

**Hall Orchard Barrow CE Primary School**

**Trustees Report and Financial Statements**

**For the year ended 31 August 2015**

**Hall Orchard Barrow CE Primary School**  
**(A company limited by guarantee)**

**Contents**

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	Page
Reference and administrative details of the academy, its trustees and advisers	1 - 2
Trustees' report	3 - 10
Governance statement	11 - 16
Statement on regularity, propriety and compliance	17
Trustees' responsibilities statement	18
Independent auditors' report	19 - 20
Independent reporting accountant's assurance report on regularity	21 - 22
Consolidated statement of financial activities	23
Consolidated balance sheet	24
Academy balance sheet	25
Consolidated cash flow statement	26
Notes to the financial statements	27 - 48

**Hall Orchard Barrow CE Primary School  
(A company limited by guarantee)**

**Reference and Administrative Details of the Academy, its Members/ Trustees and Advisers  
For the year ended 31 August 2015**

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<b>Members</b>	Mrs L Dallow, Chair (resigned as Chair of Governors 17 September 2014) Mrs F Acton, (Chair of Governors committee from 4 March 2015) Mr A Lamb, Chair of Curriculum Committee (resigned 7 January 2015) The Diocese of Leicester Educational Trust Mrs K Mills, Chair/Governor Responsible for Health & Safety and Safeguarding Mr P Browning, (Chair of Curriculum committee from 4 March 2015)
<b>Trustees</b>	Mrs F Acton, Foundation (Vice-chair up to 4 March 2015; Trustee and Chair from 4 March 2015 ) Mrs L Dallow, Chair (resigned as Chair on 17 September 2014 and as a governor on 17 December 2014 ) Mr A Lamb, Chair (resigned 7 January 2015) Mrs K Mills, Parent (Vice Chair from 4 March 2015) Mr E Dring, Parent (resigned 27 March 2015) Ms J McKay, Head Teacher Mrs D Roe, Parent (resigned 1 July 2015) Mrs P Ranson, Foundation Mrs J Dunn, Staff Mrs V Bowman, Ex-officio Foundation (appointed 17 September 2014) Ms A Earl, Trustee (appointed 4 March 2015) Mrs B Allen, Trustee Mrs C Allen, Staff (resigned 6 March 2015) Mr P Browning, Parent Mr A Tennant, Trustee Mrs N Roodhouse (appointed 1 July 2015)
<b>Company registered number</b>	08674696
<b>Registered office</b>	Church Street Barrow Upon Soar Loughborough Leicestershire LE12 8HP
<b>Company secretary</b>	Mrs J Dealey, Bursar / Chief Accounting Officer
<b>Clerk to governors</b>	Mrs K Grocock-Matts
<b>Business Manager</b>	Mr M Harvey
<b>Senior management team</b>	Ms J McKay, Head Teacher Mr A Northcote-Smith, Deputy Head Teacher Mrs C Allen, Assistant Head Teacher Mrs N Roodhouse, Assistant Head Teacher Mrs J Dunn, Assistant Head Teacher/SENCO

**Hall Orchard Barrow CE Primary School**  
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**Reference and Administrative Details of the Academy, its Members/ Trustees and Advisers**  
**For the year ended 31 August 2015**

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**Administrative details (continued)**

<b>Independent auditors</b>	Dains LLP Charlotte House Stanier Way The Wyvern Business Park Derby DE21 6BF
<b>Bankers</b>	National Westminster Bank Plc Market Street Loughborough Leicestershire LE11 3NZ
<b>Solicitors</b>	Walker Morris LLP Kings Court 12 King Street Leeds LS1 2HL

**Hall Orchard Barrow CE Primary School**  
**(A company limited by guarantee)**

**Trustees' Report**  
**For the year ended 31 August 2015**

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The Trustees present their annual report together with the audited financial statements and Auditors' report of Hall Orchard Barrow CE Primary School (the academy and the group) for the ended 31 August 2015. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 4 to 11, serving a catchment area in and around the village of Barrow upon Soar. It has a pupil capacity of 420 and had a roll of 446 in the school census in January 2015.

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) "Accounting and Reporting by Charities" issued in March 2005.

**Structure, governance and management**

**a. 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 3rd September 2013. The Academy has exempt charity status and its principal regulator is the Department for Education (DFE).

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;
- 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.

Subject to Articles 48 and 49, the Academy Trust shall have the following Governors;

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

The term of office for the members and governors is four years.

Details of the trustees/governors who served throughout the year are included in the Reference and Administrative details on page one.

**b. Members' liability**

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

**c. Trustees' indemnities**

Since the conversion to Academy status on 1st October 2013, the trustees (Governors) 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.

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

The method for appointing trustees is described in the Articles of Association point 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 join the governing body.

**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 Governors 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 Governors 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/Governors**

New Governorss will receive a welcome pack from Leicestershire Governor Development Services and will also be directed to information and documents about the Academy. This includes the structure and organisation of the Academy, Academy Development Plan, latest Ofsted report and minutes of previous meetings. The new Governors will also be invited to visit the school to meet the head teacher, staff and pupils. New Trustees are provided with access to the Governor section of the VLE and the online Governor portal which contain 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 which provides support, advice and training information.

#### **e. Organisational structure**

The governing body agrees a Scheme of Delegation, 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
- Head Teacher Performance Review Committee
- Health and Safety and Safeguarding Governor
- SEND Governor
- More Able Governor
- Link Training Governor

Each sub-committee and Governor 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 governor responsibilities are reviewed and updated annually. The Chair of each sub-committee and designated Governors reports back to the Governing Body at the full governing body meeting following each sub-committee meeting or monitoring visit.

The governors are responsible for setting general policy, adopting an annual improvement 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 a Deputy Headteacher and three Assistant Headteachers. The Headteacher with assistance from the SLT takes responsibility for creation of the School Development Plan.

