

BARROW 1618 THE SCHOOL CO
GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018



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COMPANIES HOUSE

WR
Whittingham Riddell
chartered accountants

BARROW 1618 THE SCHOOL CO
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

Selina Graham
Richard Jackson
Sarah Britton
Gregory Day
Gregory Watson

Governors

Selina Graham, Chair of Governors, Chair of HR Committee and EYFC Link Governor^{1,2}
Natasha Branston, Chair of Curriculum and Standards Committee, Outdoor Learning / Environment / Sustainability Link Governor and SSGC Link Governor
Sally Ellis
Brinley Evans, Parent Governor and Science Link Governor
Kay Garrison, The Arts Link Governor
Charlotte Hayes, Deputy Head Teacher
Richard Jackson, Chair of Finance Committee and Numeracy Link Governor^{1,2}
Carolyn Jones, Literacy Link Governor
Victoria Mantle, SEN Link Governor
John Newton, Head Teacher and Staff Governor (resigned 31 August 2018)^{1,2}
Annabel Prideaux, Parent Governor, Chair of Admissions Committee, Training and Governor Induction Link Governor and Monitoring / Standards / Pupil Premium Link Governor
Nicholas Swankie, Parent Governor
Maylin Ware, RE Link Governor^{1,2}
Gregory Watson, Chair of Marketing Committee and Safeguarding / LAC / Child Protection Link Governor^{1,2}
Joseph Leppington, Head Teacher (appointed 1 September 2018)

¹ Member of the Finance Committee

² Member of the Audit Committee

Company registered number

07640198

Company name

Barrow 1618 The School Co

Principal and registered office

Barrow 1618 Free School, Barrow, Broseley, Shropshire, TF12 5BW

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Chief executive officer

Mr Joeseph R Leppington

Senior management team

Charlotte Hayes, Deputy Head Teacher

Independent auditors

Whittingham Riddell LLP, Belmont House, Shrewsbury Business Park, Shrewsbury, Shropshire, SY2 6LG

BARROW 1618 THE SCHOOL CO
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2017 to 31 August 2018. The Annual report serves the purposes of both a Governors' report, and a Directors' report under company law.

Since the academy qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

The School is a primary school for pupils aged 4 to 11 serving a catchment area in Broseley.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Governors (or trustees) of Barrow 1618 The School Co are also known as the directors of the charitable company for the purposes of company law.

The charitable company is known as Barrow 1618 Free school, and Barrow 1618 Church of England Free School.

Details of the Governors who served during the are included in the Reference and administrative details on page 1.

b. 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.

c. Governors' indemnities

The academy 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 governors from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000.

d. Method of recruitment and appointment or election of Governors

All members of the Governing Body are appointed and/or elected in accordance with the Articles of Association of the academy. The number of governors shall not be less than three.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

e. Policies and procedures adopted for the induction and training of Governors

The academy provides access for Governors to suitable training, and ensures that any new Governors are familiarised with the work and procedures of the academy, so that they can play a full role on the Governing Body. Governors are provided with access to the academy's reports, budgets and plans so that they have the information to carry out their duties, and are encouraged to meet with staff, students and parents. Where necessary, training will be provided on the charity, educational, legal and financial matters.

f. Organisational structure

The Governing Body is collectively responsible for the overall direction and strategic management of the school. This includes setting general policy, development plans, monitoring activities, and making decisions about capital expenditure and staff appointments. The Governing Body is also responsible for ensuring that the school meets all its statutory obligations and through the Accounting Officer, that it complies with financial regulations.

The Governing Body recognises that it would be impractical to undertake all the day to day activities itself in discharging its responsibilities and that it is necessary to delegate some of its functions through committees and to the Head Teacher of the school. There are six sub committees, the Finance Committee, the Human Resources Committee, the Premises, Security and Health and Safety Committee, the Curriculum and Standards Committee, the Admissions Committee and the Marketing Committee, that have delegated powers assigned to them by the full Governing Body. The Head Teacher controls the school at an executive level, implementing the policies laid down by Governors and reporting back on a regular basis.

g. Pay policy for key management personnel

Barrow 1618 is committed to ensuring that:

- Salaries remain competitive in the labour market, through conducting an annual performance management review, paying individuals in line with practice and standards agreed by the salaries and performance management committee.
- Individual's good performance is recognised and employees are rewarded financially for this through merit pay wherever possible; budget permitting.
- Individuals are not discriminated against because of gender, marital or civil partnership status, race, religion or belief, sexual orientation, age, disability, gender reassignment, pregnancy and maternity, or because they work part time or on a fixed-term contract; and
- Progression in pay is directly linked to performance as evaluated through the Performance Management Cycle and Teacher Appraisal and Capability Policy. Every member of staff will be performance managed to develop as a professional and supported to fulfill their objectives.

