

**Barnfield Studio School****Annual Report and Financial Statements****Year ended 31 August 2014**

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## **Barnfield Studio School**

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## Barnfield Studio School

### Reference and Administrative Details

#### Trustees

Name	Position	Date of Appointment	Date of Resignation
Bronwen Philpott	Chair	27 July 10	
Helen Mayhew *		14 July 11	28 August 2014
Stephen Hall *		27 July 10	23 January 14
David Taylor		20 April 11	28 August 2014
Mark Cronin	Accounting Officer	05 February 12	
Peta Young		23 January 14	16 July 2014
Rachael McConaghie		23 January 14	
Paula Martin		23 January 14	
Jackie Webb		23 January 14	13 May 2014

\* = members of the Finance and General Purposes Committee

Name	Position	Date of Appointment	Date of Resignation
Brian Frederick	Company Secretary	01/09/2012	31/08/2014
Lisa Milligan	Company Secretary	01/09/2014	

#### Senior Management Team

Principal

#### Name

Mark Cronin

#### Principal and Registered Office

York Street  
Luton  
LU2 0EZ

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## Barnfield Studio School

### Reference and Administrative Details (continued)

<b>Company Registration Number</b>	07665633 (England and Wales)
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 10 Bricket Road St Albans AL1 3JX
<b>Bankers</b>	Lloyds TSB PLC 249 Silbury Boulevard Secklow Gate West Milton Keynes MK9 1NA

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## **Barnfield Studio School**

### **Trustees' Report**

The Directors present their annual report together with the audited financial statements and auditor's report of the charitable company for the year 1 September 2013 to 31 August 2014. The annual report serves the purposes of both Trustees' Report and a Directors' Report under company law.

The financial statements have been prepared in accordance with the accounting policies on pages 21 to 23 of the attached financial statements, and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 ('SORP 2005').

### **Structure, Governance and Management**

#### **Constitution**

The Academy is a company limited by guarantee, incorporated on the 27 July 2010, with no share capital. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy. Members of the charitable company are nominated by either the Secretary of State for Education or by Barnfield Education Partnership Trust, the main sponsors of the Academy. The Articles of Association require the members of the charitable company to appoint at least five directors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy.

The principal activity of the Academy is to advance for the public benefit, education in the United Kingdom, by establishing and developing a school offering a broad curriculum. The Academy commenced operations on 1 September 2010.

In accordance with the Articles of Association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on science and technology and their practical applications.

Details of the trustees and directors who served during the year are included in the Reference and Administration Details on page 3.

#### **Members' Liability**

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

#### **Method of Recruitment and Appointment or Election of Trustees**

The Directors of the charitable company are Directors for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. The Directors' term of office is a maximum of two years though this time limit does not apply to the Principal or the Sponsor Directors. The term of office of a parent director ends when the parent ceases to be the parent of a registered student at the Academy. Any Director may be re-appointed or re-elected once so that the total time in office of a director (except for the Principal and Sponsor directors) is four years.

The directors who have held office in the year ending 31 August 2014 and up to the date of signing the financial statements are listed on page 3, together with their dates of appointment and resignation.

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## **Barnfield Studio School**

### **Trustees' Report (continued)**

During the year under review the directors held five meetings. The training and induction provided for new Directors will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new Directors will be given a tour of the Academy and the chance to meet with staff and students. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors. As there are not many new directors in a year, induction tends to be done informally and is tailored specifically to the individual.

As and when new Directors are required for appointment consideration is made as to the skills needed to augment the effectiveness of the board. The Academy Principal is responsible for arranging the election of the Parent Director and the Local Authority can submit three potential directors for selection.

### **Connected Organisations**

Barnfield Studio School is part of the Barnfield Federation which also includes Barnfield South Academy, Barnfield West Academy, Barnfield Vale Academy, Moorlands Free School, Barnfield College, Barnfield Apprenticeship Training Agency Limited and Barnfield Education Partnership Trust. Barnfield Studio School also procures services from a shared services facility within the Barnfield Federation operated by Barnfield Education Services Limited and Barnfield Shared Services Limited.

