

Company Registration No. 08610504 (England and Wales)

**HARDEN PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' REPORT AND AUDITED ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

# HARDEN PRIMARY SCHOOL

## CONTENTS

---

	<b>Page</b>
Reference and administrative details	1 - 2
Governors' report	3 - 10
Governance statement	11 - 15
Statement on regularity, propriety and compliance	16
Statement of Governors' responsibilities	17
Independent auditor's report on the accounts	18 - 19
Independent reporting accountant's report on regularity	20 - 21
Statement of financial activities including income and expenditure account	22 - 23
Balance sheet	24
Statement of cash flows	25
Notes to the accounts including accounting policies	26 - 43

---

# HARDEN PRIMARY SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

---

### Governors

Mrs S Bottomley (Chair of Governors)  
Mrs K Campbell (Resigned 6 September 2016)  
Mrs S Dunwell  
Mrs N Frear  
Mr A Hurst  
Mrs K Hutchinson (Head Teacher)  
Mrs L Ruddock  
Mrs J E Wakefield  
Mr S Walker  
Mr J E A Wright (Appointed 1 February 2017)  
Mrs J Simpson (Appointed 23 January 2017)

### Members

Revd S R Evans  
Mr J Hammond  
Mr A Hurst  
Mrs A J McGonigle

### Senior management team

- Head Teacher Mrs K Hutchinson  
- Deputy Head Teacher Mr P Weston  
- Acting Assistant Head Teacher Miss C Hall (Appointed 1 September 2016 to 23 April 2017)  
- Business Manager Mrs N Frear  
- Assistant Head Teacher Mrs L Ruddock

### Clerk to the Governors

Mrs B Carney

### Company registration number

08610504 (England and Wales)

### Registered office

Long Lane  
Harden  
Bingley  
BD16 1LJ

### Independent auditor

Simpson Wood Limited  
Bank Chambers  
Market Street  
Huddersfield  
HD1 2EW

# HARDEN PRIMARY SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

---

### **Bankers**

Lloyds Bank Plc  
45 Hustlergate  
Bradford  
West Yorkshire  
BD1 1NT

Yorkshire Bank  
107 Main Street  
Bingley  
West Yorkshire  
BD16 2HX

### **Solicitors**

Schofield Sweeney LLP  
Church Bank House  
Church Bank  
Bradford  
West Yorkshire  
BD1 4DY

# HARDEN PRIMARY SCHOOL

## GOVERNORS' REPORT

### *FOR THE YEAR ENDED 31 AUGUST 2017*

---

The Governors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both the trustees' report, and the directors' report under company law.

The Academy Trust operates an academy for pupils aged 4 to 11 serving a catchment area in Harden.

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

##### Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Governors are the trustees of Harden Primary School and are also the directors of the charitable company for the purposes of company law. Details of the Governors who served during the year are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Governors' indemnities

In accordance with normal commercial practice the school has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on school business. The insurance provides cover up to £5,000,000 for Executive Liability, £500,000 for Employment Practices Liability and £5,000,000 for Organisation Liability.

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

The articles permit the appointment of five Governors by Members, a minimum of two elected parent Governors, and the Members may appoint staff Governors who, including the Head Teacher do not exceed one third of the total Governors. The governing body may also co-opt Governors and the Head Teacher is deemed to be an ex-officio Governor.

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

The School has a Governor Handbook which encourages all Governors to attend training courses as often as possible. The School has a Service Level Agreement with the Local Authority for Governor Training courses.

##### Organisational structure

The Governing Body is responsible for the setting of general policies relating to the School Development Plan, approving the school's annual budget, monitoring the school's financial position and the making of major decisions about the direction of the school, capital expenditure and the recruitment and appointing senior staff at the school.

The Senior Leadership Team is made up of the Head Teacher, two Assistant Head Teachers and the School Business Manager. These managers control the school at an executive level implementing the policies laid down by the Governors and reporting back to them. The Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for teaching posts always contains at least one Governor.

# HARDEN PRIMARY SCHOOL

## GOVERNORS' REPORT (CONTINUED)

### *FOR THE YEAR ENDED 31 AUGUST 2017*

---

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

Pay ranges for the Head Teacher and Assistant Head Teachers will be determined in accordance with the criteria specified in the 2016/17 STPCD and ensuring fair pay relatives, where the Governing Body believe these to be appropriate.

To move up the main pay range, teachers and Head Teacher will need to show that they have been judged as having a successful performance appraisal. This will include competency in the Teachers' Standards and good progress towards set objectives. The Governing Body may exercise its' discretion and award enhanced pay progression for exceptional performance. The Governing Body may also decide not to award pay progression where the performance appraisal is considered unsuccessful. Any concerns raised about performance, must have been shared with the teacher/Head Teacher as part of the appraisal cycle and not been sufficiently addressed in order for this determination to be made. However, if the reasons for this are beyond the control of the member of staff, or there have been extenuating circumstances, the Governing Body has the discretion to award an increment if they wish.

Pay recommendations need to be made by 31 December for Head Teachers and by 31 October for other teachers.

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

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

Details of any such transactions within the year are detailed at note 21 to the accounts.

# HARDEN PRIMARY SCHOOL

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

---

#### **Objectives and activities**

##### Objects and aims

We provide education for pupils of different abilities between the ages 4 and 11. This year we have developed a new ethos, values and aims statement to reflect what we strive for at Harden Primary.

#### **Ethos**

##### **Believing in your abilities.....**

Every child is important to us and we work hard to ensure that all children have a positive attitude towards learning. Through assemblies and a caring and encouraging climate we ensure that the children can achieve their potential and believe that they can reach for the stars!

##### **Achieving your goals.....**

All the children are a valued member of our school and we encourage them to have goals and aspirations to work towards. Through good quality teaching, support and challenge we ensure that all children, by believing in their abilities, achieve their full potential.