h. Connected organisations, including related party relationships

On occasion, the school utilises the expertise of Wiley Estates Company, a company controlled by Selina Graham, Chair of Governors. All transactions are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

Objectives and Activities

a. Objects and aims

The main objectives of the school are summarised below:

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

- To ensure that every pupil enjoys the same high quality education;
- To raise the standard of educational achievement of all pupils;
- To comply with all statutory and curriculum requirements by ensuring continual review;
- To provide value for money for the funds expended; and
- To conduct all elements of the academy's business in accordance with the highest standards of integrity, professionalism and openness.

b. Objectives, strategies and activities

Review of practice and monitoring are carried out throughout the year to ensure that aims and objectives are met. Governors work alongside the Head Teacher to promote and support the highest standards in all areas.

The school's most recent Ofsted inspection confirmed that the strong leadership and governance of the school was enabling great success of the main objectives for the school, with all areas rated as outstanding.

c. Public benefit

In setting our objectives and planning our activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

It is considered that the greatest public benefit that the school can offer is the provision of education to local pupils that maximises each student's potential, developing principled, informed and confident members of the community who respect the beliefs of others and who make a positive contribution to society. The school makes a focus of fundraising for local charities, with pupils raising thousands of pounds in the year as a result of community events and activities. Pupils regularly go out into the local area, being active members of both the church and wider community.

The school hall and grounds are available for community use, with local sports teams benefitting from the use of the specifically designed sports pitch. The school also makes its car park available to the church and ramblers wishing to explore the area. This is an important facility given the rural setting of Barrow.

The school provides hot meals for Moreville Church of England School, which doesn't have its own in house catering facilities

Achievements and performance

a. Key performance indicators

The school is very proud of the achievements of pupils in statutory testing. The very high standards expected are widely known, and teachers and pupils consistently rise to the challenge. 100% of pupils in reception achieved a good level of development in EYFS, significantly above the national average. 93% of Year 1 pupils achieved a pass in the phonics testing. In Year 2 100% of pupils achieved the expected standard in reading, writing and mathematics, which is a fantastic achievement. In Year 6, 75% of pupils achieved the expected standard or above in reading, writing and mathematics and compared to the national average of 63%.

b. Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

the going concern basis can be found in the Accounting Policies.

c. Review of activities

The staff and pupils of the school enjoyed another wonderful year. Following a transformation of the school during his time as head teacher, John Newton finished his time at Barrow at the end of the summer term, followed with the appointment of Joe Leppington. Joe is already well known to the staff and pupils at the school, and is fully committed to Barrow's aims and ethos, with plans to further drive the school forward.

The outcomes of external testing and ongoing monitoring has shown a well-rounded strength in the achievements of the school, as noted above. The school continues to be oversubscribed, with all cohorts full with waiting lists for places. The additional pupils welcomed in the year have settled in well and are thriving in their new school environment.

Financial review

a. Reserves policy

The Governors review the reserve levels of the school annually. Governors feel it is important that funding received during a financial year is spent for the benefit of pupils on roll at that time, whilst recognising the need for prudent financial management. Governors have determined that the appropriate level of unrestricted reserves in any one year should be sufficient to cover three months running costs, which for the 2017/18 year amounts to just over £127,000. Additional reserves are considered prudent to provide a cushion to deal with unexpected emergencies such as urgent unforeseen maintenance, maternity or redundancy.

The academy's current level of unrestricted reserves is £124,268 (2017 - £116,403).

b. Material investments policy

The school aims to manage its cash balances to provide for the day to day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the school aims to invest surplus cash funds to optimise returns, while ensuring that the investment instruments are such that there is no risk of loss to these cash funds.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

c. Principal risks and uncertainties

The governors identify and manage key risks and uncertainties through regular risk assessment, vision and strategy reviews. Alongside the key risks identified, governance sub committees are each responsible for identifying and managing risk specific to that area of focus.

