

**REGISTERED NUMBER: 08674696  
(ENGLAND AND WALES)**

**Hall Orchard Barrow CE Primary School  
(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**HALL ORCHARD BARROW CE PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, TRUSTEES AND  
ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Members**

Leicester Diocesan Board of Education – Carolyn Lewis  
Chair of Governors – Frances Acton  
Chair of Curriculum Committee – Paul Browning  
Governor responsible for Safeguarding – Karen Mills

**Trustees**

Mrs F Acton, Chair  
Mrs K Mills, Vice-Chair  
Ms Jane McKay, Headteacher and Accounting Officer  
Mrs P Ranson  
Mr P Browning  
Mrs B Allen (resigned January 2016)  
Mr A Tennant (resigned February 2016)  
Mrs V Bowman  
Mrs A Earl  
Mrs N Roodhouse, (Staff Trustee)  
Mr B Mayo (Parent Trustee elected November 2015; resigned March 2016)  
Miss K Price, Staff Trustee (appointed December 2015)  
Mr D Broadhead (appointed December 2015)  
Mr P Adcock (appointed December 2015)  
Mr Tom Boldrin (appointed 2016)  
Mr Kevin Smith (Parent Trustee elected May 2016)

**Senior Management Team**

Ms Jane McKay (Headteacher)  
Mrs N Roodhouse (Deputy Head)  
Mr A Northcote-Smith (Deputy head)  
Mrs Jill Dunn, Assistant Head/ SENCO (resigned roles July 2016)

**Company Name**

Hall Orchard Barrow CE Primary School

**Principal and registered office**

Church Street, Barrow-Upon-Soar, Loughborough, Leicestershire, LE12 8HP

**Company registered number**

08674696 (England & Wales)

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**HALL ORCHARD BARROW CE PRIMARY SCHOOL  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, TRUSTEES AND  
ADVISERS (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**Independent Auditors**

MHA MacIntyre Hudson,  
11 Merus Court, Meridian Business Park, Leicester, LE19 1RJ.

**Bankers**

Natwest Bank  
Loughborough Branch, Market Street, Loughborough, Leicestershire, LE11 3NZ

**Clerk to Governors**

Mrs K Grocock-Matts

**Company Secretary**

Mrs J Dealey

**Responsible Officer**

Mr Paul Cleminson (resigned July 2016)

**Solicitors**

Walker Morris LLP  
Kings Court, 12 King Street, Leeds, LS1 2HL

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**HALL ORCHARD BARROW CE PRIMARY SCHOOL  
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**TRUSTEES REPORT  
FOR THE YEAR ENDED 31 AUGUST 2016**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company, Hall Orchard Barrow CE Primary School (the Academy) for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a Trustee's report and a director's report under company law.

The Trust operates an Academy for pupils aged 4 to 11, serving a catchment area in and around the village of Barrow upon Soar. It currently has a pupil capacity of 525 and had a roll of 461 in the school census in January 2016.

The Trustees confirm that the annual report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP), Charities SORP 2015.

**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 Trustees of Hall Orchard CE Primary School Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Hall Orchard CE Primary School and was incorporated by a Memorandum of Association on 3<sup>rd</sup> September 2013. The Academy's principal regulator is the Department for Education (DFE).

**Organisational structure**

The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy, and determine the number and manner of appointment of members and the composition of the Governing Body.

The Academy governance structure is as follows:

The Members of the Academy Trust shall comprise:

- The signatories to the Memorandum;
- The Diocese of Leicester Educational Trust (Company No. 07773846) as the corporate Foundation Member;
- The Chair of the Governors;
- The Chair of the Curriculum and Strategy Committee; and
- The Chair of the Health and Safety, Safeguarding and Premises Committee.

The following stipulates the structure of the governing body for the Academy

- The number of Trustees/Governors will be at least three (3) and not more than fourteen (14)
- All Governors shall upon their appointment give a written undertaking to the Foundation Members or/and the Trustees to uphold the Object of the Academy Trust.

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**HALL ORCHARD BARROW CE PRIMARY SCHOOL  
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**TRUSTEES REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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Subject to Articles 48 and 49, the Academy Trust shall have the following Trustees:

- Up to 6 Trustees, appointed under Article 50;
- A minimum of 3 Foundation Trustees, appointed and/or holding office further to Article 51;
- Two Parent Trustees appointed under Articles 53-58;
- The Headteacher; and
- The Academy Trust may also have two Co-opted Trustees appointed under Article 59.

The term of office for the Members and Trustees is four years.

Details of the Trustees who served throughout 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.

**Trustees' Indemnities**

Since the conversion to Academy status on 1 October 2013, the Trustees have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. The limit of indemnity cover is £3,000,000 (three million pounds) in this respect. Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £558.

**Method of recruitment and appointment or election of Trustees**

The method of appointing Trustees is described in the Articles of Association, articles 45-65

**Election of Parent Trustees**

When a vacancy occurs for a Parent Trustee a letter is sent out to all parents asking for nominations, and providing information about the role, the specific skills, the responsibilities and the level of commitment that will be expected from the successful candidate. Should there be more interest in the vacancy than the number available then a ballot will be held. The interested party will be asked to write a short personal statement including the qualities, knowledge, skills and experience that makes them suitable for the role, and ballot papers will be circulated to all parents. These ballot papers will be returned to school in a sealed envelope. At least two individuals from the Governing Body and/or administration staff will then count the votes and the candidate with the highest number will be duly elected and join the Governing Body.

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**TRUSTEES REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**Recruitment of Other Trustees**

Individuals with a particular expertise may be invited to join the Governing Body, for example Health and Safety or Finance, or suggested for nomination to the Diocese. When a co-opted vacancy arises and Trustees need to identify candidates with the requisite skills and/or knowledge and experience for appointment, the vacancy will be advertised locally and/or suitable potential candidates will be invited to apply for the post, including attending an interview with at least two Trustees who will then propose to the Governing Body the appointment of the most suitable candidate(s).

**Policies and procedures adopted for the induction and training of Trustees**

New Trustees will undergo an induction procedure, including a welcome pack from Leicestershire Governor Development Services and they will also be directed to information and documents about the Academy. This includes the structure and organisation of the Academy, the School Development Plan, latest Ofsted report and minutes of previous meetings. The new Trustees will also be invited to visit the school to meet the Head Teacher, staff and pupils. New Trustees are provided with access to the online Governor portal which contains policies and important documents that are updated regularly. New Trustees are strongly encouraged to undergo appropriate induction training provided by the Governor Development Service.

Existing Trustees training needs are met through external and in-house training and, as part of an annual training programme agreed by the Governing Body and co-ordinated by a designated Trustee. All Trustees have access to the Leicestershire Governor Development Service website and training programme which provides support, advice and training information, as well as the GEL online training modules.

**Organisational Structure**

The Governing Body agrees a Scheme of Delegation as well as including a Decision Planner reviewed annually, which details at what level and by whom each type of decision can be taken. The full Governing Body holds at least one meeting per term and has delegated authority to the following sub-committees and individual governors:

- Finance, Personnel, Pay and Premises Committee.
- Curriculum Development and Strategy Committee.
- Headteacher Performance Review Committee.
- Health and Safety Governor.
- Safeguarding Governor.
- SEND Governor.
- RE and Collective Worship Governor.
- Vulnerable Groups Governor.
- Link Training Governor.

Each sub-committee and trustee responsibility has documented and agreed Terms of Reference which detail the level of devolved authority from the Governing Body. These, together with the membership of each sub-committee and other Trustees responsibilities, are reviewed and updated annually. The Chair of each sub-

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**TRUSTEES REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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committee and designated Trustee reports back to the Governing Body at the full Governing Body meeting following each sub-committee meeting or monitoring visit.

The Trustees are responsible for setting general policy, adopting an annual development plan and monitoring the Academy performance and making major decisions about the strategic direction of the Academy and its staffing. The Governing Body is responsible for budget monitoring and for final decisions on budget administration, allocation and capital expenditure.

The day-to-day management of the Academy is delegated to the Headteacher. The Headteacher directs the senior leadership team which consists of two Deputy Headteachers and two Assistant Headteachers and the senior leadership team takes responsibility for creation of the School Development Plan.

The Headteacher who remains the responsible Accounting Officer has delegated the management and administration of the budget to the School Bursar, who is also the Company Secretary. The Clerk to Trustees is managed by the Chair of Trustees. The Clerk has access to regular training.