##### **Succeeding beyond expectations.....**

Learning is a journey which we believe should be exciting and engaging with no end in sight. We provide a safe and caring environment essential for children to develop the necessary confidence to take risks and challenge themselves to achieve their goals and succeed beyond expectations.

#### **Aims**

To become an outstanding school by:

- Providing a happy, caring and positive environment which is safe and secure for all those learning and working in our school.
- Creating an efficient, stimulating and challenging atmosphere in which to teach and learn.
- Promoting the highest standards of work and behaviour.
- Valuing all pupils equally to develop their confidence and self-esteem, and to encourage a sense of belonging within school and the wider community.
- Providing a broad, balanced and relevant curriculum that inspires the pupils to think critically and become independent learners.
- Promote and maintain good working relationships between all those involved in our school - staff, pupils, Governors, parents and the community.

#### Objectives, strategies and activities

##### Public benefit

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

#### **Strategic report**

##### **Achievements and performance**

End of all Key stages and phonic assessments are above the national averages. Our attainment scores at the end of Key Stage 2 show that the majority of children leave Harden Primary at or above the National Expectations. The majority of the scores have increased on last year's scores, significantly in some cases, particularly for the greater depth at KS1 and 2. The phonics screening at the end of year 1 has increased by 6% and at the end of year 2 by 4%. The end of key stage 1 results have significantly increased on last year's results at greater depth by 10% in some cases. The end of key stage 2 results have also increased at ARE and at greater depth. See below

# HARDEN PRIMARY SCHOOL

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### Key performance indicators

##### End of Foundation Stage

	2015	2016	2017	2017 National
GLD (good level of development)	83%	84%	80%	71%

##### Phonics Screening

Year 1	2015	2016	2017	2017 National
% of children	83%	89.3%	90%	81%

Year 2	2015	2016	2017	2017 National
% of children	96.6%	96.6%	100%	92%

##### End of Key stage 1

Subject	Working at Expected Level or above 2016	Working at Expected Level or above 2017	National 2017
Reading	86.6%	85%	76%
Writing	83.3%	81%	68%
Maths	86.6%	85%	75%

##### End of Key stage 2

Subject	Working at or above 2016	Working at or above 2017	National 2017	Working at Greater depth 2016	Working at Greater depth 2017	National 2017
Reading	81%	85%	71%	8%	41%	25%
Writing	77%	89%	76%	4%	15%	18%
Grammar, punctuation and spelling	81%	78%	77%	12%	37%	31%
Maths	74%	93%	75%	15%	45%	23%
Combined Reading, writing and maths	69%	81%	61%	4%	11%	9%

##### Average scaled scores in Key stage 2

Area	National 2017	School result
Reading	104	106.8
GPS	106	106.1
Maths	104	106.9

# HARDEN PRIMARY SCHOOL

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

### School progress scores

Subject	2016	2017
Reading	0.0	+3.6
Writing	-0.9	+2.1
Maths	-0.2	+3.6

### **Sporting**

Sport continued to have a strong presence during this academic year and the school have offered a wide range of curricular sporting activities. During 2016/17 the school have offered an even wider range of curricular and extra-curricular sporting activities. Pupils have benefitted from the support of a variety of Sports Coaches during PE lessons. The sports funding has allowed all teachers and teaching assistants to observe high quality PE teaching and learning which then helps to develop their confidence and skill level within those aspects of PE. Subsequently this leads to higher quality PE teaching when these teachers are delivering their own PE sessions in the future.

Working in partnership with coaches from Pro-Skills, Mark Gunn's Basketball club, Saltaire Gym Club, Jimmy's Martial Arts, and SportsCool have certainly enabled us to enhance our curricular & extra-curricular delivery. This year we have offered numerous clubs that help to develop pupils' overall health and well-being. These have included: Dodgeball, Multi-skills, Football (specific sessions for girls & boys), Cricket, Tag-Rugby, Gymnastics, Cross-Country, Martial Arts, Dodgeball, Handball, Futsal, Athletics, Boxercise, Dance and Fitness Circuit Training sessions (specifically designed for primary aged pupils to develop their: core strength, power and speed)

Thanks to the efforts of a supportive partnership between our parents and the school, the school was once again able to take part in the local school's Swimming Gala. Beforehand, we secured access to Bradford Grammar Schools' excellent swimming facilities to give all pupils who wanted to represent the school a chance to trial for the event. We also held extra team practice sessions to further develop the pupils in this discipline. The team's enthusiasm, energy and effort on display during the semi-finals and finals was a credit to the school.

The school also works closely with local secondary schools, Bradford Council and a range of sporting partners throughout Bradford. These links provide the school with the opportunity to participate in competitions with other schools in the area. The school acknowledges that children learn and develop a greater understanding of sportsmanship and fair play when participating in competition. The school's aim of continuing to provide opportunities for children who wish to compete on a competitive level and for those who wish to take part for the fun, enjoyment and experience of taking part has been realised during 2016/17 and we hope to continue and expand in this area in 2017/18.

### **Music**

Our choir participated in the national wide Young Voices 2017 event and continue to sing for the Pensioners Christmas Lunch, Manorlands Hospice and at the local Christmas lights switch on.

We also worked closely with Sam Dunkley from Performing arts etc. to write a school song and a collective song for the local schools' partnership. This culminated into a concert for VIPs and parents in the summer term.

Year 4 have had the opportunity to take part in lessons from a specialist music teacher in learning to play a brass instrument.

# HARDEN PRIMARY SCHOOL

## GOVERNORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

### Curriculum

The new curriculum has continued to be implemented in all classes and long-term and medium-term continues to be revised to ensure provision is skills led and focuses upon promoting basic skills of numeracy and literacy.