Principal risks and uncertainties identified -

- Size - small school. With relatively small class numbers and a small number of pupils in total, the school is more vulnerable to a high impact from any change to the current situation.
- Vulnerable to staff turnover. As a small free school governors rely heavily on the commitment and dedication of staff. As well as monetary and time costs in recruitment, minimising any impact on pupils is a key concern.
- Impact of funding lag for SEN children. The financial impact of providing the support needed for SEN pupils is significant for a small school. Significant time and effort is committed to ensure the right support and funding is in place to ensure all children achieve to their full potential.
- More susceptible to change in Government Policy. From educational reform to funding changes, the impact of any changes can be significant for any school, but are often amplified for small schools.
- Impact of poor results from small cohort. With a maximum of 14 pupils in each year group, published statistics from statutory testing can be misleading in comparison to larger schools, with each pupil representing a significant proportion of the total.

d. Financial risk management objectives and policies

The school receives its principal funding from the ESFA (Education and Skills Funding Agency). Additional income relating to SEN has been received from the Local Authority.

All of the grants received from the ESFA and LA during the year, along with associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also receives capital funding from the ESFA. The grants are shown as restricted income in the fixed asset fund. The restricted fixed asset balance is reduced by annual depreciation charges over the expected useful life for the assets held.

The school generates its own income from the operation of its extended school provision. A programme of lettings of the hall and grounds to different community organisations also generate an income for the school.

During the year ended 31 August 2018, there was an excess of expenditure over income for the year (excluding pension movements) of £8,932. This takes the year end reserves figure to £30,923 alongside the restricted fixed asset reserve of £536,533 and unrestricted reserves of £124,268.

Fundraising

The pupils raise a significant amount of money each year for local and national charities. The school raised funds to purchase a defibrillator for the local area in the Autumn term, and raised over £1,000 for a local disabled children's charity.

The school is supported by the Friends of Barrow, who organise and run many successful events in the year to raise money, including a fireworks spectacular, Christmas events and summer fete weekend.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Plans for future periods

a. Future developments

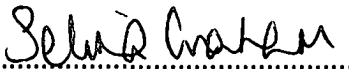
The welcoming of our new head teacher to Barrow in September 2018 leads the school into a new chapter. With our pupils numbers growing, we are looking at further developments to the buildings and grounds to enhance the exceptional learning environment enjoyed by staff and children. The school is also actively seeking ways to work with and form connections with other schools, for both the benefit of Barrow, and to share the knowledge and expertise abundant in our outstanding establishment.

Disclosure of information to auditors

Insofar as the Governors are aware:

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

The Governors' report was approved by order of the Governing Body, as the company directors, on 26 November 2018 and signed on its behalf by:



.....
Selina Graham
Chair of Governors



.....
Mr Joseph Leppington
Accounting Officer

BARROW 1618 THE SCHOOL CO
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GOVERNANCE STATEMENT

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Barrow 1618 The School Co 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 Governing Body has delegated the day-to-day responsibility to the Head Teacher, 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 Barrow 1618 The School Co and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

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

Governor	Meetings attended	Out of a possible
Selina Graham, Chair of Governors, Chair of HR Committee and EYFC Link Governor	3	3
Natasha Branston, Chair of Curriculum and Standards Committee, Outdoor Learning / Environment / Sustainability Link Governor and SSGC Link Governor	3	3
Sally Ellis	2	3
Brinley Evans, Parent Governor and Science Link Governor	3	3
Kay Garrison, The Arts Link Governor	3	3
Charlotte Hayes, Deputy Head Teacher	2	3
Richard Jackson, Chair of Finance Committee and Numeracy Link Governor	3	3
Carolyn Jones, Literacy Link Governor	2	3
Victoria Mantle, SEN Link Governor	2	3
John Newton, Head Teacher and Staff Governor	3	3
Annabel Prideaux, Parent Governor, Chair of Admissions Committee, Training and Governor Induction Link Governor and Monitoring / Standards / Pupil Premium Link Governor	3	3
Nicholas Swankie, Parent Governor	2	3
Maylin Ware, RE Link Governor	3	3
Gregory Watson, Chair of Marketing Committee and Safeguarding / LAC / Child Protection Link Governor	1	3
Joseph Leppington, Head Teacher	0	0

The governors aim to ensure the delivery of an inspiring and outstanding standard of education for all pupils. To do this, the governors have the following core strategic functions:

Establishing the strategic direction, by:

- Setting the vision, values and objectives for the school
- Agreeing the school improvement strategy with priorities and targets
- Meeting statutory duties

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GOVERNANCE STATEMENT (continued)

Ensuring accountability, by:

- Appointing the headteacher. A new headteacher joined the school in September 2018
- Monitoring progress towards targets
- Performance management with the headteacher
- Engaging with stakeholders
- Contributing to school self evaluation

Ensuring financial probity, by:

- Setting the budget
- Monitoring spending against the budget
- Ensuring value for money is obtained
- Ensuring risks to the organisation are managed

The Finance Committee is a sub-committee of the main Governing Body. Its purpose is to appropriately deal with the financial matters of the school that arise during the year and agree on the financial strategy of the school.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Richard Jackson	3	3
Selina Graham	3	3
Maylin Ware	3	3
John Newton	2	3
Gregory Watson	3	3

Review of Value for Money

As Accounting Officer, the Head Teacher 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 Governing Body 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:

- The continued use of tender for service contracts and large capital purchases, ensuring that best value for the highest standards are consistently achieved. Savings on expenditure and insurance for the school minibus have been made in this way in the year.
- With continuing pressure on school finances, the school has continued to increase pupil numbers gradually by way of two additional pupils being welcomed into the reception cohort each year.
- The school uses a range of different suppliers for the purchases of day to day resources and supplies, now utilising online companies as well as more traditional school suppliers. As well as a greater range of available products, this ensures best value is maintained for all purchases.

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 Barrow 1618 The School Co for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (continued)

Capacity to Handle Risk

The Governing Body 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 Governing Body 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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 Governing Body;
- regular reviews by the Finance 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 Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Whittingham Riddell LLP, the external auditors, to perform additional checks.

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

On a termly basis, the external auditors report to the Governing Body through the finance committee on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

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GOVERNANCE STATEMENT (continued)

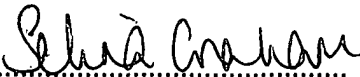
Review of Effectiveness


As Accounting Officer, the Head Teacher 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 auditors;
- 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 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 Governing Body on 26 November 2018 and signed on their behalf, by:


.....
Selina Graham
Chair of Governors


.....
Mr Joseph Leppington
Accounting Officer

BARROW 1618 THE SCHOOL CO
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Barrow 1618 The School Co I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2017.

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 2017.

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



.....
Mr Joseph Leppington
Accounting Officer

26 November 2018

BARROW 1618 THE SCHOOL CO
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STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements 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 financial statements for each financial year. Under company law the Governors 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 Governors are required to:

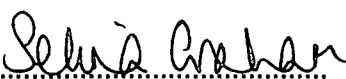
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 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 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 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Governing Body on 26 November 2018 and signed on its behalf by:

.....
Selina Graham
Chair of Governors

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BARROW 1618 THE SCHOOL CO**

Opinion

We have audited the financial statements of Barrow 1618 The School Co (the 'academy') for the year ended 31 August 2018 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & 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 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors 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.

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BARROW 1618 THE SCHOOL CO**

Other information

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

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 Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' 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 Governors' 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 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 trustees

As explained more fully in the Statement of Governors' responsibilities, the Governors (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 Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors 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

BARROW 1618 THE SCHOOL CO
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BARROW 1618 THE SCHOOL CO**

concern basis of accounting unless the Governors either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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. This description forms part of our Auditors' report.

Use of our report

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



Andrew Malpass BA FCA (Senior statutory auditor)

for and on behalf of

Whittingham Riddell LLP

Chartered Accountants
Statutory Auditors

Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date:

4 December 2018

BARROW 1618 THE SCHOOL CO
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BARROW
1618 THE SCHOOL CO AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated September 2018 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 Barrow 1618 The School Co during the year 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 Barrow 1618 The School Co and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Barrow 1618 The School Co 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 Barrow 1618 The School Co and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Barrow 1618 The School Co's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Barrow 1618 The School Co's funding agreement with the Secretary of State for Education dated July 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 year 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 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.

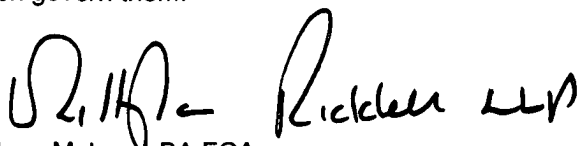
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

BARROW 1618 THE SCHOOL CO
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO BARROW
1618 THE SCHOOL CO AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Andrew Malpass BA FCA

Whittingham Riddell LLP

Chartered Accountants
Statutory Auditors

Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date:

4 December 2018

BARROW 1618 THE SCHOOL CO
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted Fixed Asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	8,043	-	-	8,043	17,507
Charitable activities	3	-	412,180	-	412,180	413,582
Other trading activities	4	36,223	-	-	36,223	37,718
Investments	5	101	-	-	101	119
TOTAL INCOME		44,367	412,180	-	456,547	468,926
EXPENDITURE ON:						
Raising funds	4	96	-	-	96	691
Charitable activities		36,406	441,878	29,245	507,529	494,290
TOTAL EXPENDITURE	8	36,502	441,878	29,245	507,625	494,981
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	19	7,865	(29,698)	(29,245)	(51,078)	(26,055)
		-	766	(766)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		7,865	(28,932)	(30,011)	(51,078)	(26,055)
Actuarial Gains/ losses on defined benefit pension schemes	23	-	31,000	-	31,000	91,000
NET MOVEMENT IN FUNDS		7,865	2,068	(30,011)	(20,078)	64,945
RECONCILIATION OF FUNDS:						
Total funds brought forward		116,403	28,855	566,544	711,802	646,857
TOTAL FUNDS CARRIED FORWARD		124,268	30,923	536,533	691,724	711,802


The notes on pages 23 to 45 form part of these financial statements.

BARROW 1618 THE SCHOOL CO
(A company limited by guarantee)
REGISTERED NUMBER: 07640198

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	15		536,533		561,179
CURRENT ASSETS					
Stocks	16	-		27	
Debtors	17	13,721		9,949	
Cash at bank and in hand		244,669		259,400	
		<u>258,390</u>		<u>269,376</u>	
CREDITORS: amounts falling due within one year	18	(37,199)		(41,753)	
NET CURRENT ASSETS			<u>221,191</u>		<u>227,623</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>757,724</u>		<u>788,802</u>
Defined benefit pension scheme liability	23	(66,000)		(77,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>691,724</u></u>		<u><u>711,802</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	19	96,923		105,855	
Restricted fixed asset funds	19	536,533		566,544	
		<u>633,456</u>		<u>672,399</u>	
Restricted income funds excluding pension liability		633,456		672,399	
Pension reserve		(66,000)		(77,000)	
		<u>567,456</u>		<u>595,399</u>	
Total restricted income funds			567,456		595,399
Unrestricted income funds	19		124,268		116,403
TOTAL FUNDS			<u><u>691,724</u></u>		<u><u>711,802</u></u>

The financial statements on pages 20 to 45 were approved by the Governors, and authorised for issue, on 26 November 2018 and are signed on their behalf, by:



Selina Graham
 Chair of Governors



Mr Joseph Leppington
 Accounting Officer

BARROW 1618 THE SCHOOL CO
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	(10,233)	42,823
Cash flows from investing activities:			
Dividends, interest and rents from investments		101	119
Purchase of tangible fixed assets		(4,599)	(8,196)
Net cash used in investing activities		(4,498)	(8,077)
Change in cash and cash equivalents in the year		(14,731)	34,746
Cash and cash equivalents brought forward		259,400	224,654
Cash and cash equivalents carried forward	22	244,669	259,400

BARROW 1618 THE SCHOOL CO
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Barrow 1618 The School Co constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Governors 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.

BARROW 1618 THE SCHOOL CO
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (CONTINUED)

1.3 Income

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

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

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

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it is measurable.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

BARROW 1618 THE SCHOOL CO
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (CONTINUED)

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

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

1.5 Turnover

Turnover comprises revenue recognised by the academy in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.6 Tangible fixed assets and depreciation

All assets costing more than £100 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets, 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:

BARROW 1618 THE SCHOOL CO
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (CONTINUED)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Property Improvements	-	2% Straight Line
Furniture and fixtures	-	15% Straight Line
Motor vehicles	-	25% Straight Line
Computer equipment	-	33% 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.

1.7 Operating leases

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

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Debtors

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

1.10 Cash at Bank and in hand

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

1.11 Liabilities and provisions

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

BARROW 1618 THE SCHOOL CO
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (CONTINUED)

1.12 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 17. 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 18. 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.

1.13 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.

BARROW 1618 THE SCHOOL CO
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (CONTINUED)

1.14 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 23, 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.

1.15 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the 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 with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

BARROW 1618 THE SCHOOL CO
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (CONTINUED)

1.16 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 23, 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 judgment:

The academy occupies the premises under a supplemental agreement with the church. As Barrow 1618 The School Co is a small rural school there is no readily available and reliable estimator of market rent. As such, the donation in kind and related rental charge have not been included in the accounts. The net effect on the financial statement is nil.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted Fixed Asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	8,043	-	-	8,043	3,946
Capital Grants	-	-	-	-	13,561
	<u>8,043</u>	<u>-</u>	<u>-</u>	<u>8,043</u>	<u>17,507</u>
Total 2017	<u>3,946</u>	<u>-</u>	<u>13,561</u>	<u>17,507</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
GAG	-	361,086	361,086	373,094
Other DfE/ESFA Grants	-	51,094	51,094	37,956
Local Authority Grants	-	-	-	2,532
	<u>-</u>	<u>412,180</u>	<u>412,180</u>	<u>413,582</u>
<i>Total 2017</i>	<u>-</u>	<u>413,582</u>	<u>413,582</u>	

4. TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Charity trading income				
Hire of facilities	2,590	-	2,590	4,468
Other	30,272	-	30,272	29,262
Green Energy Income	3,361	-	3,361	3,988
	<u>36,223</u>	<u>-</u>	<u>36,223</u>	<u>37,718</u>
Fundraising trading expenses				
Uniform sales	96	-	96	691
Net income from trading activities	<u>36,127</u>	<u>-</u>	<u>36,127</u>	<u>37,027</u>

In 2017, of the total income from Trading activities, £37,027 was to unrestricted funds and £Nil was to restricted funds.

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	<u>101</u>	<u>-</u>	<u>101</u>	<u>119</u>
<i>Total 2017</i>	<u>119</u>	<u>-</u>	<u>119</u>	

BARROW 1618 THE SCHOOL CO
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

6. DIRECT COSTS

	Academy's Educational Operations £	Total 2018 £	Total 2017 £
Repairs & Maintenance Costs	19,491	19,491	17,221
Other expenses	18,877	18,877	18,559
Utilities and Rates	12,806	12,806	9,975
Insurance	1,700	1,700	1,680
Educational Supplies	14,359	14,359	15,781
School Trips	7,309	7,309	7,137
Other Direct Costs	2,374	2,374	4,459
Staff Development	4,653	4,653	5,489
Wages and salaries	156,900	156,900	155,315
National insurance	10,686	10,686	14,810
Pension cost	22,320	22,320	20,933
Depreciation	29,245	29,245	32,151
	<u>300,720</u>	<u>300,720</u>	<u>303,510</u>
<i>Total 2017</i>	<u>303,510</u>	<u>303,510</u>	

7. SUPPORT COSTS

	Academy's Education £	Total 2018 £	Total 2017 £
Insurance	586	586	599
Catering	18,989	18,989	16,683
Other Support Costs	10,718	10,718	8,014
Governance	10,850	10,850	11,230
Marketing and Recruitment	1,381	1,381	132
Professional Costs	5,942	5,942	9,554
Pension admin expenses	1,000	1,000	1,000
Wages and salaries	107,510	107,510	95,858
National insurance	2,831	2,831	3,274
Pension cost	47,002	47,002	44,436
	<u>206,809</u>	<u>206,809</u>	<u>190,780</u>
<i>Total 2017</i>	<u>190,780</u>	<u>190,780</u>	

BARROW 1618 THE SCHOOL CO
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

8. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising trading					691
Direct costs	-	-	96	96	-
Support costs	-	-	-	-	-
Educational Operations:					
Direct costs	189,906	50,306	60,508	300,720	303,510
Support costs	157,343	-	49,466	206,809	190,780
	<u>347,249</u>	<u>50,306</u>	<u>110,070</u>	<u>507,625</u>	<u>494,981</u>
<i>Total 2017</i>	<u>334,626</u>	<u>44,420</u>	<u>115,935</u>	<u>494,981</u>	

9. TURNOVER

The whole of the turnover is attributable to Academy Educational Operations.

All turnover arose within the United Kingdom.

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	29,245	32,151
Auditors' remuneration	<u>7,300</u>	<u>6,175</u>

11. AUDITORS' REMUNERATION

The Auditor's remuneration amounts to an Audit fee of £7,300 (2017 - £6,175).

BARROW 1618 THE SCHOOL CO
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

12. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	251,520	244,349
Social security costs	13,517	18,084
Operating costs of defined benefit pension schemes	69,322	65,369
	<hr/> 334,359	<hr/> 327,802
Agency staff costs	12,890	6,824
	<hr/> 347,249	<hr/> 334,626

b. Staff numbers

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

2018 No.	2017 No.
18	16

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teaching Staff	4	4
Support Staff	8	7
Management	1	1
	<hr/> 13	<hr/> 12

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

c. Key management personnel

The total amount of employee benefits (including employer pension contributions) received by key management personnel amounted to £90,574 (2017: £91,108)

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**NOTES TO THE FINANCIAL STATEMENTS
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13. GOVERNORS' REMUNERATION AND EXPENSES

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy. The Principal and other staff Governors 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 Governors. The value of Governors' remuneration and other benefits was as follows:

		2018 £	2017 £
John Newton	Remuneration	50,000-55,000	50,000-55,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Charlotte Hayes	Remuneration	30,000-35,000	30,000-35,000
	Pension contributions paid	nil	nil

During the year ended 31 August 2018, no Governors received any reimbursement of expenses (2017 - £NIL).