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

The Governing Body agrees a pay policy on an annual basis including the pay of Senior Leaders and Key Management Personnel. The policy is developed so that it complies with current legislation and the requirements of the *School Teachers Pay and Conditions Document* and has been consulted on with the staff and recognised trade unions. The policy aims to maintain and improve the quality of teaching and learning at the school, support the school development plan, ensure that all staff are valued and appropriately rewarded for their work, ensure staff are well motivated, supported by positive recruitment and retention policies and staff development, demonstrate that decisions on pay are fair and equitable and recognise the principle of equal pay for like work and work of equal value. The policy aims to ensure that all pay decisions are linked to individual staff performance, based on pupil outcomes. Following an annual individual staff appraisal process, all pay recommendations are made to the Finance Committee and decisions are made in line with the School's pay policy. A panel of Trustees appraises the Headteacher and makes any appropriate pay recommendations. There is a separate pay range for the Leadership group linked to pay levels recommended by the Local Authority,

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

For the year ended 31 August 2016 there were the following connected organisations:

Hall Orchard Extended Services Limited (until 31 August 2016)

**OBJECTIVES, STRATEGIES AND ACTIVITIES**

**a) Objects and Aims**

The Academy Trust's object is specifically restricted to the following: to advance for public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

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**TRUSTEES REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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The Academy's vision on which the School's five year Strategic Plan and the School Development Plan and associated spending decisions are based is 'to be an excellent Primary School, where all children achieve the best possible learning outcomes and all pupils have the personal values and skills to make a strong contribution to the community they live in'.

**b) Strategies**

To support the aim of offering 'a broad and balanced curriculum' and the school's specific vision, the *School Development Plan* has identified the following areas of priority and the strategies for achieving them for 2016-2018, together with specific success criteria for measuring these achievements:

- To raise attainment and progress in Mathematics across the school;
- To consolidate the implementation of Language and Literacy RWInc. Spelling scheme to raise attainment and accelerate progress in GAPS, reading and writing;
- To raise attainment across the curriculum;
- To develop and implement a programme to support character education for all pupils; and
- To develop the provision to support school growth.

**PUBLIC BENEFIT**

Hall Orchard Barrow CE Primary School (Academy) is approved by the Department for Education (DFE) and funded wholly by the Education Funding Agency (EFA) to further the education of pupils admitted under the requirements set by the EFA funding agreement with the admission of pupils without fee. Parents are able to apply for their children to be admitted.

The Trustees confirm that in exercising their powers or duties they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission (on their website at Charities and Public Benefit). Trustees are aware of the guidance, they have taken it into account when making any decision to which the guidance is relevant and if they decide to depart from the guidance, they have good reasons for doing so.

**STRATEGIC REPORT**

**Achievements and Performance**

**Foundation Stage Outcomes**

The progress of pupils in the Foundation Stage is very good. Our Good level of Development was 67%. Total point score 34.3 (supporting measure).

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**TRUSTEES REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Key Stage 1 Outcomes**

**Phonics development** at Hall Orchard Barrow CE Primary School is outstanding as evidenced by 97% of pupils passing the Phonic Screening Check.

***Yr 2 Attainment 2016***

<b>Subject</b>	<b>% of pupils who achieved the required standard</b>	<b>National %</b>
Reading Teacher Assessment	87%	74%
Writing Teacher Assessment	77%	65%
Maths Teacher Assessment	81%	73%

**Key Stage 2 Outcomes**

<b>Subject</b>	<b>% of pupils who achieved the required standard</b>	<b>National %</b>
<b><i>Teacher Assessment</i></b>		
Reading Teacher Assessment	87%	
Writing Teacher Assessment	76%	74%
Maths Teacher Assessment	82%	
Science Teacher Assessment	93%	
<b><i>SATS Tests*</i></b>		
Reading Test	76%	66%
GAPS Test	82%	72%
Maths Test	64%	70%
Reading, writing and maths combined	55%	53%

\*NB 2 children were absent for the tests.

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**TRUSTEES REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**Attendance for 2015/6 was 96%.**

The school had a SIAMs inspection in March 2016 and was judged to be Outstanding in all areas.

The Trustees and staff remain committed to providing a broad and balanced curriculum to motivate and inspire our children so they can all be challenged to achieve the highest standards of attainment and make exceptional progress.

During 2015/6 Mathematics was our major focus with the introduction of the *Nuimcon* scheme for the teaching of mathematics and times tables challenge.

We also worked hard to build on the success of our phonics and literacy scheme and to secure improvements to outcomes in grammar and spelling following the introduction of new schemes of work in the previous academic year. We were delighted to see massive improvements in the Grammar Punctuation and Spelling Test at the end of Key Stage 2 with Hall Orchard Barrow CE Primary being 10% above the National level of attainment.

We have continued to develop the provision and use of ICT equipment across the Academy, notably the number of iPads to support learning across the curriculum.

We continued to develop our Forest Schools Site which is now being used for regular Forest Schools' sessions by pupils in Key Stage 2.

The old 'caretakers bungalow' has been redeveloped to create a 'fit for purpose' extended services provision which houses our Preschool and After School Club.

The area previously utilised by our extended services has been remodelled to create a classroom and a number of intervention and meeting rooms which will be used to enhance the pupil's learning.

Refurbishment of the studio area has created a much more user friendly space for music tuition and practise. The library area has also been remodelled to provide intervention spaces and make the library more suitable for the children.

**GOING CONCERN**

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

**FINANCIAL REVIEW**

A full financial statement is included with this report. The statement will confirm that the principal sources of funding were as follows:

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**TRUSTEES REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**Restricted Income**

General Annual Grant £1,508,000

Capital funding £618,000

Pupil Premium £67,000

Other EFA/DfE Grants £88,000

Devolved formula capital £14,000

During the year, funds have been allocated to the development of the school site, in particular a new building for Extended Schools, alterations to improve classrooms and provide additional intervention and meeting spaces and for the extension of the school Hall. Resources have been purchased for the expected increase in pupil numbers and funds allocated to provide appropriate staffing levels as numbers increase. In addition money has been allocated to support the new National Curriculum and prepare for school growth.

**Unrestricted Income**

Income generated by the Academy such as catering, trips and lettings.

**Financial Policies**

The principal financial policies adopted for the year were:

- Finance Policy;
- Scheme of Delegation;
- Day to Day Procedures;
- Value for Money Statement;
- Management of Conflicts of Interest and Connected Party Relationships Policy;
- Reserves and Investments Policy; and
- Risk Register and Risk Management Policy.

**Pension Liability**

As with all academies the building and land value is described as an asset in the Academy's accounts and acts as an offset to the liabilities of the pension fund, in its current deficit position. It is also of note that the Government has in effect said it will underwrite any pension liability becoming due of any Academy unable to meet its obligations, if for example an Academy was wound up.

**Reserves Policy**

The Trustees have agreed a Reserves Policy which is reviewed at least annually and Trustees review the reserve levels of the Academy as part of their regular monitoring of Academy finances. The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects and the need to maintain sufficient reserves to cover any unexpected urgent expenditure requirements.

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**HALL ORCHARD BARROW CE PRIMARY SCHOOL**  
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**TRUSTEES REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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At 31 August 2016 the total funds comprised:

Unrestricted	£162,000
Restricted: Fixed asset funds	£3,485,000
Pension reserve	£(773,000)
Restricted funds	£132,000
	<b>£3,006,000</b>

The current level of reserves is below the level aimed at in the policy due to funds having been allocated to the recent site developments, as intended. However, future budgeting will ensure that funds are regularly set aside so that the level of reserves is in line with the school's Reserves Policy, as soon as is reasonably practicable.

Reserves are being set aside to allow for resources to be purchased for the expected increase in pupil numbers and to provide appropriate staffing levels as numbers increase. In addition money has been allocated for the continuing development of the school site, to support the new National Curriculum and prepare for further school growth.

**Investments Policy**

The purpose of the policy is to ensure that any surplus funds are invested well so that they achieve the best financial returns with the minimum risk. The Academy aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation and to ensure there is no risk of loss in the capital value of any cash funds invested. If there is a surplus of funds after all financial commitments have been considered, this surplus will be invested. The Academy aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is the minimum risk to the loss of these cash funds.