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

#### **f. Connected organisations, including related party relationships**

For the period 1 October 2014 - August 2015 there were the following connected organisations:

Hall Orchard Extended Services Limited

## Objectives 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.

The Academy has the following aims on which the School's five year Strategic Plan and the School Development Plan and associated spending decisions are based:

- Aspiration
- Confidence
- Excellence

To support the schools aim of 'developing a school offering a broad and balanced curriculum', the School Development Plan has identified the following areas of Priority and the strategies for achieving them for 2015-2018:

- 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
- To develop the provision to support school growth

### b. 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.

## Achievements and performance

### a. Review of activities

#### Foundation Stage Outcomes

On entry pupils were broadly in line with National levels, therefore progress is Outstanding.

Reading 86%

Writing 77%

Maths - number 90%, shape space and measures 85%

Our Good level of Development was 71%. This percentage has increased year on year from 55% (2013), to 69% (2014) to 71% (2015).

Total point score (supporting measure) 35.8.

#### Key Stage 1 Outcomes



84% of pupils passed the phonics screening check.

	Level 2+	Level 2B+	Level 2A+	Level 3
Reading Attained	93%	86%	74%	46%
Writing Attained	88%	72%	37%	9%
Mathematics Attained	99%	84%	49%	21%

#### Key Stage 2 Outcomes

	Level 3	Level 4	Level 5	Level 6
Reading	1%	52%	46%	0%
Writing	7%	54%	39%	0%
GAPS	20%	36%	35%	6%
Mathematics	20%	45%	26%	6%

Attendance for 2014/15 was 96.2%.

The School received an Ofsted inspection in July 2015 and the judgement is that the school is a Good School.

The Governors and staff remain committed to providing an exciting and relevant education to inspire and challenge our children so they can ALL be the best that they can be, achieving high levels of attainment and making exceptional progress.

During 2014/5 Literacy was a major focus for the Academy, with a concentration on improving pupils spelling through the introduction of the Read, Write Inc. spelling programme. We also introduced Language and Literacy from years 2-6 to build upon the excellent progress that our children have made with Read, Write Inc. in the Foundation Stage and Years 1 and 2. This scheme has been introduced to improve outcomes in writing and grammar whilst maintaining our excellent standards in reading.

We have significantly increased ICT resources across the Academy, notably the number of I-pads for pupils to support learning across the curriculum and enhance independent research skills.

The Curriculum was revised to ensure that we are meeting all of the requirements of the new National Curriculum and changes made to SEND in line with current legislation.

Our school grounds have been improved with the development of an allotment area and wildlife/ conservation area which is being used as we develop our Forest Schools offer.

The Victorian section of the school has had a new roof and the stonework refurbished. In addition the majority of the school estate now has modern LED lighting installed.

#### b. Going concern

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

**Hall Orchard Barrow CE Primary School**  
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**Trustees' Report (continued)**  
**For the year ended 31 August 2015**

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going concern basis can be found in the Accounting Policies.

**Financial review**

**a. Financial review**

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

Restricted Income	General Annual Grant
	Pupil Premium
	Sports Grant

Unrestricted Income	Income generated by the Academy such as catering, trips and lettings
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## Financial Policies

The principal financial policies adopted for the year were:

- Finance Policy
- Scheme of Delegation
- Day to Day Procedures
- Value for Money Statement
- Reserves and Investments Policy
- Risk Register and Risk Management Policy

### b. Reserves policy

The governors have agreed a Reserves policy which is reviewed at least annually and governors 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.

Reserves have been 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 development of the school site, to support the new National Curriculum and prepare for school growth.

### c. 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.

No investments were made 2014/5.

### d. 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 increasing number of pupils forecasted for future years.

### e. 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 management appraisals and training opportunities are identified and tracked. Termly classroom observations take place by the Head Teacher. Governors 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 are undertaken by the Responsible Officer and External Auditors have been appointed.
- Operational – Local Government Pension liability for which Tier one and two insurance is in place.
- Strategic – External and political factors that change the education landscape. The Academy, through its senior staff, monitor educational changes and development.

The risk register is reviewed at every full governing body meeting.

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

##### **a. Future developments**

The Academy is seeking to develop the bungalow on site to provide bespoke extended services provision. This will free up space within the main school which will be developed to provide additional classroom resources, intervention and meeting spaces. The Academy plans expansion of the school hall to provide more space for curriculum use, collective worship and lunchtime provision. These developments will allow the school to expand to meet the growing need for primary school places within the village.

#### **Funds held as custodian trustee on behalf of others**

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

#### **Disclosure of information to auditors**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

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

#### **Auditors**

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

This report, incorporating the Group strategic report, was approved by order of the board of trustees, as the company directors, on 9 December 2015 and signed on the board's behalf by:



Mrs F Acton  
Chair of Trustees

## Governance Statement

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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 board of trustees has delegated the day-to-day responsibility to the Head Teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Hall Orchard Barrow CE Primary School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs F Acton	6	6
Mrs K Mills	6	6
Mr P Browning	6	6
Mrs L Dallow	1	3
Mrs B Allen	5	6
Mr A Lamb	3	3
Mr E Dring	5	6
Ms J McKay	6	6
Mrs D Roe	6	6
Mrs P Ranson	5	6
Mrs J Dunn	6	6
Mrs V Bowman	5	5
Ms A Earl	3	3
Mrs C Allen	4	4
Mr A Tennant	6	6
Mrs N Roodhouse	1	1

There were changes to the membership of the governing body as a result of several resignations and new appointments, including the appointment of a new Chair and Vice-chair of Governors in March 2015.