Total Pupils on roll in the period ended 31st August 2017. This is split between the year groups as follows:

Year	Total
Year 1	30
Year 2	32
Year 3	26
Year 4	30
Year 5	27
Year 6	30
Reception	30
Totals	205

### How school has been improved through the academic year 2016-2017

Improving teaching and learning through:

- Quality coaching and mentoring for all staff to ensure expectations of all groups of children are high
- Holding teaching staff to account for children's outcomes and progress
- Weekly monitoring activities, pertinent feedback to staff, followed by continual monitoring
- Continuing to insist on good quality marking and feedback to ensure it has an impact upon children's progress
- Quality CPD for all staff
- Implementing new ways of teaching and assessing maths
- Working with local schools to improve the provision in SEN (continued to next academic year)

Improving quality of leadership and management through:

- Support from external SLTs from local primary schools
- Employing a school improvement partner to work with the SLT
- Ensuring sufficient release time is allocated to Assistant Head teachers to carry out role effectively

### Going concern

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

### Financial review

A large proportion of the Academy's income is obtained from the EFSA and the local authority in the form of recurrent grants, the use of which is strictly restricted to a particular purpose. The grants received from the EFSA and local authority during the period ended 31 August 2017 and the associated expenditure is shown as restricted funds in the statement of financial activities. The remaining income is in relation to fund raising activities and contributions from parents towards school clubs and trips. This is income and the associated expenditure is shown as unrestricted funds in the statement of financial activities.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2017, the total expenditure (excluding fixed asset funds) of £1,035,527 was not covered by the recurrent grant funding and associated income streams. The excess of income over expenditure for the period (excluding restricted fixed asset funds and pension deficit) was £6,510.

# HARDEN PRIMARY SCHOOL

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

---

#### Reserves policy

The Governors review reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, this is to match income with commitment and the nature of reserves. The Governors take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £20,786 all of which are free reserves.

#### Investment policy and powers

The Academy has an investment policy that is reviewed annually, this gives the Head Teacher the authority to invest in appropriate investments should the need arise. Currently the school has no investments.

#### Principal risks and uncertainties

The Governors have assessed the major risks to which the school is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the school, and its finances, all of which are outlined on the Risk Register. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant risk still remains, they have ensured that they have adequate insurance cover. The school has a very effective system of internal financial controls this is explained in more detail in the statement of internal control.

The main risk to the Academy is that the school is funded according to pupils on roll, a drop in students could affect the financial stability of the school. Other than this there is no other potential risk that could affect the financial stability of the school. In addition the school has a detailed Business Continuity Plan which covers all financial aspects that may affect the school. Within the plan there is a backup procedure for minimising any impact on the school.

#### Financial and risk management objectives and policies

Harden Primary School's income is obtained from the EFA in line with the funding agreement of the Academy. As such, the Academy's exposure to financial risks is limited to cash flow and liquidity risks.

Harden Primary School has a pension deficit of £393,000 relating to the LGPS defined benefit scheme.

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

The new National Funding Formula will have an impact on future school budgets, however, final details are yet to be released.

#### **Future Plans for school improvement 2017-2018**

- Develop an exciting curriculum of non-core subjects that gives more opportunities to practise writing and mathematical skills.
- Develop the teaching of spelling further in the school.
- Ensure teachers use assessment skilfully to plan challenging work, address pupils misconceptions and strengthen their understanding therefore planning appropriately challenging work for all abilities, particularly the most able.
- Ensuring skilful questioning is used consistently well to strengthen pupils' progress and deepen their understanding of what is being learned.
- Senior leaders and subject leaders address inconsistencies in the quality of teaching across school which lead to consistently good teaching and good progress for all groups of pupils.

# HARDEN PRIMARY SCHOOL

## GOVERNORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2017*

---

### **Auditor**

In so far as the Governors are aware:

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

A resolution proposing that Simpson Wood Limited be reappointed as auditor of the charitable company will be put to the Members.

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 6 December 2017 and signed on its behalf by:

Mrs S Bottomley  
**Chair of Governors**

# HARDEN PRIMARY SCHOOL

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

### Scope of responsibility

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

The Board of Governors has delegated the day-to-day responsibility to the 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 Harden Primary School and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 7 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mrs S Bottomley (Chair of Governors)	7	7
Mrs K Campbell (Resigned 6 September 2016)	0	0
Mrs S Dunwell	7	7
Mrs N Frear	7	7
Mr A Hurst	6	7
Mrs K Hutchinson (Head Teacher)	7	7
Mrs L Ruddock	7	7
Mrs J E Wakefield	7	7
Mr S Walker	5	7
Mr J E A Wright (Appointed 1 February 2017)	3	4
Mrs J Simpson (Appointed 23 January 2017)	5	5

Mrs K Campbell resigned on 6 September 2016, leaving two vacancies on the Governing Body. Following a recruitment process Mrs J Simpson was appointed on 23 January 2017 and Mr J Wright on 1 February 2017.

The Full Governing Body reviews the work of the Finance & Buildings Committee and the School Improvement Committee to ensure their effectiveness. The sub-committees reviews, questions and challenges the information presented to them and makes their recommendations to the Full Governing Body to ensure the school continues to be effective in all areas.

# HARDEN PRIMARY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

The finance and general purposes committee is a sub-committee of the main Board of Governors. Its purpose is to monitor the finances of the school, approve capital projects, approve the budgets and to work closely with the Responsible Officer to improve systems within the school.

The Academy Trust is investigating the possibility of joining an established Multi-Academy Trust to stabilise the long-term financial stability of the school and to provide the school with additional teaching and learning opportunities for the pupils.