The investments made during the financial year 2015 to 2016 were as follows:

£95,000 - Loughborough Building Society

**Principal Risks and Uncertainties**

The Risk Register forms part of the Business Continuity Plan which indicates risks and uncertainties. There are no high level risks at this present time. The most common risk is a fall in pupil numbers which would have a direct effect on the Academy's funding. We are in a fortunate position where we are full but with capacity to expand, and with an increasing number of pupils forecast for future years.

**Risk Management**

The Trustees have assessed the major risks to which the Academy is exposed, with guidance from the Academies Financial Handbook. Risks to the Academy fall into the following categories:

- Health & Safety – Regular inspections and risk assessments by a nominated member of staff or by external companies. Health and Safety is also monitored regularly by a designated Trustee;
- Performance – Pupil performance is monitored by the Senior Leadership Team. All staff have performance appraisals and training opportunities are identified and tracked. Termly classroom observations take place

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**TRUSTEES REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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- by the Headteacher. Trustees monitor pupil performance in line with the School Development Plan, and staff performance in line with the Performance Management/Appraisal policy;
- Financial – A Financial Policy, Scheme of Delegation and Day to Day Procedures are in place. Trustees meet to monitor finances on at least a termly basis and regular testing / checks have been undertaken by the Responsible Officer although this internal scrutiny role has now been contracted out to the LA finance team. External Auditors have been appointed;
  - Operational – Local Government Pension liability for which Tier one and two insurance is in place; and
  - Strategic – External and political factors that change the education landscape. The Academy, through its senior staff and Trustees, monitor educational changes and development.

The Risk Register is reviewed at least once a term at a full Governing Body Meeting.

**Plans for the Future**

**Future developments**

The Academy has almost completed an extensive site development including the expansion of the school hall which will soon be finished. This will provide more space for curriculum use, collective worship and lunchtime provision. It has enabled the school to increase its Admission number from 60 to 75 from September 2016. Further site developments are planned which will allow the school to expand to meet the growing need for primary school places within the village. Funds will also be allocated as the pupil numbers increase to ensure adequate staffing for the future. Resources will continue to be allocated, as in the past, to meet the aims of the schools' *Strategic Plan* and *School Development Plan* as the best way of ensuring the Academy achieves its aims.

**Funds held as custodian**

The Academy holds no funds on behalf of others as a custodian Trustee.

**DISCLOSURE OF INFORMATION TO AUDITOR**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees 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.

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 7 December 2016 and signed on the board's behalf by:

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**Mrs F Acton**  
Chair of Trustees

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**HALL ORCHARD BARROW CE PRIMARY SCHOOL  
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**GOVERNANCE STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**Scope of Responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that Hall Orchard Barrow CE 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 Governing Body has delegated day to day responsibility to the Headteacher as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Academy and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' report and in the Trustee's responsibilities statement.

The full Governing Body has formally met 8 times during the year (including the AGM and three Extraordinary meetings). Attendance during the year at meetings of the Governing Body was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs F Acton	8	8
Mrs K Mills	8	8
Mrs J McKay	8	8
Mrs P Ranson	4	8
Mrs B Allen (resigned December 2015)	1	3
Mr P Browning	8	8
Mr A Tennant (resigned February 2016)	3	5
Mrs V Bowman	7	8
Mrs A Earl	8	8
Mrs N Roodhouse	4	8
Miss K Price (appointed December 2015)	4	6
Mr B Mayo (elected October 2015; resigned March 2016)	2	5

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**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

Mr D Broadhead (appointed December 2015)	6	7
Mr P Adcock (appointed December 2015)	5	6
Mr T Boldrin (appointed June 2016)	1	1
Mr K Smith (elected May 2016)	1	1

There were some changes to the membership of the Governing Body as a result of two Parent Trustee elections, four new appointments, and three resignations. The Governing Body has had far fewer changes than in previous years, and this has enabled the development of an increasingly skilled and experienced team. There is currently only one vacancy.

The Finance, Personnel, Pay and Premises committee is a subcommittee of the main Governing Body. Its purpose is to propose the annual budget to the Governing Body, to monitor the financial activities of the Academy and make decisions relating to finance.

The Committee met 6 times during the year (including two extraordinary meetings). Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs A Earl, Chair	6	6
Mrs F Acton	6	6
Mrs J McKay (Headteacher and Accounting Officer)	6	6
Mr A Tenant (resigned February 2016)	3	3
Mrs B Allen (resigned December 2015)	1	1
Mr B Mayo (elected October 2015 and resigned March 2016)	2	2
Mr P Adcock (appointed December 2015)	2	3

Mrs A Earl, who is a qualified accountant, took on the role of Chair of the Committee in September 2015. The Committee approved an extensive site development programme including a stand-alone extended schools building, improving some of the classrooms, re-roofing of the passage connecting the old and new buildings, the development of the Victorian end of the site to provide meeting and intervention spaces and the extension of the school hall – which, with the exception of the hall, have been completed. The hall is scheduled to be finished by the end of the calendar year.

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**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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The additional capacity created by these developments has allowed the school to increase the Admission number from 60 to 75 from September 2016.

**Action taken to review and improve Governance structure and composition of Board of Trustees**

Trustees are asked, before they are appointed or elected, to consider - in the light of the responsibilities of the role - their ability to take on the role, and undertake the necessary commitment. They are asked to sign a declaration of commitment and code of conduct in advance of becoming Academy Trustees.

The Governing Body has engaged and will continue to engage in a whole body formal self-evaluation process (using the GSET tool) to undertake an annual self evaluation to identify contribution and impact during the year and areas for development. A discussion of the main areas is undertaken and followed up with an action plan which is monitored mid way through the year. Actions are included in the school development plan where appropriate.

The Governing Body also undertakes an annual skills audit as part of the Trustee performance management process. The findings of this are discussed informally by Committee Chairs, the Chair and Vice Chair and formally by the full Board of Trustees. The audit informs training needs and succession planning and it is used to identify any areas where the Governing Body would benefit from recruiting additional members with specific skills sets. The Finance Committee also carries out a specific financial self assessment/audit which informs training and skills needs.

In 2015/16 the audits provided the basis for the appointment of two Trustees. Prospective Trustees were interviewed, to ensure that the candidates had the relevant skills, experience and sufficient understanding of the role and the accompanying responsibilities and commitment involved.

In addition, the Governing Body undertakes a peer review performance management process which involves a self assessment of performance including attendance, training, contribution in meetings, areas for development and succession planning. The Chair, Vice Chair and Chairs of committees undertake a 360° peer review before the performance management session to allow Chairs to take part in discussions with individual Trustees. In addition, the Chair of Trustees and Headteacher peer review each other prior to, or if necessary at, the autumn term meeting.

As a result of the Trustee Performance Management and GSET (Governor Self Evaluation Tracker) reviews, the following Action Plan was agreed and implemented:

<b>AREA AND ACTION</b>	<b>DATE TO BE IMPLEMENTED AND ANY ACTION TAKEN</b>
<b>Pupil targets:</b> Set and agree for end of KS1&2 and FS	<b>Autumn 2016</b> ✓ Detailed in SDP for 2016-18
<b>Trustee Monitoring:</b> Continue to identify areas of development via agreed SDP and ensure effective annual Governor Monitoring programme is in place with particular focus on pupil progress	<b>Autumn 2016</b> ✓ Monitoring plan agreed