The Finance, Personnel and Premises committee is a sub-committee of the main board of trustees. 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. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs F Acton, Chair	6	6
Mrs L Dallow	2	2
Ms J McKay	6	6
Mr A Lamb	2	2
Mrs D Roe	2	6
Mr A Tennant	5	6
Mrs B Allen	6	6
Mrs A Earl	1	1

During the year Mrs A Earl, who is a qualified accountant, joined the committee and took on the role of Chair of the committee in September 2015. The committee approved two large site improvement projects in spring 2015,

both of which have been completed – the Victorian section of the school has had a new roof and the stonework refurbished. In addition the majority of the school estate now has modern LED lighting installed.

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

Governors 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 governor performance management process. The findings of this are discussed informally by Committee Chairs, the Chair and Vice Chair and formally by the full Governing Body. 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 2014/15 the audits provided the basis for the appointment of one co-opted governor. This appointment involved public advertisement, information on the skills sought and the responsibilities and roles of governors. Prospective governors were interviewed, and the most suitable candidate was appointed.

In addition, the Governing Body has introduced 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 360o peer review before the performance management session to allow Chairs to take part in discussions with individual governors. In addition, the Chair of Governors and Head Teacher peer review each other prior to, or if necessary at, the autumn term meeting.

As a result of the governor Performance Management and GSET reviews, the following Action Plan was agreed and implemented:

Governance Statement (continued)

Area and Action	Date to be implemented
<b>Effectiveness</b> <ul style="list-style-type: none"> <li>Develop Work Plans for FGB and all committees or for specific delegated responsibilities</li> <li>Develop Policy review by individual governors and allocate policy review responsibilities</li> <li>Review of GB effectiveness by Chairs committee and via Governor performance management</li> <li>Continue to monitor attendance via termly log</li> <li>Develop new E-governance platform and review information in Governor Handbook/Governor portal</li> <li>Continue Self-evaluation via OSET</li> </ul>	Completed Summer 2015 Autumn 2015 and ongoing Completed Summer 2015 and ongoing Ongoing Ongoing Autumn 2015 Spring 2016
<b>Strategic planning</b> <ul style="list-style-type: none"> <li>Arrange a Strategic Planning Session with External Advisor</li> <li>Review and Develop new Strategic plan to inform the SDP</li> <li>Headteacher to present her strategic plan to Governors;</li> <li>Share Strategic plan with parents</li> <li>Review of Admin staff structure</li> <li>Continue to develop networks and gather information from external sources</li> <li>Consider links with Teaching School as part of Strategic plan</li> </ul>	Completed April 2015 Completed Spring 2015 Completed Spring 2015 Summer 2015 Autumn 2015 Autumn 2015 and Ongoing Ongoing
<b>Training</b> <ul style="list-style-type: none"> <li>Develop a Training plan for new governors, existing governors and in preparation for Ofsted</li> <li>Continue to monitor training via termly Training log;</li> <li>Draft and implement Feedback form from training sessions</li> <li>Ensure Clerk undertakes appropriate training and attends Clerks Briefings</li> </ul>	Completed Spring 2015 and Ongoing Ongoing Completed Spring 2015 Ongoing

All governors are expected to join at least one committee; several are members of more than one. A record is kept of all governor 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 2015 the Governing Body also undertook a strategic planning exercise with support from an independent advisor in order to review the school's position and specifically the Governing Body's contribution. Discussion with the advisor confirmed governors' assessment of their impact, leadership and understanding of the school's strengths and weaknesses. Information from this exercise was also 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 Head Teacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Successfully applying for grants to improve the school site – reroofing of the Victorian section of school and the installation of LED lighting throughout the school.

- Introducing Read, Write Inc. spelling and Language and Literacy schemes throughout school to improve outcomes in Writing, Grammar, Punctuation and Spelling.
- Effective use of technology
  - Purchasing iPads to enhance the curriculum and support pupils' independent learning.
  - Introducing tracking systems and electronic systems of report writing to reduce teacher workload.

#### **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 Hall Orchard Barrow CE Primary School for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.



### The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the 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;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed a volunteer from the community who has appropriate skills and experience, as Responsible Officer (RO).

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 governors in the current period. In particular the checks carried out included:

- Review of financial arrangements for new catering service
- Review of process for approval of audited accounts
- Testing of controls for bank accounts
- Review of process for budget setting and forecasting
- Review of contents of Risk Register
- Testing of internal controls
- Review of Asset Register

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

- Overhead costs of catering service taken account of
- Reserves and Investment Policy approved
- Risk Register amended
- Internal financial controls adjusted
- Review of administrative staffing levels undertaken

The structures of the governors' 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 2014/15 this was six times.

### Review of Effectiveness

As accounting officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditors;
- the work of the Responsible Officer;

Governance Statement (continued)

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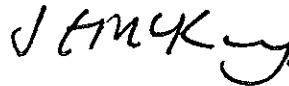
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 9 December 2015 and signed on its behalf, by:



Mrs F Acton  
Chair of Trustees



Ms J McKay  
Accounting Officer

Hall Orchard Barrow CE Primary School  
(A company limited by guarantee)

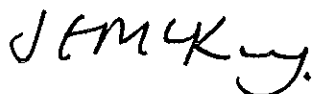
**Statement on Regularity, Propriety and Compliance**

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As accounting officer of Hall Orchard Barrow 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 requirements of the Academies Financial Handbook (2015).

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



Ms J McKay  
Accounting Officer

Date: 09 December 2015

**Hall Orchard Barrow CE Primary School  
(A company limited by guarantee)**

**Trustees' Responsibilities Statement  
For the year ended 31 August 2015**

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The Trustees (who act as governors of Hall Orchard Barrow CE Primary School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Group strategic 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;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable 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 also 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 with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 group'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 9 December 2015 and signed on its behalf by:



**Mrs F Acton  
Chair of Trustees**

**Independent Auditors' Report to the Members of Hall Orchard Barrow CE Primary School**

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We have audited the financial statements of Hall Orchard Barrow CE Primary School for the year ended 31 August 2015 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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**Respective responsibilities of Trustees and auditors**

As explained more fully in the Trustees' responsibilities statement, 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 2015 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 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' report, incorporating the Group 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 requires us to report to you if, in our opinion:

- the parent charitable academy has not kept adequate 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.