### **Public Benefit**

The Academy is an exempt charity and as such is regulated by the EFA on behalf of the Charity Commission for England and Wales. The Academy's objects are to advance education for the public benefit. In so doing, the Academy gives due regard to the diverse beliefs and backgrounds of its pupils.

The Academy Board serves as the Academy's trustee and is responsible for defining the strategic aims the Academy and directing the activities of its Principal in the furtherance of these objects. When setting objectives and planning activities, the Academy Board gives careful consideration to the Charity Commission's general guidance on public benefit.

Attention is also paid to guidance issued by the EFA in its new role as principal regulator on behalf of the Commission.

The Academy's Strategic Plan sets key targets in the areas of teaching, value added activities and identity in order to achieve its vision.

The progress towards achieving these goals is described in detail in other sections of the Financial Statements. This section highlights areas in which the Academy carried out its activities for the public benefit during the year in furtherance of its objects and its mission.

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## **Barnfield Studio School**

### **Trustees' Report (continued)**

#### **Objectives and Activities**

The principal object and activity of the charitable company is the operation of the Barnfield Studio School to provide education for pupils of different abilities between the ages of 14 and 19 with an emphasis on Business and Enterprise.

The main objectives of the Academy are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce; and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

#### **Achievements and Performance**

Key Successes for Barnfield Studio School for 2013/14:

98% 5 x A\* - G  
45% A\* - C English  
29% A\* - C maths  
100% pass rate at BTEC Extended Diploma

#### **Going Concern**

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

#### **Financial Review**

The grants receivable from the EFA during the year ended 31 August 2014 were £860,000. These grants and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Net outgoing resources for the year before Actuarial Pension (Losses) / Gains were £508,000.

#### **Reserves Policy**

The policy of the directors is to maintain a level of reserves that will be adequate to provide a stable base for the continuing operation of the Academy whilst ensuring that excessive funds are not accumulated. Through a combination of future government funding and financial support from sponsors, the directors are satisfied that the company's reserves will be sufficient for its current purposes. The reserves as at 31 August 2014 amounted to £2,948,000. Under Charity Commission definitions for free reserves, being unrestricted undesignated funds, the Academy had a surplus of £2,000.

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## Barnfield Studio School

### Trustees' Report (continued)

#### Principal Risk and Uncertainties

Barnfield Studio School has adequate capital funds available from the Education Funding Agency to meet its current and future needs.

A business case has been prepared for the assimilation of Barnfield Studio School into the multi-academy trust, Barnfield Academy Trust. Whilst there are inherent risks with any transaction the Trustees believe that there is sufficient financial support as well as educational and reputational benefits in joining Barnfield Academy Trust.

#### Plans for Future Periods

***At Barnfield Studio School, we work closely with the DFE and EFA and have finalised a business plan designed to drive the school forward as a respected, leading academic/vocational centre of excellence.***

The school will continue to strive to improve the level of performance of its mixed ability cohort of students and ensure they are fully prepared to gain employment or further education or training, whether with us or with our sister educational establishments. Operating cross-phase educational pathways, students are able to access a range of educational and vocational pathways through the key stages on offer at the school.

To ensure that standards are continually raised the Academy Trust operates an extensive self-evaluation and external audit programme that includes lesson observation of all staff and is a process based on the OFSTED framework. A full data analysis and target setting process at pupil, department and whole Academy level has taken place and includes a rigorous performance management process.