**HALL ORCHARD BARROW CE PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

<b>Assessment systems:</b> Trustees undertake training on new pupil assessment reporting systems and data monitoring over next year.	<b>Ongoing</b> ✓ SLT presentations to FGB
<b>Extra-curricular opportunities:</b> Review provision and take-up, and discuss future programme and strategy with SLT. Report to FGB	<b>Summer 2017</b>
<b>Staff Morale:</b> Continue to develop and use Staff survey; Introduce Staff exit survey during next academic year; ask for staff views during Summer term 2016 on suitable incentives that will ensure high morale; Continue to offer suitable CPD opportunities and monitor impact of all these strategies at least annually.	<b>Ongoing; Annual review</b> ✓ Exit survey introduced ✓ Report on CPD June 2016 ✓ Staff incentives being investigated
<b>Governor Training:</b> Continue to ensure existing and new governors undertake appropriate training including Role of Chair; ensure Succession Plan is reviewed annually; Ensure vacant posts are filled with effective Trustees as soon as possible as and when they arise. Ensure new and inexperienced Trustees undertake induction training and all Trustees continue to do appropriate training over course of next academic year; continue to support Trustees to take on and learn new roles. Continue with annual Trustee Performance Management and GSET self evaluation	<b>Ongoing; Annual review</b> ✓ Trustees on Chair Development Programme ✓ Succession Plan reviewed June 2016 ✓ Training plan in place ✓ All but one vacancy filled
<b>Trustee communication:</b> Continue to develop Trustees Portal; for start of next academic year ensure that meeting papers and documents and presentations are available in advance of each meeting (7 days); use new School comparison site to compare data with other schools when it becomes available; Agree suitable format with SLT for school data to be shared with Trustees by start of Autumn term; continue to feedback best practice learned at governor briefings and training sessions	<b>Ongoing; Annual review</b> ✓ School data shared
<b>Trustee Induction:</b> Introduce a 'new Trustee' feedback survey (PB)to help monitor induction process and make improvements where necessary	<b>Autumn 2016</b> ✓ New Trustee feedback survey in place
<b>Trustee/staff Relationship:</b> Discuss options at Summer FGB for introducing a Trustee staff event to help improve understanding and communication; develop more direct contact between Trustees and middle leaders over next academic year; Review working relationships at Strategic Planning meeting, May 2016	<b>Autumn 2016; Ongoing</b> ✓ Working relationships reviewed ✓ Staff event planned for Autumn 2016
<b>Communication with Parents:</b> Ensure website is up to date and in easily accessible layout; Introduce section on Governors/Governance for next Publicity brochure; Ensure new parent communications policy is shared with parents in the Summer term (JMK); Continue to publish 'new Trustee 'interviews in Oracle; Continue to seek parents' views through annual surveys and Visit Day interviews, and use these to inform strategic priorities.	<b>Summer and Autumn terms; Ongoing</b> ✓ Communication schedule in Summer Oracle

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**HALL ORCHARD BARROW CE PRIMARY SCHOOL**  
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**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

<b>Networks:</b> Support HT to continue relationships with local schools and LPH; Ensure school optimises benefits to be gained from being part of Teaching School Alliance over next academic year; Consider options for forming/joining a MAT as part of ongoing Strategic planning	<b>Ongoing</b> ✓ Teaching School membership ✓ Meetings with MP, RSC and bishop re MAT
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The next self review meeting will be held in Spring 2017 where the action plan will be reviewed and a new action plan agreed, based on the outcomes of the review.

All Trustees are expected to join at least one committee; several are members of more than one. A record is kept of all Trustee attendance at meetings, training and development and visits to school and the information reported to the full Governing Body and used during the performance management discussions.

In 2016 the Governing Body again undertook a strategic planning exercise in order to review the school's position and specifically the Governing Body contribution. Information from this exercise was used to inform the five year Strategic Plan.

The School was inspected by Ofsted in July 2015 and Leadership and Management was found to be 'Good'. Governance, in particular, was found to be Effective.

**Review of Value for Money**

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

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

- Successfully applying for grants and securing access to Local Authority 'additional need' finance to improve the school site. This has resulted in an extensive five phase build to include the doubling in size of the school hall, creation of a purpose built extended services provision and refit of new boilers and convection heaters in both boiler houses;
- Introducing a new spelling scheme across the school which has had a very positive impact on pupil outcomes;
- Introducing *Numicon* across the school to improve pupils' mathematical understanding; and
- To continue to resource technology across the school, purchasing a new server and more ipads to enhance curriculum provision for pupils.

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**HALL ORCHARD BARROW CE PRIMARY SCHOOL  
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**GOVERNANCE STATEMENT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**The Purpose of the System of Internal Control**

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

**Capacity to Handle Risk**

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for indentifying, evaluating and managing the Academy's significant risks that has been in place for the year ended 31 August 2016 and up to the date of the approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

**The Risk and Control Framework**

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- Regular reviews by the Finance, Personnel and Premises 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; and
- Identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, for the year ended 31 August 2016, the Trustees appointed a volunteer from the community who has appropriate skills and experience, as Responsible Officer (RO).

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**HALL ORCHARD BARROW CE PRIMARY SCHOOL  
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**GOVERNANCE STATEMENT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On at least a termly basis the RO reports to Trustees on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities. The Responsible Officer has delivered three reports to Trustees in the current period. In particular the checks carried out included:

- Performing a number of standard checks on financial controls during each of his termly visits;
- Review of the Extended Schools financial report;
- Review of the Asset Register;
- Review of the budget for 2016 to 17;
- Reviewed of the Buildings projects; and
- Review of financial arrangements for the catering service.

As a result of the work of the Responsible Officer, the following actions have been taken, and impact achieved:

- Reduction in the number of unreconciled items in day to day accounts;
- Extended schools finances integrated with the rest of the school's financial systems;
- Overheads of the cost of the Extended Schools finances taken account of in the financial report; and
- Segregation of finance duties in place, approvals defined within the admin team and the risk of fraud greatly reduced.

The Responsible Officer resigned in July 2016 and so the Governing Body has decided to appoint the Local Authority to provide an internal audit service from 1 September 2016.

The structures of the Trustees' committees enable a cycle of planning and action to be validated and reported to the full Governing Body on a regular basis. The full Governing Body has access to minutes of decisions and actions taken by the Finance Committee. The chair of the Finance Committee is answerable to the full Governing Body on at least a termly basis – in the year 2015 to 2016, this was six times. The finance committee has also undertaken a self review based on the model recommended by the EFA for new academies.

**Review of Effectiveness**

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

- The work of the Responsible Officer;
- The work of the external auditors;
- The financial management and governance self assessment process; and

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**HALL ORCHARD BARROW CE PRIMARY SCHOOL  
(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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- The work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by orders of the members of the Board of Trustees on 7 December 2016 and signed on their behalf.

.....  
**Frances Acton**  
Chair of Trustees

.....  
**Jane McKay**  
Accounting Officer

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**HALL ORCHARD BARROW CE PRIMARY SCHOOL  
(A Company Limited by Guarantee)**

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

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As Accounting Officer of Hall Orchard CE Primary School I have considered my responsibility to notify the Academy Board of Trustees 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 and the Secretary of State. As part of my consideration I have had due regard to the requirement of the Academies Financial Handbook (2016).

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

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

- **Financial issues**

In October 2015 a large sum of money was fraudulently removed from our bank account by an unknown third party, this was reimbursed by the bank and the Board of Trustees and EFA were informed.

.....  
**J McKay**  
Accounting Officer

7 December 2016

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**HALL ORCHARD BARROW CE PRIMARY SCHOOL  
(A Company Limited by Guarantee)**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2016**

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The Trustees (who act as Trustees of Hall Orchard Barrow CE Primary School and are also directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP 2015 and the Academies account Direction 2015 to 2016;
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is appropriate to presume that the charitable group will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 7 December 2016 and signed on its behalf by:

.....  
**F Acton**  
Chair of Trustees

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**HALL ORCHARD BARROW CE PRIMARY ACADEMY**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HALL ORCHARD BARROW CE PRIMARY ACADEMY**

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We have audited the financial statements of Hall Orchard Barrow CE Primary Academy for the year ended 31 August 2016 which comprise the Group Statement of Financial Activities, the Group and Academy Balance Sheets, the group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

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

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**HALL ORCHARD BARROW CE PRIMARY ACADEMY**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HALL ORCHARD BARROW CE PRIMARY ACADEMY**

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**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Trustees' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2015 requires us to report to you if, in our opinion:

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

Robert Nelson BA FCA DChA (Senior Statutory Auditor)

for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

11 Merus Court  
Meridian Business  
Park Leicester  
LE19 1RJ

21 December 2016

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**HALL ORCHARD BARROW CE PRIMARY ACADEMY**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HALL  
ORCHARD BARROW CE PRIMARY ACADEMY AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 20 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hall Orchard Barrow CE Primary Academy during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF HALL ORCHARD BARROW CE PRIMARY ACADEMY'S  
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Hall Orchard Barrow CE Primary Academy's funding agreement with the Secretary of State for Education dated 1 October 2013, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**APPROACH**

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

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

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

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

The work undertaken to draw our conclusions includes:

- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing of a sample of grants received and other income streams;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of payroll payments to staff;

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**HALL ORCHARD BARROW CE PRIMARY ACADEMY**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HALL  
ORCHARD BARROW CE PRIMARY ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)**

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- evaluating the internal control procedures and reporting lines, and testing as appropriate; and
- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity.