Lisa Richards FCCA (Senior statutory auditor)

for and on behalf of

**Dains LLP**

Statutory Auditor  
Chartered Accountants

Charlotte House, Derby  
9 December 2015

**Hall Orchard Barrow CE Primary School  
(A company limited by guarantee)**

**Independent Reporting Accountants' Assurance Report on Regularity to Hall Orchard Barrow CE Primary School and the Education Funding Agency**

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In accordance with the terms of our engagement letter dated 11 August 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hall Orchard Barrow CE Primary School during the year 1 September 2014 to 31 August 2015 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 School 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 School 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 School and EFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Hall Orchard Barrow CE Primary School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Hall Orchard Barrow CE Primary School's funding agreement with the Secretary of State for Education dated 1 October 2013, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 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.

Hall Orchard Barrow CE Primary School  
(A company limited by guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to Hall Orchard Barrow CE  
Primary School and the Education Funding Agency (continued)

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### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Dains LLP

Statutory Auditor  
Chartered Accountants

Charlotte House, Derby

Date: 09 December 2015



Hall Orchard Barrow CE Primary School  
(A company limited by guarantee)

Consolidated Statement of Financial Activities  
(Including Income and Expenditure Account and Statement of Recognised Gains and Losses)  
For the year ended 31 August 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>Incoming resources</b>						
Incoming resources from generated funds:						
Transfer from Local Authority on conversion	2	-	-	-	-	2,423,835
Other voluntary income	2	69,285	-	-	69,285	63,775
Activities for generating funds	4	136,461	81,506	-	217,967	175,650
Investment income	5	17	-	-	17	7
Other incoming resources from charitable activities		-	1,609,412	149,320	1,758,732	1,408,899
<b>Total incoming resources</b>		<b>205,763</b>	<b>1,690,918</b>	<b>149,320</b>	<b>2,046,001</b>	<b>4,072,166</b>
<b>Resources expended</b>						
Costs of generating funds:						
Fundraising expenses and other costs		112,259	-	-	112,259	-
Other costs of activities		75,894	1,643,704	62,110	1,781,708	1,577,251
Governance costs	8	950	8,250	-	9,200	5,000
<b>Total resources expended</b>		<b>189,103</b>	<b>1,651,954</b>	<b>62,110</b>	<b>1,903,167</b>	<b>1,582,251</b>
<b>Net incoming resources before transfers</b>		<b>16,660</b>	<b>38,964</b>	<b>87,210</b>	<b>142,834</b>	<b>2,489,915</b>
Transfers between Funds	18	-	(85,807)	85,807	-	-
<b>Net incoming resources before revaluations</b>		<b>16,660</b>	<b>(46,843)</b>	<b>173,017</b>	<b>142,834</b>	<b>2,489,915</b>
Actuarial gains/(losses) on defined benefit pension schemes		-	8,000	-	8,000	(151,000)
<b>Net movement in funds for the year</b>		<b>16,660</b>	<b>(38,843)</b>	<b>173,017</b>	<b>150,834</b>	<b>2,338,915</b>
Total funds at 1 September 2014		115,361	(517,356)	2,740,910	2,338,915	-
<b>Total funds at 31 August 2015</b>		<b>132,021</b>	<b>(556,199)</b>	<b>2,913,927</b>	<b>2,489,749</b>	<b>2,338,915</b>

All activities relate to continuing operations.

The notes on pages 27 to 48 form part of these financial statements.

Hall Orchard Barrow CE Primary School  
(A company limited by guarantee)  
Registered number: 08674696

Consolidated Balance Sheet  
As at 31 August 2015

	Note	£	2015 £	£	2014 £
<b>Fixed assets</b>					
Tangible assets	13		2,930,662		2,725,672
<b>Current assets</b>					
Debtors	15	45,413		52,966	
Cash at bank and in hand		310,666		207,748	
		<u>356,079</u>		<u>260,714</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(196,017)</u>		<u>(102,471)</u>	
<b>Net current assets</b>			<u>160,062</u>		<u>158,243</u>
<b>Total assets less current liabilities</b>			<u>3,090,724</u>		<u>2,883,915</u>
<b>Creditors: amounts falling due after more than one year</b>	17	<u>(29,975)</u>			<u>-</u>
<b>Net assets excluding pension scheme liability</b>			<u>3,060,749</u>		<u>2,883,915</u>
Defined benefit pension scheme liability	23	(571,000)		(545,000)	
<b>Net assets including pension scheme liability</b>			<u><u>2,489,749</u></u>		<u><u>2,338,915</u></u>
<b>Funds of the academy</b>					
<b>Restricted funds:</b>					
Restricted funds	18	14,801		27,644	
Pension reserve	18	(571,000)		(545,000)	
Restricted fixed asset funds	18	<u>2,913,927</u>		<u>2,740,910</u>	
<b>Total restricted funds</b>			<u>2,357,728</u>		<u>2,223,554</u>
Unrestricted funds	18		<u>132,021</u>		<u>115,361</u>
<b>Total funds</b>			<u><u>2,489,749</u></u>		<u><u>2,338,915</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 9 December 2015 and are signed on their behalf, by:

Mrs F Acton  
Chair of Trustees



The notes on pages 27 to 48 form part of these financial statements.