Attendance at meetings in the year was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mrs S Bottomley (Chair of Governors)	1	1
Mrs K Campbell (Resigned 6 September 2016)	0	0
Mrs S Dunwell	1	1
Mrs N Frear	3	3
Mr A Hurst	1	3
Mrs K Hutchinson (Head Teacher)	3	3
Mrs J E Wakefield	2	2
Mr S Walker	3	3
Mrs J Simpson (Appointed 23 January 2017)	2	2

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

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

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

### **Challenge**

The Governors of the school ensure sufficient challenge to improve school performance through:

- An effective School Development Plan, which sets challenging targets centred on improvement not maintenance. Built into this plan is clear action planning and set dates for monitoring and review.
- Use of Ofsted SEF as an ongoing check on the schools position.
- Individual pupil tracking (IPT) through regular assessments all NC subjects and areas of learning.
- Use of a range systems to ensure security in data.
- Challenging individual and Class/Year group targets set and monitored. These based on the previously mentioned assessments.
- Annual budget is tracked closely and analysed at the end of each month by Senior Management and by the Personnel & Finance Sub-Committee on a regular basis.

### **Examples this year:**

Targets were set for each class to have 90% of the children make good progress. This was seen in all classes with some classes being 100% good progress rate.

All purchases have been authorised by the Headteacher and suppliers reviewed to ensure value for money is achieved and the best quote given for services without effecting services.

# HARDEN PRIMARY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

### **Comparison**

The Governors of the school undertake comparisons to benchmark performance through:

- An annual analysis of the SAT Results, LA Data Book, FFT and RAISE. The school compares itself with other schools using data gained from these sources.
- Use of other indicators on academic progress such TA's, to compare progress made in Classes and Year groups and against National Averages / Expectations.
- A Whole School Review conducted annually, allowing the results to feed into each year's School Development Plan, and comparisons to be made year on year.
- Use of the Head Teacher and other leadership networks to compare costs and standards of service contracts, in order to make an informed judgement when looking at this year's school budget.
- Prices for bulk orders (e.g. photocopying paper, capitation, ICT consumables) compared by the people responsible for the budget area before purchases are made.
- We use EFSA guidance for all tenders over £10,000, but review annually all suppliers.

### **Examples this year:**

An annual analysis of the schools data/ key stage results has been undertaken, compared to the national average, fed back to governors and influenced the school improvement plan for 2017/18.

A visit from the DFE resulted in them stating that the school was on track for a 'good' judgement at the next Ofsted inspection.

### **Consultation**

The Governors of the school ensure consultation with all the stakeholders of the school through:

- Use of whole school review surveys to consult with staff, children, parents and Governors on their opinions and expectations.
- Regular parents' evenings to report children's progress back to parents/carers.
- Weekly staff meetings to work on whole school issues as a team and to keep staff informed.
- Half Termly Support Staff meetings which feed into staff meetings and provide a platform to address issues.
- Weekly meetings of an elected School Council to review issues. Class Councils feed into this forum. These Council meetings meet with the Head and Deputy each half term.
- Use of locality, academy and friendship networks to consider issues pertinent to all.
- Regular meetings of the school's PTFA to consult on how they can support the school financially and socially.
- Regular meetings of the school's Governing body and the various Sub-Committees to discuss the monitoring and review of the school's performance and progress.
- Head attends briefing meetings and formal & informal heads' meetings.
- Feedback from parental and child questionnaires on an annual basis.
- Feedback from the website, noticeboard and weekly newsletter is encouraged.
- Use of targeted courses and workshops.

### **Examples this year:**

The parents were consulted on the anti-bullying policy and procedures and a homework survey conducted. The results of these were then used to write the anti-bullying policy and a parent's guide and the homework policy.

Parent information evenings were held at the beginning of the year and were attended by at least 50% of families. There has been good feedback from parents following their attendance at class parents events.

# HARDEN PRIMARY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

### **Competition**

The Governors of the school ensure the principles of competition through:

- Having a purchasing policy at Harden Primary School that is based on fairness, accountability and value for money.
- A system for informal tendering (for projects of £5,000 or less) which ensures best value by allowing the Head Teacher, under monitoring by the Personnel & Finance sub-committee, to choose a contract / service / supplier whose bid can be compared with a small number (usually 3 in total) of other bids.
- Annual review of contracts and service level agreements to ensure best value.
- We recognise that, more and more, our school is in competition for the children in our local area. We strive to ensure maximum take up and retention of pupils through providing a quality education in stimulating, safe and secure environments. Whenever possible we promote the school in a positive way.
- We now offer extra facilities such as a before and after school club and many extra curricular activities.

### **Example this year:**

The school has continued to be full in each reception for the last 3 years due to the rebranding and promotion of the school. EYFS and Key stage 1 is now 2 pupils over numbers.

A bid for the roofing repairs was eventually successful in July 2017 and work will be carried out in the autumn term 2017.

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

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

### **Capacity to handle risk**

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

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

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

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

The Board of Governors can confirm that additional audit checks have been performed by Simpson Wood on schedule and that no remedial actions were identified during 2016/17 however any future remedial action identified by them will be put in place with immediate effect.

# HARDEN PRIMARY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

The auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

On a termly basis, the auditor reports to the Board of Governors through the finance and general purposes committee on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Governors.

### **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 auditor.
- the work of the executive managers within the Academy Trust 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 general purposes committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Governors on 6 December 2017 and signed on its behalf by:

Mrs S Bottomley  
**Chair of Governors**

# HARDEN PRIMARY SCHOOL

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE *FOR THE YEAR ENDED 31 AUGUST 2017*

---

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

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

Mrs K Hutchinson  
**Accounting Officer**

6 December 2017

# HARDEN PRIMARY SCHOOL

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

***FOR THE YEAR ENDED 31 AUGUST 2017***

---

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

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

In preparing these accounts, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the Board of Governors on 6 December 2017 and signed on its behalf by:

Mrs S Bottomley  
**Chair of Governors**

# HARDEN PRIMARY SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARDEN PRIMARY SCHOOL

---

### Opinion

We have audited the accounts of Harden Primary School for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

### Other information

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

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

We have nothing to report in this regard.