**CONCLUSION**

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

Reporting Accountant

for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

11 Merus Court  
Meridian Business  
Park Leicester  
LE19 1RJ

21 December 2016

**HALL ORCHARD BARROW CE PRIMARY ACADEMY**  
**(A Company Limited by Guarantee)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
<b>INCOME FROM:</b>						
Donations and capital grants	2	6	4	618	628	209
Funding for the Academy Trusts educational operations	3	-	1,744	14	1,758	1,619
Other trading activities	4	207	-	-	207	218
<b>TOTAL INCOME:</b>		<b>213</b>	<b>1,748</b>	<b>632</b>	<b>2,593</b>	<b>2,046</b>
<b>EXPENDITURE ON:</b>						
Raising funds	5	183	-	-	183	149
Academy Trust educational operations	6	-	1,642	93	1,735	1,763
<b>TOTAL EXPENDITURE:</b>	<b>7</b>	<b>183</b>	<b>1,642</b>	<b>93</b>	<b>1,918</b>	<b>1,911</b>
<b>NET INCOMING / (EXPENDITURE) RESOURCES BEFORE TRANSFERS</b>						
		30	106	539	675	135
Transfers between Funds	17	-	(32)	32	-	-
<b>NET INCOME BEFORE OTHER GAINS AND LOSSES</b>		<b>30</b>	<b>74</b>	<b>571</b>	<b>675</b>	<b>135</b>
Actuarial (losses)/gains on defined benefit pension schemes		-	(159)	-	(159)	16
<b>NET MOVEMENT IN FUNDS</b>		<b>30</b>	<b>(85)</b>	<b>571</b>	<b>516</b>	<b>151</b>
Total funds brought forward		132	(556)	2,914	2,490	2,339
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>162</b>	<b>(641)</b>	<b>3,485</b>	<b>3,006</b>	<b>2,490</b>

The notes on pages 34 to 58 form part of these financial statements.

**HALL ORCHARD BARROW CE PRIMARY ACADEMY**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08674696**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£000	2016 £000	£000	2015 £000
<b>FIXED ASSETS</b>					
Tangible assets	13		<b>3,519</b>		2,931
<b>CURRENT ASSETS</b>					
Debtors	14	<b>166</b>		46	
Cash at bank and in hand		<b>268</b>		311	
		<b>434</b>		<b>357</b>	
<b>CREDITORS: amounts falling due within one year</b>	15	<b>(138)</b>		<b>(197)</b>	
<b>NET CURRENT ASSETS</b>			<b>296</b>		160
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>3,815</b>		3,091
<b>CREDITORS: amounts falling due after more than one year</b>	16		<b>(36)</b>		(30)
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITY</b>			<b>3,779</b>		3,061
Defined benefit pension scheme liability	22		<b>(773)</b>		(571)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<b>3,006</b>		2,490
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted funds	17	<b>132</b>		15	
Restricted fixed asset funds	17	<b>3,485</b>		2,914	
Restricted funds excluding pension liability		<b>3,617</b>		2,929	
Pension reserve		<b>(773)</b>		(571)	
Total restricted funds			<b>2,844</b>		2,358
Unrestricted funds	17		<b>162</b>		132
<b>TOTAL FUNDS</b>			<b>3,006</b>		2,490

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**HALL ORCHARD BARROW CE PRIMARY ACADEMY**  
**(A Company Limited by Guarantee)**

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**CONSOLIDATED BALANCE SHEET (continued)**  
**AS AT 31 AUGUST 2016**

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The financial statements were approved by the Trustees, and authorised for issue, on 7 December 2016 and are signed on their behalf, by:

.....  
**Mrs F Acton**  
Chair of Trustees

.....  
**Mrs J McKay**  
Accounting Officer

The notes on pages 34 to 58 form part of these financial statements.

**HALL ORCHARD BARROW CE PRIMARY ACADEMY**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08674696**

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**ACADEMY BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

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	Note	£000	2016 £000	£000	2015 £000
<b>FIXED ASSETS</b>					
Tangible assets	13		<b>3,519</b>		2,931
<b>CURRENT ASSETS</b>					
Debtors	14	<b>212</b>		55	
Cash at bank and in hand		<b>219</b>		<b>297</b>	
		<b>431</b>		<b>352</b>	
<b>CREDITORS: amounts falling due within one year</b>	15	<b>(135)</b>		<b>(192)</b>	
<b>NET CURRENT ASSETS</b>			<b>296</b>		<b>160</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>3,815</b>		<b>3,091</b>
<b>CREDITORS: amounts falling due after more than one year</b>	16		<b>(36)</b>		<b>(30)</b>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITY</b>			<b>3,779</b>		<b>3,061</b>
Defined benefit pension scheme liability	22		<b>(773)</b>		<b>(571)</b>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<b>3,006</b>		<b>2,490</b>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted funds	17	<b>107</b>		15	
Restricted fixed asset funds	17	<b>3,485</b>		<b>2,914</b>	
Restricted funds excluding pension asset		<b>3,592</b>		<b>2,929</b>	
Pension reserve		<b>(773)</b>		<b>(571)</b>	
Total restricted funds			<b>2,819</b>		<b>2,358</b>
Unrestricted funds	17		<b>187</b>		<b>132</b>
<b>TOTAL FUNDS</b>			<b>3,006</b>		<b>2,490</b>

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**HALL ORCHARD BARROW CE PRIMARY ACADEMY**  
**(A Company Limited by Guarantee)**

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**ACADEMY BALANCE SHEET (continued)**  
**AS AT 31 AUGUST 2016**

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The financial statements were approved by the Trustees, and authorised for issue, on 7 December 2016 and are signed on their behalf, by:

.....  
**Mrs F Acton**  
Chair of Trustees

.....  
**Mrs J McKay**  
Accounting Officer

The notes on pages 34 to 58 form part of these financial statements.

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**HALL ORCHARD BARROW CE PRIMARY ACADEMY**  
**(A Company Limited by Guarantee)**

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**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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	Note	2016 £000	2015 £000
Net cash flow from operating activities	19	6	222
Capital expenditure and financial investment	20	(49)	(118)
<b>(DECREASE)/INCREASE IN CASH IN THE YEAR</b>		<b>(43)</b>	<b>104</b>
		<hr/>	<hr/>

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**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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	2016 £000	2015 £000
(Decrease)/Increase in cash in the year	(43)	104
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<b>(43)</b>	<b>104</b>
Net funds at 1 September 2015	311	207
<b>NET FUNDS AT 31 AUGUST 2016</b>	<b>268</b>	<b>311</b>
	<hr/>	<hr/>

The notes on pages 34 to 58 form part of these financial statements.

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**HALL ORCHARD BARROW CE PRIMARY ACADEMY**  
**(A Company Limited by Guarantee)**

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

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**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Company's functional and presentational currency is British Pound Sterling (£).

The company is incorporated in the UK.

The registered office is Church Street, Barrow Upon Soar, Loughborough, Leicestershire, LE12 8HP.

**First time adoption of FRS 102**

These financial statements are the first financial statements of Wreake Valley Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Wreake Valley Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 29.

**1.2 Fund accounting**

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

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 Education Funding Agency.

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**HALL ORCHARD BARROW CE PRIMARY ACADEMY**  
**(A Company Limited by Guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

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

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where the receipt is probable and it can be measured reliably.

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

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

**1.4 Expenditure**

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

Expenditure on raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

All resources expended are inclusive of irrecoverable VAT.

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**HALL ORCHARD BARROW CE PRIMARY ACADEMY**  
**(A Company Limited by Guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.5 Going concern**

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

**1.6 Tangible fixed assets and depreciation**

Assets costing £250 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Long-term leasehold property	-	2% straight line per annum
Long-term leasehold land	-	0.8% straight line per annum
Office equipment	-	25% straight line per annum
Computer equipment	-	33.3% straight line per annum
Assets under construction	-	Not depreciated until brought into use

**1.7 Operating leases**

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

**1.8 Taxation**

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

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**HALL ORCHARD BARROW CE PRIMARY ACADEMY**  
**(A Company Limited by Guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.9 Debtors**

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

**1.10 Cash at bank and in hand**

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

**1.11 Liabilities and provisions**

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

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

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

**1.12 Financial instruments**

The Academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.13 Pensions**

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.