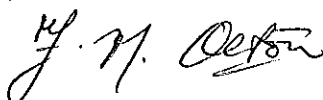
Hall Orchard Barrow CE Primary School  
(A company limited by guarantee)  
Registered number: 08674696

Academy Balance Sheet  
As at 31 August 2015

	Note	£	2015 £	£	2014 £
<b>Fixed assets</b>					
Tangible assets	13		2,930,662		2,725,672
Investments	14		1		1
			<u>2,930,663</u>		<u>2,725,673</u>
<b>Current assets</b>					
Debtors	15	54,889		92,995	
Cash at bank and in hand		297,131		166,612	
		<u>352,020</u>		<u>259,607</u>	
<b>Creditors: amounts falling due within one year</b>	16	(191,957)		(101,365)	
<b>Net current assets</b>			<u>160,063</u>		<u>158,242</u>
<b>Total assets less current liabilities</b>			<u>3,090,726</u>		<u>2,883,915</u>
<b>Creditors: amounts falling due after more than one year</b>	17		<u>(29,975)</u>		<u>-</u>
<b>Net assets excluding pension scheme liability</b>			<u>3,060,751</u>		<u>2,883,915</u>
Defined benefit pension scheme liability	23		<u>(571,000)</u>		<u>(545,000)</u>
<b>Net assets including pension scheme liability</b>			<u><u>2,489,751</u></u>		<u><u>2,338,915</u></u>
<b>Funds of the academy</b>					
Restricted funds:					
Restricted general funds	18	14,801		27,644	
Pension reserve	18	(571,000)		(545,000)	
Restricted fixed asset funds	18	2,973,927		2,740,910	
			<u>2,417,728</u>		<u>2,223,554</u>
Total restricted funds			<u>2,417,728</u>		<u>2,223,554</u>
Unrestricted funds	18		<u>72,023</u>		<u>115,361</u>
<b>Total funds</b>			<u><u>2,489,751</u></u>		<u><u>2,338,915</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 9 December 2015 and are signed on their behalf, by:

Mrs F Acton  
Chair of Trustees



The notes on pages 27 to 48 form part of these financial statements.

**Hall Orchard Barrow CE Primary School**  
**(A company limited by guarantee)**

**Consolidated Cash Flow Statement**  
**For the year ended 31 August 2015**

		<b>31 August 2015 £</b>	<b>Period ended 31 August 2014 £</b>
	<b>Note</b>		
Net cash flow from operating activities	20	220,698	234,873
Capital expenditure and financial investment	21	(117,780)	(27,125)
Cash transferred on conversion to an academy trust		-	(95,304)
<b>Increase in cash in the year</b>		<b>102,918</b>	<b>112,444</b>

**Reconciliation of Net Cash Flow to Movement in Net Funds**  
**For the year ended 31 August 2015**

	<b>31 August 2015 £</b>	<b>Period ended 31 August 2014 £</b>
Increase in cash in the year	102,918	112,444
<b>Change in net debt resulting from cash flows</b>	<b>102,918</b>	<b>112,444</b>
Cash transferred on conversion to an academy trust	-	95,304
<b>Movement in net funds in the year</b>	<b>102,918</b>	<b>207,748</b>
Net funds at 1 September 2014	207,748	-
<b>Net funds at 31 August 2015</b>	<b>310,666</b>	<b>207,748</b>

The notes on pages 27 to 48 form part of these financial statements.

## **1. Accounting Policies**

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

The financial statements have been prepared under the historical cost convention, in accordance with applicable United Kingdom Accounting Standards, the Charity Commission Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

### **1.2 Company status**

The academy is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

### **1.3 Basis of consolidation**

The financial statements consolidate the accounts of Hall Orchard Barrow CE Primary School and all of its subsidiary undertakings ('subsidiaries').

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

The academy has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and expenditure account.

### **1.4 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 academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

**1. Accounting Policies (continued)**

**1.5 Incoming resources**

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

**Grants receivable**

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of 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 year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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.

**Donations**

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

**Other income**

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

**Donated services and gifts in kind**

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's policies.

1. Accounting Policies (continued)

1.6 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

**Costs of generating funds**

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

**Charitable activities**

Charitable activities are costs incurred in the academy's educational operations.

**Governance costs**

Governance costs include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.7 Tangible fixed assets and depreciation

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

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Long Term Leasehold Property	-	2% Straight line
Long Term Leasehold Land	-	Over the term of the lease
Office equipment	-	25% Straight line
Computer equipment	-	33.3% Straight line
Building improvements	-	10% Straight line

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

**1. Accounting Policies (continued)**

**1.8 Investments**

The academy's shareholding in wholly owned subsidiary, Hall Orchard Extended Services Limited, is included in the balance sheet at the cost of the share capital owned. There is no readily available market value and the cost of valuation exceeds the benefit derived.

**1.9 Operating leases**

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

**1.10 Taxation**

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

**1.11 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.



**1. Accounting Policies (continued)**

**1.12 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 funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

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

**2. Voluntary Income**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Transfer from Local Authority on conversion	-	-	-	2,423,835
Contributions and donations	69,285	-	69,285	63,775
Voluntary income	69,285	-	69,285	2,487,610

**3. Commercial trading operations and investment in trading subsidiary**

The charity has a wholly owned trading subsidiary (Hall Orchard Extended Services Limited) which is incorporated in England and Wales.

A summary of the trading results is shown below.