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

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

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

# HARDEN PRIMARY SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARDEN PRIMARY SCHOOL (CONTINUED)

---

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

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

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

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

### **Responsibilities of Governors**

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

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

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

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

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

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Daniel McAllister FCA (Senior Statutory Auditor)**  
for and on behalf of Simpson Wood Limited

6 December 2017

**Chartered Accountants**  
**Statutory Auditor**

Bank Chambers  
Market Street  
Huddersfield  
HD1 2EW

# HARDEN PRIMARY SCHOOL

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HARDEN PRIMARY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

---

In accordance with the terms of our engagement letter dated 3 November 2014 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 Harden Primary School during the period 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 Harden Primary School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Harden Primary School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Harden Primary School and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Harden Primary School's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Harden Primary School's funding agreement with the Secretary of State for Education dated 29 August 2013 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 period 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 ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Consideration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance which may include review and corroboration of the most recent Financial Management and Governance Evaluation or equivalent.
- Evaluation of the general control environment of the Academy Trust, extending the procedures required for financial statements to include regularity.
- Assessment and testing of a sample of the specific control activities over regularity of a particular activity.
- When performing sample testing of expenditure, consider whether the activity is permissible within the Academy Trust's framework of authorities.

# HARDEN PRIMARY SCHOOL

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HARDEN PRIMARY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

---

### **Conclusion**

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

### **Reporting Accountant**

Simpson Wood Limited  
Bank Chambers  
Market Street  
Huddersfield  
HD1 2EW

Dated: 6 December 2017

# HARDEN PRIMARY SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £	Restricted funds: General    Fixed asset £            £		Total 2017 £	Total 2016 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	25,694	-	6,295	31,989	29,128
Charitable activities:						
- Funding for educational operations	4	-	942,748	-	942,748	968,347
Other trading activities	5	23,550	-	-	23,550	23,623
Investments	6	45	-	-	45	97
<b>Total income and endowments</b>		<u>49,289</u>	<u>942,748</u>	<u>6,295</u>	<u>998,332</u>	<u>1,021,195</u>
<b>Expenditure on:</b>						
Raising funds	7	31,791	-	-	31,791	23,037
Charitable activities:						
- Educational operations	8	-	1,003,736	33,059	1,036,795	1,076,732
<b>Total expenditure</b>	7	<u>31,791</u>	<u>1,003,736</u>	<u>33,059</u>	<u>1,068,586</u>	<u>1,099,769</u>
<b>Net income/(expenditure)</b>		17,498	(60,988)	(26,764)	(70,254)	(78,574)
Transfers between funds		(20,549)	12,549	8,000	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	71,000	-	71,000	(265,000)
<b>Net movement in funds</b>		<u>(3,051)</u>	<u>22,561</u>	<u>(18,764)</u>	<u>746</u>	<u>(343,574)</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>23,837</u>	<u>(414,000)</u>	<u>1,392,513</u>	<u>1,002,350</u>	<u>1,345,924</u>
Total funds carried forward		<u>20,786</u>	<u>(391,439)</u>	<u>1,373,749</u>	<u>1,003,096</u>	<u>1,002,350</u>

# HARDEN PRIMARY SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information Year ended 31 August 2016	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	2016
		£	£	£	£
<b>Income and endowments from:</b>					
Donations and capital grants	3	12,788	-	16,340	29,128
Charitable activities:					
- Funding for educational operations	4	-	968,347	-	968,347
Other trading activities	5	23,623	-	-	23,623
Investments	6	97	-	-	97
<b>Total income and endowments</b>		<u>36,508</u>	<u>968,347</u>	<u>16,340</u>	<u>1,021,195</u>
<b>Expenditure on:</b>					
Raising funds	7	23,037	-	-	23,037
Charitable activities:					
- Educational operations	8	-	1,045,124	31,608	1,076,732
<b>Total expenditure</b>	7	<u>23,037</u>	<u>1,045,124</u>	<u>31,608</u>	<u>1,099,769</u>
<b>Net income/(expenditure)</b>		13,471	(76,777)	(15,268)	(78,574)
Transfers between funds		(16,100)	16,100	-	-
<b>Other recognised gains and losses</b>					
Actuarial losses on defined benefit pension schemes	19	-	(265,000)	-	(265,000)
<b>Net movement in funds</b>		(2,629)	(325,677)	(15,268)	(343,574)
<b>Reconciliation of funds</b>					
Total funds brought forward		26,466	(88,323)	1,407,781	1,345,924
Total funds carried forward		<u>23,837</u>	<u>(414,000)</u>	<u>1,392,513</u>	<u>1,002,350</u>

# HARDEN PRIMARY SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2017

---

		2017		2016	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		1,369,341		1,391,759
<b>Current assets</b>					
Debtors	14	23,742		28,530	
Cash at bank and in hand		33,842		32,377	
		<u>57,584</u>		<u>60,907</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	15	(30,829)		(36,316)	
<b>Net current assets</b>			26,755		24,591
<b>Net assets excluding pension liability</b>			1,396,096		1,416,350
Defined benefit pension liability	19	(393,000)		(414,000)	
<b>Net assets</b>			<u>1,003,096</u>		<u>1,002,350</u>
<b>Funds of the Academy Trust:</b>					
<b>Restricted funds</b>	17				
- Fixed asset funds			1,373,749		1,392,513
- Restricted income funds			1,561		-
- Pension reserve			(393,000)		(414,000)
<b>Total restricted funds</b>			<u>982,310</u>		<u>978,513</u>
<b>Unrestricted income funds</b>	17		20,786		23,837
<b>Total funds</b>			<u>1,003,096</u>		<u>1,002,350</u>

The accounts set out on pages 22 to 43 were approved by the Board of Governors and authorised for issue on 6 December 2017 and are signed on its behalf by:

Mrs S Bottomley  
Chair of Governors

Company Number 08610504

# HARDEN PRIMARY SCHOOL

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

---

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by (used in) operating activities	20		5,766		(58,156)
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		45		97	
Capital grants from DfE and EFA		6,295		6,340	
Capital funding from sponsors and others		-		10,000	
Payments to acquire tangible fixed assets		(14,295)		(15,586)	
Proceeds from sales of tangible fixed assets		3,654		-	
		<u>          </u>	(4,301)	<u>          </u>	851
<b>Change in cash and cash equivalents in the reporting period</b>			1,465		(57,305)
Cash and cash equivalents at 1 September 2016			32,377		89,682
<b>Cash and cash equivalents at 31 August 2017</b>			<u>33,842</u>		<u>32,377</u>

# HARDEN PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 1 Accounting policies

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

##### 1.1 Basis of preparation

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

Harden Primary School meets the definition of a public benefit entity under FRS 102.

##### 1.2 Going concern

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

##### 1.3 Income

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

###### Grants receivable

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

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

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

###### Sponsorship income

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

###### Donations

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

# HARDEN PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

---

### 1 Accounting policies

(Continued)

#### Other income

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

#### Donated goods, facilities and services

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

#### Donated fixed assets

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

### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Where applicable resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### Charitable activities

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

#### Governance costs

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

# HARDEN PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

---

### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets and depreciation

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

#### Disposal of assets

Up to £500 - authorised by Head Teacher

Over £500 - authorised by Executive Committee

Asset disposal forms will be signed and retained by the Finance Officer.

#### Depreciation

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	2% straight line
Computer equipment	20% straight line
Fixtures, fittings & equipment	15% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

No depreciation is provided in respect of freehold land.

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

#### 1.6 Liabilities

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

#### 1.7 Leasing and hire purchase commitments

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

#### 1.8 Financial instruments

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

# HARDEN PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 1 Accounting policies

(Continued)

##### Financial assets

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

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

##### Financial liabilities

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

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

#### 1.9 Taxation

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

#### 1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

#### 1.11 Fund accounting

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

# HARDEN PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 1 Accounting policies

(Continued)

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

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

### 2 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 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 judgement

No critical areas of judgement have been identified which would have a significant impact on the valuation of assets and liabilities within the accounts.

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Capital grants	-	6,295	6,295	6,340
Other donations	25,694	-	25,694	22,788
	<u>25,694</u>	<u>6,295</u>	<u>31,989</u>	<u>29,128</u>

# HARDEN PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	816,725	816,725	834,866
Other DfE / ESFA grants	-	79,404	79,404	79,081
	<u>-</u>	<u>896,129</u>	<u>896,129</u>	<u>913,947</u>
<b>Other government grants</b>				
Local authority grants	-	38,249	38,249	54,400
	<u>-</u>	<u>38,249</u>	<u>38,249</u>	<u>54,400</u>
<b>Other funds</b>				
Other incoming resources	-	8,370	8,370	-
	<u>-</u>	<u>8,370</u>	<u>8,370</u>	<u>-</u>
<b>Total funding</b>	<u>-</u>	<u>942,748</u>	<u>942,748</u>	<u>968,347</u>

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Activity club income	17,972	-	17,972	17,663
Other income	5,578	-	5,578	5,960
	<u>23,550</u>	<u>-</u>	<u>23,550</u>	<u>23,623</u>

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Short term deposits	45	-	45	97
	<u>45</u>	<u>-</u>	<u>45</u>	<u>97</u>

# HARDEN PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 7 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2017 £	Total 2016 £
Expenditure on raising funds	-	-	31,791	31,791	23,037
Academy's educational operations					
- Direct costs	641,317	-	68,813	710,130	763,783
- Allocated support costs	125,168	104,008	97,489	326,665	312,949
	<u>766,485</u>	<u>104,008</u>	<u>198,093</u>	<u>1,068,586</u>	<u>1,099,769</u>

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

	2017 £	2016 £
Fees payable to auditor for:		
- Audit	4,329	4,300
- Payroll services	2,200	2,708
- Assurance	850	852
Operating lease rentals	17,162	6,691
Depreciation of tangible fixed assets	33,185	31,608
Gain on disposal of fixed assets	(126)	-
Net interest on defined benefit pension liability	8,000	4,000
	<u>8,000</u>	<u>4,000</u>

### 8 Charitable activities

	2017 £	2016 £
<b>All from restricted funds:</b>		
Direct costs - educational operations	710,130	763,783
Support costs - educational operations	326,665	312,949
	<u>1,036,795</u>	<u>1,076,732</u>

# HARDEN PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 8 Charitable activities (Continued)

	2017	2016
	£	£
<b>Analysis of support costs</b>		
Support staff costs	125,168	90,599
Depreciation and amortisation	33,059	31,608
Technology costs	10,170	8,849
Premises costs	63,105	68,819
Other support costs	85,877	103,932
Governance costs	9,286	9,142
	<u>326,665</u>	<u>312,949</u>

### 9 Staff costs

	2017	2016
	£	£
Wages and salaries	579,670	609,769
Social security costs	44,970	40,708
Operating costs of defined benefit pension schemes	119,224	96,994
	<u>743,864</u>	<u>747,471</u>
Staff costs	743,864	747,471
Supply staff costs	13,173	30,645
Staff development and other staff costs	9,448	9,815
	<u>766,485</u>	<u>787,931</u>
Total staff expenditure	<u>766,485</u>	<u>787,931</u>

#### Staff numbers

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

	2017	2016
	Number	Number
Teachers	8	6
Administration and educational support	27	25
Management (includes senior teachers)	5	5
	<u>40</u>	<u>36</u>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2017	2016
	Number	Number
Teachers	6	7
Administration and support	17	12
Management	5	5
	<u>28</u>	<u>24</u>

# HARDEN PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 9 Staff costs

(Continued)

##### Higher paid staff

There were no employees whose annual remuneration was £60,000 or more.