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 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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**HALL ORCHARD BARROW CE PRIMARY ACADEMY**  
**(A Company Limited by Guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

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.

**1.14 Critical accounting estimates and areas of judgement**

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 annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. See note 13 for the carrying amount of tangible fixed assets, and note 1.6 for the useful economic lives for each class of assets.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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**HALL ORCHARD BARROW CE PRIMARY ACADEMY**  
**(A Company Limited by Guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.15 Basis of consolidation**

The consolidated financial statements present the results of the Hall Orchard Barrow CE Primary School and its subsidiary, HallOrchard Extended Services Limited as if they form a single entity. Intercompany transactions and balances are therefore eliminated in full.

The results of Hall Orchard Extended Services Limited are included in the Consolidated Statement of Financial Activities from the date of incorporation, when control was acquired.

In accordance with the transitional exemption available in FRS102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS102, being 1 September 2014.

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	<b>Unrestricted funds 2016 £000</b>	<b>Restricted funds 2016 £000</b>	<b>Total funds 2016 £000</b>	<b>Total funds 2015 £000</b>
Donations	6	4	10	69
Capital Grants	-	618	618	140
 Total donations and capital grants	 <b>6</b>	 <b>622</b>	 <b>628</b>	 <b>209</b>

In 2015, of the total income from donations and capital grants, £69,000 was unrestricted in nature and £140,000 restricted.

**HALL ORCHARD BARROW CE PRIMARY ACADEMY**  
**(A Company Limited by Guarantee)**

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

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	<b>Unrestricted funds 2016 £000</b>	<b>Restricted funds 2016 £000</b>	<b>Total funds 2016 £000</b>	<b>Total funds 2015 £000</b>
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	-	1,508	1,508	1,414
Pupil Premium	-	67	67	78
Capital Grants	-	14	14	9
Other EFA/DfE Grants	-	88	88	91
	<hr/>	<hr/>	<hr/>	<hr/>
		1,677	1,677	1,592
<b>Other government grants</b>				
Higher Needs Funding	-	19	19	10
	<hr/>	<hr/>	<hr/>	<hr/>
		19	19	10
<b>Other funding</b>				
Trips and parental contributions	-	45	45	-
Insurance claims	-	9	9	16
Staff sickness insurance claims	-	8	8	-
	<hr/>	<hr/>	<hr/>	<hr/>
		62	62	16
	<hr/>	<hr/>	<hr/>	<hr/>
		1,758	1,758	1,618
	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from charitable activities, £Nil was unrestricted in nature and £1,618,000 restricted.

**4. OTHER TRADING ACTIVITIES**

	<b>Unrestricted funds 2016 £000</b>	<b>Restricted funds 2016 £000</b>	<b>Total funds 2016 £000</b>	<b>Total funds 2015 £000</b>
<b>Hire of facilities</b>				
Catering income	52	-	52	43
Moderation income	4	-	4	-
Extended Services income	151	-	151	127
Other income	-	-	-	41
	<hr/>	<hr/>	<hr/>	<hr/>
		207	207	218
	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from other trading activities, £242,000 was unrestricted in nature.

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**HALL ORCHARD BARROW CE PRIMARY ACADEMY**  
**(A Company Limited by Guarantee)**

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

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**5. COSTS OF OTHER TRADING ACTIVITIES**

	<b>Unrestricted funds 2016 £000</b>	<b>Restricted funds 2016 £000</b>	<b>Total funds 2016 £000</b>	<b>Total funds 2015 £000</b>
Catering costs	45	-	45	37
Extended Services costs	30	-	30	15
Extended Services staff costs	108	-	108	97
	<hr/> <b>183</b> <hr/>	<hr/> <b>-</b> <hr/>	<hr/> <b>183</b> <hr/>	<hr/> <b>149</b> <hr/>

In 2015, of the total income from other trading activities, £189,000 was unrestricted in nature.

**HALL ORCHARD BARROW CE PRIMARY ACADEMY**  
**(A Company Limited by Guarantee)**

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

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**6. CHARITABLE ACTIVITIES**

	Total funds 2016 £000	Total funds 2015 £000
<b>DIRECT COSTS</b>		
Wages and salaries	708	735
National insurance	61	57
Pension cost	153	140
Depreciation	93	62
Educational supplies	99	100
Technology costs	11	20
Staff development	12	7
Other staffing costs	22	-
Educational consultancy	14	19
	<hr/> <b>1,173</b>	<hr/> <b>1,140</b>
<b>SUPPORT COSTS</b>		
Wages and salaries	342	353
National insurance	11	10
Pension cost	68	60
Pension finance costs (note 12)	22	20
Rent, rates and water	17	36
Energy	22	25
Maintenance of equipment	3	6
Cleaning	8	5
Insurance	17	31
Other support costs	7	38
Maintenance of premises	31	27
Travel and subsistence	1	2
Recruitment and support	1	1
Governance costs	12	9
	<hr/> <b>562</b>	<hr/> <b>623</b>
	<hr/> <b>1,735</b>	<hr/> <b>1,763</b>

# HALL ORCHARD BARROW CE PRIMARY ACADEMY

(A Company Limited by Guarantee)

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

## **7. RESOURCES EXPENDED**

	Staff costs	Non Pay Expenditure		Total	Total
		Premises	Other costs		
	2016 £'000	2016 £'000	2016 £'000	2016 £'000	2015 £'000
<b>Costs of generating funds:</b>					
Costs of generating funds	108	-	75	183	149
Subtotal costs of generating funds	<u>108</u>	<u>-</u>	<u>75</u>	<u>183</u>	<u>149</u>
<b>Charitable activities:</b>					
Direct costs	922	92	159	1,173	1,140
Support costs	444	78	40	562	623
Subtotal charitable activities	<u>1,366</u>	<u>170</u>	<u>199</u>	<u>1,735</u>	<u>1,763</u>
	<u>1,474</u>	<u>170</u>	<u>274</u>	<u>1,918</u>	<u>1,912</u>

In 2016, of the total expenditure, £183,000 (2015 - £149,000) was from unrestricted funds and £1,735 (2015 - £1,763,000) was from restricted funds.

**8. NET INCOME FROM:**

This is stated after charging:

	2016 £000	2015 £000
Depreciation of tangible fixed assets:		
- owned by the charitable group	<b>93</b>	62
Auditors remuneration	<b>9</b>	5

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**HALL ORCHARD BARROW CE PRIMARY ACADEMY**  
**(A Company Limited by Guarantee)**

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

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**9. STAFF**

**a. Staff costs**

Staff costs were as follows:

	<b>2016</b> £'000	<b>2015</b> £'000
Wages and salaries	1,155	1,176
Social security costs	72	68
Other pension costs (note 22)	222	200
	<hr/>	<hr/>
Supply teacher costs	1,449	1,444
Pension costs	3	9
	<hr/>	<hr/>
	22	20
	<hr/>	<hr/>
	1,474	1,473
	<hr/>	<hr/>

**b. Staff numbers**

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

	<b>2016</b> No.	<b>2015</b> No.
Teachers	22	20
Administration and support	25	26
Management	5	5
	<hr/>	<hr/>
	52	51
	<hr/>	<hr/>

**c. Higher paid staff**

The number of employees whose emoluments fell within the following bands was:

	<b>2016</b> No.	<b>2015</b> No.
In the band £60,001 - £70,000	1	1
	<hr/>	<hr/>
	1	1

The above employee participates in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for this staff member amounted to £11,196 (2015: £9,699).

The Key Management Personnel of the Academy Trust comprises the Staff Trustees and the Senior Leadership Team as listed on page 1. The total amount of the employer benefits (including employer pension contributions) received by Key Management Personnel for their services to the Academy Trust was £304,959 (2015: £297,863).