	2015 £	2014 £
<b>Charity trading income</b>		
Turnover	127,330	60,344
Total income	127,330	60,344

Hall Orchard Barrow CE Primary School  
(A company limited by guarantee)  
Notes to the Financial Statements  
For the year ended 31 August 2015

Fundraising trading expenses		
Administrative expenses	112,259	56,314
Gift to parent	15,071	4,030
	<u>          </u>	<u>          </u>
Total costs	127,330	60,344
	<u>          </u>	<u>          </u>
Net income from commercial trading operations	127,330	60,344
	<u>          </u>	<u>          </u>

4. Activities for generating funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Catering Income	-	43,468	43,468	34,010
Lettings income	7,247	-	7,247	3,799
Insurance claims	910	-	910	6,370
Other generated income	991	38,038	39,029	37,500
Funding for Extended Services	127,314	-	127,314	33,628
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	136,462	81,506	217,968	115,307
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

5. Investment income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest received	17	-	17	7
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Hall Orchard Barrow CE Primary School  
(A company limited by guarantee)

Notes to the Financial Statements  
For the year ended 31 August 2015

6. Funding for Academy's educational operations

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>DfE/EFA revenue grants</b>				
General Annual Grant	-	1,415,405	1,415,405	1,312,721
Pupil premium	-	77,651	77,651	51,590
Capital grants	-	149,320	149,320	32,984
Sports grant	-	9,935	9,935	3,792
Higher needs funding	-	9,550	9,550	7,812
Insurance reimbursement funding	-	16,244	16,244	-
Universal free school meals	-	80,627	80,627	-
	-	1,758,732	1,758,732	1,408,899

Hall Orchard Barrow CE Primary School  
(A company limited by guarantee)  
Notes to the Financial Statements  
For the year ended 31 August 2015

7. Charitable activities

	Total funds 2015 £	Total funds 2014 £
<b>Direct costs - educational operations</b>		
Wages and salaries	734,951	667,357
National insurance	57,413	46,973
Pension cost	139,732	99,328
FRS 17 Pension cost	12,000	11,000
Educational supplies	99,353	74,359
Staff development	6,775	6,483
Technology costs	20,133	10,193
Educational consultancy	19,338	21,028
	<u>1,089,695</u>	<u>936,721</u>
<b>Support costs - educational operations</b>		
Wages and salaries	352,649	272,837
National insurance	10,191	8,265
Pension cost	60,294	47,140
Depreciation	62,110	43,968
Travel and subsistence	2,040	1,054
Recruitment and support	905	451
Maintenance of premises	27,087	43,859
Maintenance of equipment	6,301	8,473
Cleaning	4,802	4,675
Rates	26,799	24,445
Water rates	9,572	8,145
Energy	25,109	22,500
Insurance	31,063	28,327
Other occupancy costs	73,091	70,078
	<u>692,013</u>	<u>584,217</u>
	<u><u>1,781,708</u></u>	<u><u>1,520,938</u></u>

8. Governance costs

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	-	5,000	5,000	5,000
Governance Auditors' non audit costs	950	3,250	4,200	-
	<u>950</u>	<u>8,250</u>	<u>9,200</u>	<u>5,000</u>

Hall Orchard Barrow CE Primary School  
(A company limited by guarantee)  
Notes to the Financial Statements  
For the year ended 31 August 2015

9. Net incoming resources

This is stated after charging:

	31 August 2015 £	Period ended 31 August 2014 £
Depreciation of tangible fixed assets: - owned by the charitable group	62,110	43,968
Auditors' remuneration	5,000	5,000
	<u>67,110</u>	<u>48,968</u>

10. Staff

a. Staff costs

Staff costs were as follows:

	31 August 2015 £	Period ended 31 August 2014 £
Wages and salaries	1,176,339	977,116
Social security costs	67,604	55,238
Other pension costs (Note 23)	200,026	146,468
	<u>1,443,969</u>	<u>1,178,822</u>
Supply teacher costs	8,659	12,663
	<u>1,452,628</u>	<u>1,191,485</u>

b. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	31 August 2015 No.	Period ended 31 August 2014 No.
Teachers	16	17
Administration and support	23	23
Management	4	4
	<u>43</u>	<u>44</u>

**10. Staff (continued)**

**c. Higher paid staff**

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

	31 August 2015 No.	Period ended 31 August 2014 No.
In the band £60,001 - £70,000	<u>1</u>	<u>1</u>

The employee participated in the Teacher's Pension Scheme and contributions totalled £9,699 (2014: £8,823) in the period ended 31 August 2014.

**11. Trustees' and officers' insurance**

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was £4,446 (2014 - £4,873). The cost of this insurance is included in the total insurance cost.

**12. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The 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:

	31 August 2015 £	Period ended 31 August 2014 £
Mrs Jane Elizabeth McKay, Head Teacher	70,000-75,000	70,000-75,000
Mrs Jill Eileen Dunn, Staff	45,000-50,000	45,000-50,000
Mrs Clare Elaine Allen, Staff (trustee until 06/03/15)	25,000-30,000	45,000-50,000
Mrs Nadine Roodhouse (trustee from 01/07/215)	5,000-10,000	

During the year, no Trustees received any benefits in kind (2014 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2014 - £NIL).

Hall Orchard Barrow CE Primary School  
(A company limited by guarantee)

Notes to the Financial Statements  
For the year ended 31 August 2015

13. Tangible fixed assets

Group	Long Term Leasehold Property £	Leasehold Improvements £	Office equipment £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2014	2,699,400	39,072	9,932	21,236	2,769,640
Additions	-	230,281	6,817	30,002	267,100
At 31 August 2015	2,699,400	269,353	16,749	51,238	3,036,740
<b>Depreciation</b>					
At 1 September 2014	39,743	269	1,381	2,575	43,968
Charge for the year	43,356	3,998	3,208	11,548	62,110
At 31 August 2015	83,099	4,267	4,589	14,123	106,078
<b>Net book value</b>					
At 31 August 2015	2,616,301	265,086	12,160	37,115	2,930,662
At 31 August 2014	2,659,657	38,803	8,551	18,661	2,725,672

Included in land and buildings is leasehold land at valuation of £886,000 which is depreciated over it's 125 year lease term.

