2016: £7,327) from Salix which is provided on a capital repayment basis with an expected end date of November 2018. No interest is payable.

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**Notes to the financial statements**  
**Year ended 31 August 2017**

**17. Statement of funds**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>						
General funds	371,928	43,630	(6,939)	(187,208)	-	221,411
<b>Restricted funds</b>						
General Annual Grant (GAG)	(20,778)	1,361,058	(1,489,374)	149,094	-	-
Pension reserve	(435,000)	-	(29,000)	-	111,000	(353,000)
	<u>(455,778)</u>	<u>1,361,058</u>	<u>(1,518,374)</u>	<u>149,094</u>	<u>111,000</u>	<u>(353,000)</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed asset fund	1,528,902	7,353	(60,364)	38,114	-	1,514,005
Total restricted funds	<u>1,073,124</u>	<u>1,368,411</u>	<u>(1,578,738)</u>	<u>187,208</u>	<u>111,000</u>	<u>1,161,005</u>
Total of funds	<u><u>1,445,052</u></u>	<u><u>1,412,041</u></u>	<u><u>(1,585,677)</u></u>	<u><u>-</u></u>	<u><u>111,000</u></u>	<u><u>1,382,416</u></u>

**Statement of funds - prior year**

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
<b>Unrestricted funds</b>						
General funds	334,902	39,970	(2,944)	-	-	371,928
	<u>334,902</u>	<u>39,970</u>	<u>(2,944)</u>	<u>-</u>	<u>-</u>	<u>371,928</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	61,007	1,365,324	(1,414,948)	(32,161)	-	(20,778)
Pension reserve	(145,000)	2,000	-	-	(292,000)	(435,000)
	<u>(83,993)</u>	<u>1,367,324</u>	<u>(1,414,948)</u>	<u>(32,161)</u>	<u>(292,000)</u>	<u>(455,778)</u>

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**Notes to the financial statements**  
**Year ended 31 August 2017**

**17. Statement of funds (continued)**

**Restricted fixed asset funds**

Restricted fixed asset fund	1,539,547	7,429	(50,235)	32,161	-	1,528,902
	<u>1,539,547</u>	<u>7,429</u>	<u>(50,235)</u>	<u>32,161</u>	<u>-</u>	<u>1,528,902</u>
Total restricted funds	<u>1,455,554</u>	<u>1,374,753</u>	<u>(1,465,183)</u>	<u>-</u>	<u>(292,000)</u>	<u>1,073,124</u>
Total of funds	<u>1,790,456</u>	<u>1,414,723</u>	<u>(1,468,127)</u>	<u>-</u>	<u>(292,000)</u>	<u>1,445,052</u>

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

Restricted fixed asset fund represents all the fixed assets of the Academy, including the leasehold buildings of the school, which are restricted to be applied for educational purposes in furtherance of the Academy's objects.

Restricted funds represent income given for a specific purpose, and includes the General Annual Grant and other educational funding given in relation to the running of the Academy and the provision of education.

During the year a transfer has been made from the restricted GAG fund to the restricted fixed asset fund, representing educational spend on capital equipment.

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**Notes to the financial statements**  
**Year ended 31 August 2017**

**18. Analysis of net assets between funds**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	1,514,005	1,514,005
Current assets	228,738	83,281	-	312,019
Creditors due within one year	(3,986)	(83,281)	-	(87,267)
Creditors due in more than one year	(3,341)	-	-	(3,341)
Provisions for liabilities and charges	-	(353,000)	-	(353,000)
	<u>221,411</u>	<u>(353,000)</u>	<u>1,514,005</u>	<u>1,382,416</u>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	1,528,902	1,528,902
Current assets	383,241	176,415	-	559,656
Creditors due within one year	(3,986)	(197,193)	-	(201,179)
Creditors due in more than one year	(7,327)	-	-	(7,327)
Provisions for liabilities and charges	-	(435,000)	-	(435,000)
	<u>371,928</u>	<u>(455,778)</u>	<u>1,528,902</u>	<u>1,445,052</u>

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**Year ended 31 August 2017**

**19. Reconciliation of net movement in funds to net cash flow from operating activities**

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(173,636)	(53,404)
<b>Adjustment for:</b>		
Depreciation charges	60,364	50,235
(Increase)/decrease in debtors	(181)	2,551
Decrease in creditors	(113,911)	(727)
Capital grants from DfE and other capital income	(7,353)	(7,429)
Defined benefit pension scheme finance cost	29,000	(2,000)
<b>Net cash used in operating activities</b>	<b>(205,717)</b>	<b>(10,774)</b>

**20. Analysis of cash and cash equivalents**

	2017 £	2016 £
Cash in hand	268,580	516,397
<b>Total</b>	<b>268,580</b>	<b>516,397</b>

# **Barnes Academy Trust**

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## **Notes to the financial statements**

### **Year ended 31 August 2017**

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#### **21. Pension commitments**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

#### **Teachers' Pension Scheme**

##### **Introduction**

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

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

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

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

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

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

The employer's pension costs paid to TPS in the period amounted to £89,003 (2016 - £62,485).

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



# Barnes Academy Trust

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## Notes to the financial statements

### Year ended 31 August 2017

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#### 21. Pension commitments (continued)

([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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

#### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £85,000 (2016 - £75,000), of which employer's contributions totalled £69,000 (2016 - £60,000) and employees' contributions totalled £16,000 (2016 - £15,000). The agreed contribution rates for future years are 14.1% for employers and 6.4% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	3.50 %	3.40 %
Inflation assumption (CPI)	2.00 %	1.90 %

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

	2017	2016
Retiring today		
Males	22.8	23.2
Females	26.3	24.8
Retiring in 20 years		
Males	25.0	25.3
Females	28.6	27.1

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**Year ended 31 August 2017**

**21. Pension commitments (continued)**

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	626	335
Government bonds	37	77
Corporate bonds	109	50
Property	85	-
Cash	37	15
Other	53	28
	<hr/>	<hr/>
Total market value of assets	<b>947</b>	<b>505</b>
	<hr/>	<hr/>

The actual return on scheme assets was £393,000 (2016 - £75,000).

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

	2017 £	2016 £
Current service cost	(90,000)	(53,000)
Interest income	11,000	15,000
Interest cost	(19,000)	(20,000)
	<hr/>	<hr/>
Total	<b>(98,000)</b>	<b>(58,000)</b>
	<hr/>	<hr/>

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

	2017 £	2016 £
Opening defined benefit obligation	940,000	521,000
Current service cost	90,000	53,000
Interest cost	19,000	20,000
Employee contributions	16,000	15,000
Actuarial losses	271,000	352,000
Benefits paid	(36,000)	(21,000)
	<hr/>	<hr/>
Closing defined benefit obligation	<b>1,300,000</b>	<b>940,000</b>
	<hr/>	<hr/>

# Barnes Academy Trust

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## Notes to the financial statements

### Year ended 31 August 2017

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#### 21. Pension commitments (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	505,000	376,000
Interest income	11,000	15,000
Actuarial gain	382,000	60,000
Employer contributions	69,000	60,000
Employee contributions	16,000	15,000
Benefits paid	(36,000)	(21,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	947,000	505,000
	<hr/>	<hr/>

#### 22. Related party transactions

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

#### 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/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £ 10 for the debts and liabilities contracted before he/she ceases to be a member.