##### Key management personnel

The key management personnel of the Academy Trust comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £222,851(2016: £238,876).

#### 10 Governors' remuneration and expenses

The Head Teacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the academy trust in respect of their role as Governors. During the year, travel and subsistence payments totalling £Nil (2016: £Nil) were reimbursed to Governors.

The value of Governors' remuneration including pension contributions was as follows:

##### N Frear (staff)

Remuneration	£20,000 - £25,000 (2016: £20,000-£25,000)
Pension costs	£Nil - £5,000 (2016: £Nil - £5,000)

##### K Hutchinson (Head Teacher)

Remuneration	£50,000 - £55,000 (2016: £50,000 - £55,000)
Pension costs	£5,000 - £10,000 (2016: £5,000 - £10,000)

##### L Ruddock (staff)

Remuneration	£20,000 - £25,000 (2016: £40,000 - £45,000)
Pension costs	£5,000 - £10,000 (2016: £5,000 - £10,000)

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

#### 11 Governors and officers insurance

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business, and provides cover up to £5,000,000. It is not possible to quantify the Governors and officers indemnity element from the overall cost of the RPA scheme.

# HARDEN PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 12 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2016	1,455,000	16,197	9,926	1,481,123
Additions	-	6,295	8,000	14,295
Disposals	-	(4,410)	-	(4,410)
At 31 August 2017	1,455,000	18,082	17,926	1,491,008
<b>Depreciation</b>				
At 1 September 2016	80,640	7,235	1,489	89,364
On disposals	-	(882)	-	(882)
Charge for the year	26,880	3,616	2,689	33,185
At 31 August 2017	107,520	9,969	4,178	121,667
<b>Net book value</b>				
At 31 August 2017	1,347,480	8,113	13,748	1,369,341
At 31 August 2016	1,374,360	8,962	8,437	1,391,759

### 13 Financial instruments

	2017 £	2016 £
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	9,737	18,089

### 14 Debtors

	2017 £	2016 £
VAT recoverable	2,849	6,254
Prepayments and accrued income	20,893	22,276
	23,742	28,530

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

	2017 £	2016 £
Trade creditors	4,487	10,470
Accruals and deferred income	26,342	25,846
	30,829	36,316

# HARDEN PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

16 Deferred income	2017 £	2016 £
Deferred income is included within:		
Creditors due within one year	21,092	18,227
Deferred income at 1 September 2016	18,227	18,100
Released from previous years	(18,227)	(18,100)
Amounts deferred in the year	21,092	18,227
<b>Deferred income at 31 August 2017</b>	<b>21,092</b>	<b>18,227</b>

Deferred income relates to Universal Infant Free School Meals funding received from the EFA for the year ending 31 August 2017.

17 Funds	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant	-	816,725	(818,317)	1,592	-
Other DfE / ESFA grants	-	79,404	(90,361)	10,957	-
Other government grants	-	38,249	(38,249)	-	-
Other restricted funds	-	8,370	(6,809)	-	1,561
Funds excluding pensions	-	942,748	(953,736)	12,549	1,561
Pension reserve	(414,000)	-	(50,000)	71,000	(393,000)
	(414,000)	942,748	(1,003,736)	83,549	(391,439)
<b>Restricted fixed asset funds</b>					
Transferred on conversion	1,379,622	-	(28,159)	-	1,351,463
DfE / ESFA capital grants	4,380	6,295	(952)	-	9,723
Capital expenditure from GAG	-	-	(2,459)	8,000	5,541
Private sector capital sponsorship	8,511	-	(1,489)	-	7,022
	1,392,513	6,295	(33,059)	8,000	1,373,749
<b>Total restricted funds</b>	<b>978,513</b>	<b>949,043</b>	<b>(1,036,795)</b>	<b>91,549</b>	<b>982,310</b>
<b>Unrestricted funds</b>					
General funds	23,837	49,289	(31,791)	(20,549)	20,786
<b>Total funds</b>	<b>1,002,350</b>	<b>998,332</b>	<b>(1,068,586)</b>	<b>71,000</b>	<b>1,003,096</b>

# HARDEN PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 17 Funds

(Continued)

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

General Annual Grant (GAG) must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Other Restricted funds related to the Big Lottery Grant Fund to be spent on a series of extracurricular and school holiday activities.

Restricted fixed assets were funded by government grants, private grants and transfers of assets from the predecessor school.

#### Movements in funds - previous year

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
<b>Restricted general funds</b>					
General Annual Grant	40,677	834,866	(891,643)	16,100	-
Other DfE / ESFA grants	-	79,081	(79,081)	-	-
Other government grants	-	54,400	(54,400)	-	-
	<u>40,677</u>	<u>968,347</u>	<u>(1,025,124)</u>	<u>16,100</u>	<u>-</u>
Funds excluding pensions	40,677	968,347	(1,025,124)	16,100	-
Pension reserve	(129,000)	-	(20,000)	(265,000)	(414,000)
	<u>(88,323)</u>	<u>968,347</u>	<u>(1,045,124)</u>	<u>(248,900)</u>	<u>(414,000)</u>
<b>Restricted fixed asset funds</b>					
Transferred on conversion	1,407,781	-	(28,159)	-	1,379,622
DfE / ESFA capital grants	-	6,340	(1,960)	-	4,380
Private sector capital sponsorship	-	10,000	(1,489)	-	8,511
	<u>1,407,781</u>	<u>16,340</u>	<u>(31,608)</u>	<u>-</u>	<u>1,392,513</u>
<b>Total restricted funds</b>	<u>1,319,458</u>	<u>984,687</u>	<u>(1,076,732)</u>	<u>(248,900)</u>	<u>978,513</u>
<b>Unrestricted funds</b>					
General funds	<u>26,466</u>	<u>36,508</u>	<u>(23,037)</u>	<u>(16,100)</u>	<u>23,837</u>
<b>Total funds</b>	<u>1,345,924</u>	<u>1,021,195</u>	<u>(1,099,769)</u>	<u>(265,000)</u>	<u>1,002,350</u>