**10. TRUSTEES' REMUNERATION AND EXPENSES**

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**HALL ORCHARD BARROW CE PRIMARY ACADEMY**  
**(A Company Limited by Guarantee)**

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

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

	<b>2016</b> £000	<b>2015</b> £000
Mrs J McKay - Gross	65-70	65-70
Mrs J McKay - Employers Pension	10-15	5-10
Mrs J Dunn - Gross	40-45	45-50
Mrs J Dunn - Employers Pension	5-10	5-10
Mrs N Roodhouse - Gross	45-50	40-45
Mrs N Roodhouse - Employers Pension	5-10	5-10
Miss K Price - Gross	25-30	20-25
Miss K Price - Employers Pension	0-5	0-5

During the year, expenses claims totalling £1,481 for reimbursed expenses were paid to 2 staff trustees (2015: No amounts paid).

**11. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2016 was £558 (2015 - £1,511). The cost of this insurance is included in the total insurance cost.

**12. OTHER FINANCE INCOME**

	<b>2016</b> £000	<b>2015</b> £000
Expected return on pension scheme assets	23	18
Interest on pension scheme liabilities	(45)	(38)
	<hr/> <hr/> <hr/> (22)	<hr/> <hr/> <hr/> (20)

**HALL ORCHARD BARROW CE PRIMARY ACADEMY**  
**(A Company Limited by Guarantee)**

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

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**13. TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Long term leasehold property £000</b>	<b>Office equipment £000</b>	<b>Computer equipment £000</b>	<b>Assets under construction £000</b>	<b>Total £000</b>
<b>Cost</b>					
At 1 September 2015					
	<b>2,969</b>	17	51	-	<b>3,037</b>
Additions	95	3	20	563	681
At 31 August 2016	<b>3,064</b>	<b>20</b>	<b>71</b>	<b>563</b>	<b>3,718</b>
<b>Depreciation</b>					
At 1 September 2015					
	87	5	14	-	106
Charge for the year	71	4	18	-	93
At 31 August 2016	<b>158</b>	<b>9</b>	<b>32</b>	<b>-</b>	<b>199</b>
<b>Net book value</b>					
At 31 August 2016	<b>2,906</b>	<b>11</b>	<b>39</b>	<b>563</b>	<b>3,519</b>
At 31 August 2015	<b>2,882</b>	<b>12</b>	<b>37</b>	<b>-</b>	<b>2,931</b>

Included in long leasehold property is long leasehold land valued at £886,000 on conversion in 2013 by Leicestershire County Council, a RICS registered valuer, using the depreciated replacement cost method.

The freehold of the land and buildings is owned by Leicestershire County Council. The Academy Trust holds a 125 year leasehold over the land and buildings.

**HALL ORCHARD BARROW CE PRIMARY ACADEMY**  
**(A Company Limited by Guarantee)**

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

**13 TANGIBLE FIXED ASSETS (continued)**

Academy	Long term leasehold property £'000	Office equipment £'000	Computer equipment £'000	Assets under construction £'000	Total £'000
<b>Cost</b>					
At 1 September 2015					
2,969	17	51	-		3,037
Additions 95	3	20	563		681
At 31 August 2016	<b>3,064</b>	<b>20</b>	<b>71</b>	<b>563</b>	<b>3,718</b>
<b>Depreciation</b>					
At 1 September 2015					
87	5	14	-		106
Charge for the year 71	4	18	-		93
At 31 August 2016	<b>158</b>	<b>9</b>	<b>32</b>	<b>-</b>	<b>199</b>
<b>Net book value</b>					
At 31 August 2016					
2,906	11	39	563		3,519
At 31 August 2015	<b>2,882</b>	<b>12</b>	<b>37</b>	<b>-</b>	<b>2,931</b>

Included in long leasehold property is long leasehold land valued at £886,000 on conversion in 2013 by Leicestershire County Council, a RICS registered valuer, using the depreciated replacement cost method.

The freehold of the land and buildings is owned by Leicestershire County Council. The Academy Trust holds a 125 year leasehold over the land and buildings.

**14. DEBTORS**

	Group	Academy
	2016 £'000	2015 £'000
Trade debtors	6	10
Amounts owed by group undertakings	-	-
Prepayments and accrued income	125	11
Other debtors	35	25
	<b>166</b>	<b>46</b>
	<b>=====</b>	<b>=====</b>
	<b>212</b>	<b>55</b>
	<b>=====</b>	<b>=====</b>

**HALL ORCHARD BARROW CE PRIMARY ACADEMY**  
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**15. CREDITORS:**  
**Amounts falling due within one year**

	<b>Group</b>	<b>Academy</b>
	2016 £000	2015 £000
Other taxation and social security	23	14
Other creditors	47	17
Accruals and deferred income	68	166
	<b>138</b>	<b>197</b>
	<b>135</b>	<b>192</b>
	<b>Group</b>	<b>Academy</b>
	£000	£000
<b>Deferred income</b>		
Deferred income at 1 September 2015	78	78
Resources deferred during the year	48	48
Amounts released from previous years	(78)	(78)
Deferred income at 31 August 2016	<b>48</b>	<b>48</b>
	<b>48</b>	<b>48</b>

At the balance sheet date the Academy Trust was holding funds received in advance for trips and Universal Infant Free School Meals income in relation to the next academic year.

**16. CREDITORS:**  
**Amounts falling due after more than one year**

	<b>Group</b>	<b>Academy</b>
	2016 £000	2015 £000
Other creditors	36	30
	<b>36</b>	<b>30</b>
	<b>36</b>	<b>30</b>

Included within other creditors due after more than one year are three loans amounting to £35,850 (2015: £29,975) from Salix. All the loans are interest free.

The first loan, the value of which is £19,548 (2015: £29,944) is repayable at an amount of £1,396 six monthly. The loan will be fully repaid by September 2023.

The second loan, the value of which is £7,827 (2015: £9,031) is repayable at an amount of £602 six monthly. The loan will be fully repaid by September 2023.

The third loan, the value of which is £8,475 (2015: £nil) is repayable at an amount of £565 six monthly. The loan will be fully repaid by September 2024.

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**16. CREDITORS:**  
**Amounts falling due after more than one year (continued)**

Creditors include amounts not wholly repayable within 5 years as follows:

	<b>Group</b>		<b>Academy</b>	
	<b>2016</b> £000	<b>2015</b> £000	<b>2016</b> £000	<b>2015</b> £000
Repayable by instalments	15	14	15	14

**17. STATEMENT OF FUNDS**

	<b>Brought Forward</b> £000	<b>Incoming resources</b> £000	<b>Resources Expended</b> £000	<b>Transfers in/out</b> £000	<b>Gains/ (Losses)</b> £000	<b>Carried Forward</b> £000
<b>Unrestricted funds</b>						
Extended Services	38	151	(131)	10	-	68
Catering funds	-	52	(52)	-	-	-
Other unrestricted income	94	10	-	(10)	-	94
	<b>132</b>	<b>213</b>	<b>(183)</b>	<b>-</b>	<b>-</b>	<b>162</b>
<b>Restricted funds</b>						
General Annual Grant (GAG)	15	1,508	(1,359)	(32)	-	132
Pupil premium	-	67	(67)	-	-	-
Other EFA/DfE Grants	-	88	(88)	-	-	-
Other Government Grants	-	19	(19)	-	-	-
Other income	-	66	(66)	-	-	-
Pension reserve	(571)	-	(43)	-	(159)	(773)
	<b>(556)</b>	<b>1,748</b>	<b>(1,642)</b>	<b>(32)</b>	<b>(159)</b>	<b>(641)</b>

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

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**17. STATEMENT OF FUNDS (continued)**

**Restricted fixed asset funds**

Restricted fixed asset fund	<b>2,931</b>	<b>632</b>	<b>(93)</b>	<b>55</b>	-	<b>3,525</b>
Salix Loans	(17)	-	-	(23)	-	(40)
	<b>2,914</b>	<b>632</b>	<b>(93)</b>	<b>32</b>	-	<b>3,485</b>
Total restricted funds	<b>2,358</b>	<b>2,380</b>	<b>(1,735)</b>	-	(159)	<b>2,844</b>
Total of funds	<b>2,490</b>	<b>2,593</b>	<b>(1,918)</b>	-	(159)	<b>3,006</b>

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

**General Annual Grant (GAG)**

Funds from the Education Funding Agency for the provision of education, in line with the funding agreement.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016. Transfers of £55,000 from GAG funding to the restricted fixed asset fund represents contributions towards the hall extension.

**Other DfE/EFA grants**

Other funds provided by the DfE/EFA for particular purposes within the Academy's educational operations.