14. GOVERNORS' AND OFFICERS' INSURANCE

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

15. TANGIBLE FIXED ASSETS

	Motor Vehicles £	Fixtures and fittings £	Computer equipment £	Other fixed assets £	Total £
Cost					
At 1 September 2017	7,250	98,458	53,387	562,119	721,214
Additions	-	1,722	677	2,200	4,599
At 31 August 2018	7,250	100,180	54,064	564,319	725,813
Depreciation					
At 1 September 2017	7,250	62,496	50,519	39,770	160,035
Charge for the year	-	14,962	2,995	11,288	29,245
At 31 August 2018	7,250	77,458	53,514	51,058	189,280
Net book value					
At 31 August 2018	-	22,722	550	513,261	536,533
At 31 August 2017	-	35,962	2,868	522,349	561,179

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

15. TANGIBLE FIXED ASSETS (continued)

The academy occupies land (including buildings) which is owned by the Diocese of Hereford. The Diocese is the provider of the academy on the same basis as when the academy was a maintained school. The academy trust occupies the land (and buildings) under a mere licence. This continuing permission of the Diocese is pursuant to, and subject to, the Diocese' charitable objects.

The licence delegates aspects of the management of the land (and buildings) to the academy trust company for the time being, but does not vest any rights over the land in the academy trust company. The Diocese has given an undertaking to the Secretary of State that it will not give the academy trust company less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the academy trust company is occupying the land (and buildings) the Governors have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company.

Improvements to the buildings financed by capital grants have been capitalised within other fixed assets above, and are being written off over their expected useful lives, as the Trust has the expectation of continuing to operate from the premises.

16. STOCKS

	2018 £	2017 £
Uniform	-	27
	<u> </u>	<u> </u>

17. DEBTORS

	2018 £	2017 £
Trade debtors	300	1,200
Other debtors	8,142	3,866
Prepayments and accrued income	5,279	4,883
	<u>13,721</u>	<u>9,949</u>
	<u> </u>	<u> </u>

18. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	8,889	14,574
Other creditors	8,555	8,621
Accruals and deferred income	19,755	18,558
	<u>37,199</u>	<u>41,753</u>
	<u> </u>	<u> </u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. CREDITORS: Amounts falling due within one year (continued)

	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	8,668	6,373
Resources deferred during the year	9,177	8,668
Amounts released from previous years	(8,668)	(6,373)
	<hr/>	<hr/>
Deferred income at 31 August 2018	9,177	8,668
	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

19. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Designated funds						
Unrestricted Funds - all funds	116,403	45,567	(37,702)	-	-	124,268
General funds						
Other General funds	-	(1,200)	1,200	-	-	-
Total Unrestricted funds	116,403	44,367	(36,502)	-	-	124,268
Restricted funds						
Restricted Funds - all funds	105,855	412,180	(421,878)	766	-	96,923
Pension reserve	(77,000)	-	(20,000)	-	31,000	(66,000)
	28,855	412,180	(441,878)	766	31,000	30,923
Restricted Fixed Asset Funds						
Restricted Fixed Asset Funds - all funds	566,544	-	(29,245)	(766)	-	536,533
Total restricted funds	595,399	412,180	(471,123)	-	31,000	567,456
Total of funds	711,802	456,547	(507,625)	-	31,000	691,724

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

All of the grants received from the ESFA and LA during the year, along with associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The School also receives capital grants from the ESFA. These grants are shown as restricted income in the fixed asset fund. The restricted fixed asset fund is reduced by annual depreciation charges over the expected useful life of the assets held.