In 2014, we received notification that DFE and The Regional Schools' Commissioner have agreed our Pre-Warning Notice is to be removed and in September, we hosted an extremely positive visit from our HMI Educational Adviser. In October, however, we received an unexpected, second Ofsted Section 5 inspection visit. Focusing on progress against KS2 predictions, where lack of progress during KS3 is generally ignored rather than our DFE agreed progress measure of a 2 level rise from baseline in year 10, we were judged as Requiring Improvement. Several achievable targets were set and the school has produced a comprehensive action plan to ensure success. The RI measure ensures we receive an HMI visit 12 weeks after the publication of the Ofsted document in which progress against the targets will be measured. Should we display rapid enough progress, we will be left to progress and receive a full inspection in two years.

We continue to work closely with our sister academies and The Teaching School to ensure best practice is recognised, achieved and shared across the academies' trust.

At a Board meeting on 15 July 2014 the Trustees, after much consideration and discussion, decided that the future of Studio School would be more secure and educational opportunities for staff and students improved if Studio were to become part of the Barnfield Academy Trust. At a board meeting on the 16 July 2014 the board of BAT agreed to Studio joining the Barnfield Academy Trust. Subsequently, Trustees along with the Principal have made significant progress towards this and it is likely that the assimilation of Studio into BAT will have taken place during 2014-2015. At the date of this report BAT remains part of the Barnfield Group, however at the same Board meeting of BAT on 16 July 2014 and subsequently at a meeting of BEPT on 16 July 2014 (the sponsor) and the College on 23 July 2014, the Boards made a joint decision to agree to the separation of BAT from its sponsor BEPT. The process of separation is now well underway and Boards are working jointly with the EFA to ensure a smooth transition for BAT to a stand-alone Multi Academy Trust. This is likely to have concluded after Studio has assimilated into BAT.



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## **Barnfield Studio School**

### **Trustees Report (continued)**

#### **Independent Auditors**

Insofar as the trustees are aware:

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

#### **Independent Auditors**

PricewaterhouseCoopers LLP were appointed as external auditors during the year and have expressed their willingness to be re-appointed for the financial year 2014/2015.

Trustees' Report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 18 December 2014 and signed on the board's behalf by:



**Bronwen Philpott**  
Chair

**Date**

18/12/14

## Barnfield Studio School

### Governance Statement

#### Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Barnfield Studio 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 Principal 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 Barnfield Studio 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 Statement of Trustees' Responsibilities. The board of trustees has formally met 5 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
Bronwen Philpott	5	5
Helen Mayhew	5	5
Stephen Hall	4	5
David Taylor	1	5
Mark Cronin	5	5
Peta Young	2	5
Rachael McConaghie	4	5
Paula Martin	3	5
Jackie Webb	3	5

There were no key changes to the Studio School Trust composition.

#### Governance Review

External Governance training took place in May 2014 and July 2014, delivered by Eversheds and SSAT respectively. The training focussed on the roles and responsibilities of Directors in Multi-Academy Trusts, driving improvement, support and challenge and preparation for Ofsted.

Board effectiveness will be explored towards the end of the 2014/2015 cycle to inform improvements for the following year.

Skills Audit of all Governors/Directors is currently taking place.

#### The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Barnfield Studio School for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

## Barnfield Studio School

### Governance Statement (continued)

#### Capacity to Handle Risk

The directors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The directors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the following statement. Work will continue to improve the management of risks within the framework established by the directors.

#### 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 directors;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Baker Tilly as internal auditor.

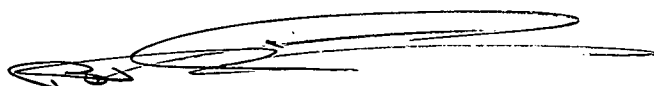
The internal auditor's role will include giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, the auditor will report to the board of trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

#### Review of Effectiveness

As accounting officer the principal 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 executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to ensure continuous improvement of the system is in place

Approved by order of the members of the board of trustees on 18 December 2014 and signed on its behalf by:



**Bronwen Philpott**

Chair

18/12/14



**Mark Cronin**

Accounting Officer

18/12/14

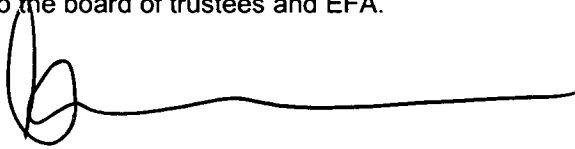
## Barnfield Studio School

### Statement on Regularity, Propriety and Compliance

As accounting officer of Barnfield Studio School I have considered my responsibility to notify the academy's Governing Body 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.