Academy	Long Term Leasehold Property £	Leasehold Improvements £	Office equipment £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2014	2,699,400	39,072	9,932	21,236	2,769,640
Additions	-	230,281	6,817	30,002	267,100
At 31 August 2015	2,699,400	269,353	16,749	51,238	3,036,740
<b>Depreciation</b>					
At 1 September 2014	39,743	269	1,381	2,575	43,968
Charge for the year	43,356	3,998	3,208	11,548	62,110
At 31 August 2015	83,099	4,267	4,589	14,123	106,078
<b>Net book value</b>					
At 31 August 2015	2,616,301	265,086	12,160	37,115	2,930,662
At 31 August 2014	2,659,657	38,803	8,551	18,661	2,725,672

Hall Orchard Barrow CE Primary School  
(A company limited by guarantee)  
Notes to the Financial Statements  
For the year ended 31 August 2015

13. Tangible fixed assets (continued)

14. Fixed asset investments

Academy Market value	Shares in group undertakings £
At 1 September 2014 and 31 August 2015	1

Details of principal subsidiaries are detailed on note 28.

15. Debtors

	Group		Academy	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	-	84	-	84
Amounts owed by group undertakings	-	-	19,221	40,029
Other debtors	24,904	16,933	24,768	16,933
Prepayments and accrued income	20,509	35,949	10,900	35,949
	<u>45,413</u>	<u>52,966</u>	<u>54,889</u>	<u>92,995</u>

16. Creditors:  
Amounts falling due within one year

	Group		Academy	
	2015	2014	2015	2014
	£	£	£	£
Other taxation and social security	13,588	-	13,588	-
Other creditors	16,866	37,984	16,864	37,984
Accruals and deferred income	165,563	64,487	161,505	63,381
	<u>196,017</u>	<u>102,471</u>	<u>191,957</u>	<u>101,365</u>

	Group	Academy
	£	£
Deferred Income		
Deferred income at 1 September 2014	47,594	47,594
Resources deferred during the year	79,974	78,472
Amounts released from previous years	(47,594)	(47,594)
Deferred income at 31 August 2015	<u>79,974</u>	<u>78,472</u>



**16. Creditors:**  
**Amounts falling due within one year (continued)**

At the balance sheet date the academy trust was holding grant income received in advance for the autumn term 2015.

**17. Creditors:**  
**Amounts falling due after more than one year**

Included within other creditors due after more than one year are two loans amounting to £29,975 from Salix. Both loans are interest free. One loan, value of which is £20,944 is repayable at an amount of £1,396 six monthly. The loan will be fully repaid by March 2026.

The other loan, value of which is £9,031 is repayable at an amount of £602 six monthly. The loan will be fully repaid by September 2023.

	<u>Group</u>		<u>Academy</u>	
	2015	2014	2015	2014
	£	£	£	£
Other creditors	<u>29,975</u>	<u>-</u>	<u>29,975</u>	<u>-</u>

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

	<u>Group</u>		<u>Academy</u>	
	2015	2014	2015	2014
	£	£	£	£
Repayable by instalments	<u>13,991</u>	<u>-</u>	<u>13,991</u>	<u>-</u>

Hall Orchard Barrow CE Primary School  
(A company limited by guarantee)

Notes to the Financial Statements  
For the year ended 31 August 2015

18. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
Extended services	32,622	127,330	(122,259)	-	-	37,693
Other unrestricted income	82,739	78,433	(66,844)	-	-	94,328
	<u>115,361</u>	<u>205,763</u>	<u>(189,103)</u>	<u>-</u>	<u>-</u>	<u>132,021</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	27,644	1,415,404	(1,342,440)	(85,807)	-	14,801
Other DfE/EFA Grants	-	194,007	(194,007)	-	-	-
Other Restricted Income	-	81,507	(81,507)	-	-	-
Pension Reserve	(545,000)	-	(34,000)	-	8,000	(571,000)
	<u>(517,356)</u>	<u>1,690,918</u>	<u>(1,651,954)</u>	<u>(85,807)</u>	<u>8,000</u>	<u>(556,199)</u>
<b>Restricted fixed asset funds</b>						
DfE/EFA capital grant	2,740,910	9,005	(62,110)	28,907	-	2,716,712
ClF & Salix funded capital projects	-	140,315	-	56,900	-	197,215
	<u>2,740,910</u>	<u>149,320</u>	<u>(62,110)</u>	<u>85,807</u>	<u>-</u>	<u>2,913,927</u>
Total restricted funds	<u>2,223,554</u>	<u>1,840,238</u>	<u>(1,714,064)</u>	<u>-</u>	<u>8,000</u>	<u>2,357,728</u>
Total of funds	<u>2,338,915</u>	<u>2,046,001</u>	<u>(1,903,167)</u>	<u>-</u>	<u>8,000</u>	<u>2,489,749</u>

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

**Restricted general funds**

This fund represents grants and other income received for the Academy's operational activities and development.

**Pension reserve**

The pension reserve included within restricted general funds represents the Academy's share of the liability arising on the LGPS pension fund.

**Restricted fixed asset funds**

This fund represents grants received from the DfE and EFA to carry out works of a capital nature.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the

Hall Orchard Barrow CE Primary School  
(A company limited by guarantee)

Notes to the Financial Statements  
For the year ended 31 August 2015

18. Statement of funds (continued)

amount of GAG that it could carry forward at 31 August 2015.