**Pupil premium**

Additional funds from the Education Funding Agency to support their disadvantaged pupils and close the attainment gap between them and their peers. This is allocated for every pupil who receives free school meals.

**Capital grants**

This consists of Devolved Formula Capital (DFC) and other capital funding from the Education Funding Agency. The DFC is to be used for ICT items, improvements to building and other facilities or capital repairs and refurbishments and minor works. Other capital grants are to be used as per the individual terms of the agreement and for the specific capital projects as applied for.

**Other income**

These consist of restricted income from all other sources to be used primarily for the Academy's educational operations.

**Pension reserve**

Being the fund in relation to the defined benefit pension scheme liability included in the balance sheet. The fund is in deficit given the nature of the liability, however, this is not payable immediately.

**Restricted fixed asset fund**

The restricted fixed asset fund was funded predominantly by the funds inherited on conversion to an Academy from the Local Authority following the transfer of assets. It includes further amounts invested in fixed assets.

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**17. STATEMENT OF FUNDS (continued)**

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Tangible fixed assets	-	-	3,519	3,519	2,931
Current assets	162	266	6	434	356
Creditors due within one year	-	(134)	(4)	(138)	(196)
Creditors due in more than one year	-	-	(36)	(36)	(30)
Pension scheme liability	-	(773)	-	(773)	(571)
	<b>162</b>	<b>(641)</b>	<b>3,485</b>	<b>3,006</b>	<b>2,490</b>

**19. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2016 £000	2015 £000
Net incoming resources before revaluations	675	135
Depreciation of tangible fixed assets	93	62
Capital grants from DfE	(632)	(149)
(Increase)/decrease in debtors	(120)	8
(Decrease)/increase in creditors	(53)	124
Defined benefit pension scheme cost less contributions payable	21	22
Defined benefit pension scheme finance cost	22	20
<b>Net cash inflow from operations</b>	<b>6</b>	<b>222</b>

**20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2016 £000	2015 £000
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(681)	(267)
Capital grants from DfE	632	149
<b>Net cash outflow capital expenditure</b>	<b>(49)</b>	<b>(118)</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. ANALYSIS OF CHANGES IN NET FUNDS**

	1 September 2015	Cash flow	Other non-cash changes	31 August 2016
	£000	£000	£000	£000
Cash at bank and in hand:	311	(43)	-	268
<b>Net funds</b>	<b>311</b>	<b>(43)</b>	<b>-</b>	<b>268</b>

**22. PENSION COMMITMENTS**

The group's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Leicestershire County Council. Both are Multi-Employer Defined Benefit Pension 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 of the LGPS 31 March 2013.

Contributions amounting to £24,208 were payable to the scheme at 31 August 2016 (2015 - £14,867) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);

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

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

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

The employer's pension costs paid to TPS in the period amounted to £117,000 (2014: £104,000).

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 assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £106,000 (2015: £90,000), of which employer's contributions totalled £83,000 (2015: £70,000) and employees' contributions totalled £23,000 (2015: £20,000). The agreed contribution rates for future years are 21.7% for employers and 5.5%-12.5% for employees.

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

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**22. PENSION COMMITMENTS (continued)**

The group's share of the assets and liabilities in the scheme were:

	<b>Fair value at 31 August 2016</b>	<b>Fair value at 31 August 2015</b>
	£000	£000
Equities	558	357
Bonds	140	114
Property	70	60
Cash	7	11
Total market value of assets	<hr/> <b>775</b>	<hr/> <b>542</b>
Present value of scheme liabilities	<hr/> <b>(1,548)</b>	<hr/> <b>(1,113)</b>
(Deficit)/surplus in the scheme	<hr/> <b>(773)</b>	<hr/> <b>(571)</b>
	<hr/> <b>=====</b>	<hr/> <b>=====</b>

The actual return on scheme assets was £127,000 (2015: £112,000).

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

Interest on obligation	(45)	(38)
Expected return on scheme assets	23	18
Current service cost (net of employee contributions)	(104)	(92)
Total	<hr/> <b>(126)</b>	<hr/> <b>(112)</b>
	<hr/> <b>=====</b>	<hr/> <b>=====</b>

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

Opening defined benefit obligation	1,113	978
Interest cost	45	38
Contributions by scheme participants	23	20
Actuarial Losses/(gains)	263	(15)
Current service cost	104	92
 Closing defined benefit obligation	 <hr/> <b>1,548</b>	 <hr/> <b>1,113</b>
	<hr/> <b>=====</b>	<hr/> <b>=====</b>

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**22. PENSION COMMITMENTS (continued)**

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

Opening fair value of scheme assets	542	433
Expected return on assets	23	18
Actuarial gains and (losses)	104	1
Contributions by employer	83	70
Contributions by employees	23	20
	<hr/>	<hr/>
	775	542
	<hr/>	<hr/>

The cumulative amount of actuarial gains and losses recognised in the Consolidated Statement of Total Recognised Gains and Losses was £302,000 (2015 - £143,000).

The group expects to contribute £89,000 to its Defined Benefit Pension Scheme in 2017.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

Equities	72.00 %	66.00 %
Bonds	18.00 %	21.00 %
Property	9.00 %	11.00 %
Cash	1.00 %	2.00 %

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

Discount rate for scheme liabilities	2.10 %	3.80 %
Rate of increase in salaries	3.10 %	4.60 %
Rate of increase for pensions in payment / inflation	2.10 %	2.70 %
Inflation assumption (CPI)	2.10 %	2.70 %

Sensitivity Analysis:

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	Approximate increase to Employer liability (%)	Approximate monetary amount (£'000)
0.5% decrease in real discount rate	14	211
1 year increase in member life expectancy	3	46
0.5% increase in the salary increase rate	5	81
0.5% increase in the pension increase rate	8	123

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**22. PENSION COMMITMENTS (continued)**

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

	<b>2016</b>	2015
Retiring today		
Males	<b>22.2</b>	22.2
Females	<b>24.3</b>	24.3
Retiring in 20 years		
Males	<b>24.2</b>	24.2
Females	<b>26.6</b>	26.6

**23. OPERATING LEASE COMMITMENTS**

At 31 August 2016 the group had annual commitments under non-cancellable operating leases as follows:

<b>Group</b>	<b>Land and buildings</b>		<b>Other</b>	
	<b>2016</b> £000	2015 £000	<b>2016</b> £000	2015 £000
<b>Expiry date:</b>				
Within 1 year	-	-	4	3
Between 2 and 5 years	-	-	5	1

**24. RELATED PARTY TRANSACTIONS**

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

No related party transactions took place in the year ended 31 August 2016.

**25. CONTROLLING PARTY**

The Academy is ultimately controlled by the Board of Trustees, which includes the Principal.

**26. PRINCIPAL SUBSIDIARIES**

<b>Company name</b>	<b>Country</b>	<b>Percentage Shareholding</b>
Hall Orchard Extended Services England Limited		100%

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**27. COMPANY LIMITED BY GUARANTEE**

The Academy Trust is a company limited by guarantee and does not have share capital.

**28. MEMBERS LIABILITY**

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

**29. FIRST TIME ADOPTION OF FRS 102**

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

**RECONCILIATION OF TOTAL FUNDS**

	<b>1 September 2014 £000</b>	<b>31 August 2016 £000</b>
Total funds under previous UK GAAP	2,339	2,490
Total funds reported under FRS 102	<hr/> <b>2,339</b> <hr/>	<hr/> <b>2,490</b> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**Reconciliation of net expenditure**

	31 August 2015 £000
Net expenditure previously reported under UK GAAP	1,903
Defined benefit pension scheme finance costs (Note A)	8
Net expenditure reported under FRS 102	 1,911

Explanation of changes to previously reported funds and net income/expenditure:

A - Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to expense by £8,000 and increase the debit in other recognised gains and losses in the Statement of Financial Activities by an equivalent amount.

**30. PARENT COMPANY PROFIT FOR THE YEAR**

Hall Orchard Barrow CE Primary School has taken advantage of the exemption allowed under Section 408 of the Companies Act 2006 and has not presented its own Income and Expenditure Account in these financial statements. The entire profits of its trading subsidiary, Hall Orchard Extended Services Limited have been gifted to the Academy in the year to 31 August 2016. At the balance sheet date there were no assets or liabilities in Hall Orchard Extended Services Limited other than share capital.