I confirm that I and the academy's governing body 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.

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.



Mark Cronin  
Accounting Officer  
Date:

18/12/14

## Barnfield Studio School

### Statement of Trustees' Responsibilities

The trustees (who are also directors of Barnfield Studio School for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

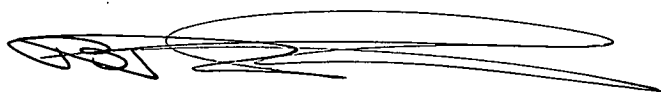
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures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

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

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

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

Approved by order of the members of the board of trustees on 18 December 2014 and signed on its behalf by:



Bronwen Philpott

Chair

Date

18/12/14

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# ***Independent auditors' report to the members of Barnfield Studio School***

## **Report on the financial statements**

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### **Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the charitable company's (the "Academy Trust") affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This opinion is to be read in the context of what we say in the remainder of this report.

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### **What we have audited**

The charitable company financial statements (the "financial statements"), which are prepared by Barnfield Studio School, comprise:

- the charitable company balance sheet as at 31 August 2014;
- the charitable company's income and expenditure account and statement of total recognised gains and losses for the year then ended;
- the charitable company cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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 2013 to 2014.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 company'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 Annual 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.

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

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

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## **Other matters on which we are required to report by exception**

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### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Academy Trust, or returns adequate for our audit have not been received from branches not visited by us; or
- the Academy Trust's financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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### **Trustees' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of trustees' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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## **Responsibilities for the financial statements and the audit**

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### **Our responsibilities and those of the trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Academy Trust's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Andrew Latham (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
St Albans

Date: 21 December 2014

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## **Independent Reporting Accountant's Assurance Report on Regularity to the trustees of Barnfield Studio School and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 1 October 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Barnfield Studio School during the period 1 September 2013 to 31 August 2014 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 Barnfield Studio School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Barnfield Studio School and the 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 or liability to anyone other than Barnfield Studio School and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of the Barnfield Studio School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Barnfield Studio School's funding agreement with the Secretary of State for Education in 2010 and the Academies Financial Handbook, extant from 1 September 2013, 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 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them, as set out in the Academies Accounts Direction 2013 to 2014.

### **Approach**

We conducted our limited assurance engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by the 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.



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

The work undertaken to draw to our conclusion includes:

- Enquiry of management
- Review of board minutes
- Review of the appropriateness of expenditure and detailed testing on a sample basis
- Obtaining and reviewing articles of association and financial regulations
- Independent confirmation of funding body income received
- Review of financial memorandum for any specific terms and conditions imposed

### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to the purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant  
PricewaterhouseCoopers LLP