The school generates it's own income from the operation of it's extended schools provision. A programme of letting of the hall and grounds to different community organisations also generates an income for the school.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

19. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Funds - all funds	108,963	41,783	(34,343)	-	-	116,403
Restricted funds						
Restricted Funds - all funds	90,644	413,582	(407,487)	9,116	-	105,855
Pension reserve	(147,000)	-	(21,000)	-	91,000	(77,000)
Restricted Fixed Asset Funds						
Restricted Fixed Asset Funds - all funds	594,250	13,561	(32,151)	(9,116)	-	566,544

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Designated funds	-	45,567	(37,702)	-	-	7,865
General Funds - all funds	108,963	41,783	(34,343)	-	-	116,403
Restricted funds						
Restricted Funds - all funds	90,644	825,762	(829,365)	9,882	-	96,923
Pension reserve	(147,000)	-	(41,000)	-	122,000	(66,000)
Restricted Fixed Asset Funds						
Restricted Fixed Asset Funds - all funds	594,250	13,561	(61,396)	(9,882)	-	536,533
	537,894	839,323	(931,761)	-	122,000	567,456
Total of funds	646,857	926,673	(1,003,806)	-	122,000	691,724

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted Fixed Asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	536,533	536,533
Current assets	124,268	134,122	-	258,390
Creditors due within one year	-	(37,199)	-	(37,199)
Provisions for liabilities and charges	-	(66,000)	-	(66,000)
	<u>124,268</u>	<u>30,923</u>	<u>536,533</u>	<u>691,724</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted Fixed Asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	561,179	561,179
Current assets	125,071	138,940	5,365	269,376
Creditors due within one year	(8,668)	(33,085)	-	(41,753)
Provisions for liabilities and charges	-	(77,000)	-	(77,000)
	<u>116,403</u>	<u>28,855</u>	<u>566,544</u>	<u>711,802</u>

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

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(51,078)	(26,055)
Adjustment for:		
Depreciation charges	29,245	32,151
Dividends, interest and rents from investments	(101)	(119)
Decrease in stocks	27	443
(Increase)/decrease in debtors	(3,772)	5,723
(Decrease)/increase in creditors	(4,554)	9,680
FRS 102 adjustments	20,000	21,000
Net cash (used in)/provided by operating activities	<u>(10,233)</u>	<u>42,823</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	244,669	259,400
Total	<u>244,669</u>	<u>259,400</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

23. 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 Shropshire County Pension Fund. 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.
- 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 16.48%, which was payable from September 2015.

This employer rate will be payable until the completion and outcome of the next actuarial valuation which is being prepared as at 31 March 2016. Her Majesty's Treasury published draft Directions for the TPS on 6 September 2018 to allow the Department of Education to finalise this valuation. Early indications from

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

the valuation are that the amounts employers will be required to pay towards the scheme may increase substantially from September 2019.

The employer's pension costs paid to TPS in the period amounted to £22,320 (2017 - £21,360).

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

Under the definitions set out in FRS 102, the TPS is an unfunded 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 2018 was £19,100 (2017 - £17,064), of which employer's contributions totalled £14,002 (2017 - £12,278) and employees' contributions totalled £5,098 (2017 - £4,785). The agreed contribution rates for future years are 15.2% for employers and 5.5 - 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.40 %
Rate of increase in salaries	3.60 %	3.70 %
Rate of increase for pensions in payment / inflation	2.20 %	2.20 %
Inflation assumption (CPI)	2.10 %	2.20 %

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

	2018	2017
Retiring today		
Males	23.1	23.0
Females	26.3	26.2
Retiring in 20 years		
Males	25.3	25.2
Females	28.6	28.5

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate +0.1%	(61,000)	(72,000)
0.1%pa inflation	(72,000)	(82,000)
Pay growth +0.1%	(67,000)	(78,000)

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

Life expectancy +1 year	(71,000)	(81,000)
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**NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	90,000	78,000
Property	9,000	7,000
Cash and other liquid assets	4,000	7,000
Other bonds	40,000	36,000
Other	35,000	24,000
	-	-
Total market value of assets	<u>178,000</u>	<u>152,000</u>

The actual return on scheme assets was £9,000 (2017 - £22,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2018 £	2017 £
Current service cost	(32,000)	(30,000)
Net interest cost	(1,000)	(2,000)
Admin expenses	(1,000)	(1,000)
Total	<u>(34,000)</u>	<u>(33,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	229,000	307,000
Current service cost	32,000	30,000
Interest cost	5,000	6,000
Employee contributions	5,000	5,000
Actuarial gains	(26,000)	(101,000)
Benefits paid	(1,000)	(18,000)
Closing defined benefit obligation	<u>244,000</u>	<u>229,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	152,000	160,000
Return on plan assets (excluding net interest on the net defined pension liability)	4,000	4,000
Interest income	(1,000)	(1,000)
Actuarial losses/(gains)	5,000	(10,000)
Employer contributions	14,000	12,000
Employee contributions	5,000	5,000
Benefits paid	(1,000)	(18,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	178,000	152,000
	<hr/>	<hr/>

24. 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.

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust 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 Governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

There were no transactions with related parties in the year (2017:£nil)