Summary of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	115,361	205,763	(189,103)	-	-	132,021
Restricted funds	(517,356)	1,690,918	(1,651,954)	(85,807)	8,000	(556,199)
Restricted fixed asset funds	2,740,910	149,320	(62,110)	85,807	-	2,913,927
	<u>2,338,915</u>	<u>2,046,001</u>	<u>(1,903,167)</u>	<u>-</u>	<u>8,000</u>	<u>2,489,749</u>

19. Analysis of net assets between funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	2,930,662	-	-	2,930,662	2,725,672
Current assets	356,079	-	-	356,079	260,714
Creditors due within one year	(196,016)	-	-	(196,016)	(102,471)
Creditors due in more than one year	(29,975)	-	-	(29,975)	-
Provisions for liabilities and charges	(571,000)	-	-	(571,000)	(545,000)
Difference	(2,357,729)	(556,199)	2,913,927	(1)	-
	<u>132,021</u>	<u>(556,199)</u>	<u>2,913,927</u>	<u>2,489,749</u>	<u>2,338,915</u>

Hall Orchard Barrow CE Primary School  
(A company limited by guarantee)

Notes to the Financial Statements  
For the year ended 31 August 2015

20. Net cash flow from operations

	31 August 2015 £	Period ended 31 August 2014 £
Net incoming resources before revaluations	142,834	2,489,915
Non-cash gift from Local Authority	-	(2,328,531)
Depreciation of tangible fixed assets	62,110	43,968
Capital grants from DfE	(149,320)	(32,984)
Decrease/(increase) in debtors	7,553	(52,966)
Increase in creditors	123,521	102,471
FRS 17 adjustments - pension costs for LGPS scheme	34,000	13,000
<b>Net cash inflow from operations</b>	<b>220,698</b>	<b>234,873</b>

21. Analysis of cash flows for headings netted in cash flow statement

	31 August 2015 £	Period ended 31 August 2014 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(267,100)	(60,109)
Capital grants from DfE	149,320	32,984
<b>Net cash outflow capital expenditure</b>	<b>(117,780)</b>	<b>(27,125)</b>

22. Analysis of changes in net funds

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	207,748	102,918	-	310,666
<b>Net funds</b>	<b>207,748</b>	<b>102,918</b>	<b>-</b>	<b>310,666</b>

23. 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 defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £14,877 were payable to the scheme at 31 August 2015 (2014 - £nil) 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**

**23. Pension commitments (continued)**

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

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The group has accounted for its contributions to the scheme as if it were a defined contribution scheme. The group 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 2015 was £90,000, of which employer's contributions totalled £70,000 and employees' contributions totalled £20,000. The agreed contribution rates for future years are 19% for employers and 5-7% 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.

23. Pension commitments (continued)

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	3.80	357,000	6.30	303,000
Bonds	3.80	114,000	3.40	74,000
Property	3.80	60,000	4.50	43,000
Cash	3.80	11,000	3.30	13,000
Total market value of assets		<u>542,000</u>		<u>433,000</u>
Present value of scheme liabilities		<u>1,113,000</u>		<u>(978,000)</u>
Surplus/(deficit) in the scheme		<u><u>1,655,000</u></u>		<u><u>(545,000)</u></u>

The amounts recognised in the Balance sheet are as follows:

	31 August 2015 £	Period ended 31 August 2014 £
Present value of funded obligations	(1,113,000)	(978,000)
Fair value of scheme assets	<u>542,000</u>	<u>433,000</u>
Net liability	<u><u>(571,000)</u></u>	<u><u>(545,000)</u></u>

The amounts recognised in the Statement of financial activities are as follows:

	31 August 2015 £	Period ended 31 August 2014 £
Current service cost	(92,000)	(59,000)
Interest on obligation	(38,000)	(30,000)
Expected return on scheme assets	<u>26,000</u>	<u>19,000</u>
Total	<u><u>(104,000)</u></u>	<u><u>(70,000)</u></u>
Actual return on scheme assets	<u><u>19,000</u></u>	<u><u>38,000</u></u>

23. Pension commitments (continued)

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

	31 August 2015 £	Period ended 31 August 2014 £
Opening defined benefit obligation	978,000	702,000
Current service cost	92,000	59,000
Interest cost	38,000	30,000
Contributions by members	20,000	16,000
Actuarial (gains) / losses	(15,000)	171,000
Closing defined benefit obligation	<u>1,113,000</u>	<u>978,000</u>

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

	31 August 2015 £	Period ended 31 August 2014 £
Opening fair value of scheme assets	433,000	321,000
Expected return on assets	26,000	19,000
Contributions by employees	20,000	16,000
Contributions by employer	70,000	57,000
Actuarial gains	(7,000)	20,000
	<u>542,000</u>	<u>433,000</u>

The cumulative amount of actuarial gains and losses recognised in the Consolidated statement of total recognised gains and losses was £143,000 (2014 - £151,000).

The group expects to contribute £65,000 to its Defined benefit pension scheme in 2016.

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

	2015	2014
Equities	66.00 %	70.00 %
Bonds	21.00 %	17.00 %
Property	11.00 %	10.00 %
Cash	2.00 %	3.00 %

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

	2015	2014
Discount rate for scheme liabilities	3.80 %	3.70 %
Expected return on scheme assets at 31 August	3.80 %	5.50 %
Rate of increase in salaries	4.60 %	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %



Hall Orchard Barrow CE Primary School  
(A company limited by guarantee)

Notes to the Financial Statements  
For the year ended 31 August 2015

**23. 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:

	2015	2014
Retiring today		
Males	22.2	22.1
Females	24.3	24.3
Retiring in 20 years		
Males	24.2	24.2
Females	26.6	26.6

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2015 £	2014 £
Defined benefit obligation	(1,113,000)	(978,000)
Scheme assets	542,000	433,000
Deficit	<u>(571,000)</u>	<u>(545,000)</u>

**24. Operating lease commitments**

At 31 August 2015 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015	2014	2015	2014
	£	£	£	£
Group and Academy				
Expiry date:				
Between 2 and 5 years	-	-	-	4,461

**25. 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 2015.

The academy has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with members of the group headed by Hall Orchard Barrow CE Primary School, on the grounds that 100% of the voting rights in the subsidiary company are controlled within that group and the company is included in consolidated financial statements.

**Hall Orchard Barrow CE Primary School**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the year ended 31 August 2015**

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**26. Controlling party**

The charity is controlled by the Board of Trustees.

**27. Principal subsidiaries**

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