# HARDEN PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	1,369,341	1,369,341
Current assets	20,786	32,390	4,408	57,584
Creditors falling due within one year	-	(30,829)	-	(30,829)
Defined benefit pension liability	-	(393,000)	-	(393,000)
	<u>20,786</u>	<u>(391,439)</u>	<u>1,373,749</u>	<u>1,003,096</u>

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	1,391,759	1,391,759
Current assets	60,153	-	754	60,907
Creditors falling due within one year	(36,316)	-	-	(36,316)
Defined benefit pension liability	-	(414,000)	-	(414,000)
	<u>23,837</u>	<u>(414,000)</u>	<u>1,392,513</u>	<u>1,002,350</u>

### 19 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

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.

# HARDEN PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

---

### 19 Pensions and similar obligations

(Continued)

#### 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 pension costs paid to the TPS in the period amounted to £51,895 (2016: £53,224).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17% for employers and 5.5 to 6.5% for employees. The estimated value of employer contributions for the forthcoming year is £36,000.

As the scheme is currently in deficit, the academy is required to pay additional contributions above the normal funding levels. The length of the agreement is likely to last 2 - 3 years but is currently uncertain. The additional contributions paid in the year amounted to Nil (2016 - £Nil).

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.

# HARDEN PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 19 Pensions and similar obligations (Continued)

Total contributions made	2017 £	2016 £
Employer's contributions	28,000	30,000
Employees' contributions	11,000	13,000
	<u>          </u>	<u>          </u>
Total contributions	39,000	43,000
	<u>          </u>	<u>          </u>

Principal actuarial assumptions	2017 %	2016 %
Rate of increases in salaries	3.25	3.4
Rate of increase for pensions in payment	2.0	1.9
Discount rate	2.5	2.0
Inflation assumption (CPI)	2.0	1.9
Rate of revaluation of pension accounts	2.0	1.9
Rate of increase to deferred pensions	2.0	1.9
	<u>          </u>	<u>          </u>

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

	2017 Years	2016 Years
Retiring today		
- Males	22.1	22.7
- Females	25.2	25.6
Retiring in 20 years		
- Males	23.0	24.9
- Females	27.0	28
	<u>          </u>	<u>          </u>

Scheme liabilities would have been affected by changes in assumptions as follows:

	2017	2016
Discount rate + 0.1%	(24,000)	(21,000)
Discount rate - 0.1%	25,000	22,000
Mortality assumption + 1 year	(30,000)	(29,000)
Mortality assumption - 1 year	30,000	29,000
	<u>          </u>	<u>          </u>

# HARDEN PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 19 Pensions and similar obligations

(Continued)

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

	2017 Fair value £	2016 Fair value £
Equities	462,600	382,259
Government bonds	57,600	57,008
Corporate bonds	23,400	21,378
Cash	9,000	7,126
Property	27,000	24,432
Other assets	20,400	16,797
Total market value of assets	<u>600,000</u>	<u>509,000</u>
Actual return on scheme assets - gain/(loss)	<u>54,000</u>	<u>77,000</u>

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

	2017 £	2016 £
Current service cost	70,000	46,000
Interest income	(11,000)	(16,000)
Interest cost	19,000	20,000
Total operating charge	<u>78,000</u>	<u>50,000</u>

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

	2017 £	2016 £
Obligations at 1 September 2016	923,000	520,000
Current service cost	70,000	46,000
Interest cost	19,000	20,000
Employee contributions	11,000	13,000
Actuarial (gain)/loss	(28,000)	326,000
Benefits paid	(2,000)	(2,000)
At 31 August 2017	<u>993,000</u>	<u>923,000</u>

# HARDEN PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

---

<b>19 Pensions and similar obligations</b>	<b>(Continued)</b>	
<b>Changes in the fair value of the Academy Trust's share of scheme assets</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Assets at 1 September 2016	509,000	391,000
Interest income	11,000	16,000
Actuarial gain	43,000	61,000
Employer contributions	28,000	30,000
Employee contributions	11,000	13,000
Benefits paid	(2,000)	(2,000)
	<hr/>	<hr/>
At 31 August 2017	600,000	509,000
	<hr/> <hr/>	<hr/> <hr/>
<b>20 Reconciliation of net expenditure to net cash flows from operating activities</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Net expenditure for the reporting period	(70,254)	(78,574)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(6,295)	(16,340)
Investment income receivable	(45)	(97)
Defined benefit pension costs less contributions payable	42,000	16,000
Defined benefit pension net finance cost	8,000	4,000
Depreciation of tangible fixed assets	33,185	31,608
Profit on disposal of fixed assets	(126)	-
Decrease/(increase) in debtors	4,788	(9,450)
(Decrease) in creditors	(5,487)	(5,303)
	<hr/>	<hr/>
<b>Net cash provided by operating activities</b>	<b>5,766</b>	<b>(58,156)</b>
	<hr/> <hr/>	<hr/> <hr/>

# HARDEN PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

---

### 21 Related party transactions

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

The following related party transactions took place in the period of account:

Iain Hutchinson, husband of the Head Teacher, owns a joinery business in the name of Iain Hutchinson Joinery. £780 (2016 - £550) was paid to the business during the year in respect of joinery services carried out at the academy.

Jeff Sugden, father of Governor Mrs L Sugden, provided new classroom carpets during the previous year at a total cost of £Nil (2016- £270).

The school received legal advice and company secretarial services from Schofield Sweeney Solicitors during the year amounting to £363 (2016 - £1,003). One of the school Governors Mr A Hurst is a partner of the firm.

### 22 Members' liability

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