Date: 21 December 2014

# Barnfield Studio School

## Statement of Financial Activities for the Year Ended 31 August 2014

		Unrestricted Funds	Restricted Funds	Restricted fixed asset fund	Total 2014	Total 2013
	Notes	£000s	£000s	£000s	£000s	£000s
<b>Incoming Resources</b>						
<i>Income resources from generated funds:</i>						
Activities for generating funds	3	-	120	-	120	3,012
Investment Income	4	-	-	-	-	1
<i>Incoming resources from charitable activities:</i>						
Funding for the academy's educational operations	5	-	867	1	868	1,639
<b>Total incoming resources</b>		-	987	1	988	4,652
<b>Resources Expended</b>						
<i>Cost of generating funds:</i>						
Cost of activities for generating funds						-
<i>Charitable Activities:</i>						
Academy's educational operations	6	-	(1,385)	(100)	(1,485)	(1,519)
Governance costs	6	-	(11)	-	(11)	(10)
<b>Total resources expended</b>		-	(1,396)	(100)	(1,496)	(1,529)
<b>Net incoming resources before transfers</b>		-	(409)	(99)	(508)	3,124
Transfers		-	-	-	-	-
<b>Net (outgoing)/incoming resources before other recognised gains and losses</b>		-	(409)	(99)	(508)	3,124
<b>Other recognised gains and losses</b>						
Actuarial (losses)/gains on defined benefit pension schemes		-	-	-	-	4
<b>Net Movement in funds</b>		-	(409)	(99)	(508)	3,128
Fund balance brought forward at 1 September		2	136	3,311	3,449	321
Fund balances carried forward at 31 August		2	(273)	3,212	2,941	3,449

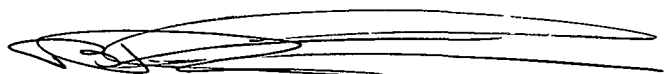
All of the company's activities derive from continuing operations during the above two financial periods.

## Barnfield Studio School

### Balance Sheet as at 31 August 2014

		2014	2013
	Notes	£000	£000
<b>Fixed Assets</b>			
Tangible Assets	12	3,212	3,311
<b>Current Assets</b>			
Debtors	13	74	-
Cash at bank and in hand	22	373	338
		447	338
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	14	(719)	(200)
<b>Net Current (Liabilities)/Assets</b>		(271)	138
<b>Total assets less current liabilities</b>		2,941	3,449
<b>The funds of the charity:</b>			
<b>Restricted funds</b>			
Restricted fixed asset/fund	14	3,212	3,311
Restricted general fund	14	(273)	136
<b>Total restricted funds</b>		2,939	3,447
<b>Unrestricted income funds</b>			
General Fund		2	2
<b>Total unrestricted income funds</b>		2	2
<b>Total funds</b>		2,941	3,449

The financial statements on pages 18 to 31 were approved and authorised for issue by the directors on 18 December 2014 and signed on their behalf by:



.....  
Bronwen Philpott

Chair 18/12/14



.....  
Mark Cronin

Principal

18/12/14

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## Barnfield Studio School

### Cash Flow Statement for the Year Ended 31 August 2014

	Notes	2014 £000	2013 £000
<b>Net cash inflow from operating activities</b>	19	36	269
Returns on Investment and servicing of finance	20	-	1
Capital Expenditure and financial investment	21	(1)	(141)
<b>Increase in cash in the year</b>	22	<u>35</u>	<u>129</u>
<b>Reconciliation of net cash flow movement in net funds</b>			
Net funds at 1 September		338	209
Increase in cash in the year		35	129
<b>Net funds at 31 August</b>		<u>373</u>	<u>338</u>

# Barnfield Studio School

## Notes to the Financial Statements for the Year Ended 31 August 2014

### 1. Statement of Accounting Policies

#### **Basis of preparation**

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: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2013 to 2014 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.

#### **Going Concern**

These financial statements are prepared on a going concern basis. The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

#### **Incoming resources**

All incoming resources are recognised when the academy trust 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 when entitlement is certain. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

- **Donations**

Donations are included in the Statement of Financial Activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

- **Donated services and gifts in kind**

The value of donated services and gifts in kind provided to the Academy is recognised in the Statement of Financial Activities as incoming resources and resources expended at their estimated value to the Academy in the period in which they are receivable, and where the benefit is both quantifiable and material.

- **Interest receivable**

Interest receivable is included within the statement of financial activities on a receivable basis.

#### **Resources expended**

Resources expended are recognised in the period in which they are incurred and include irrecoverable VAT. They have been classified under headings that aggregate all costs relating to that activity.

- **Allocation of costs**

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Academy's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned.

- **Governance costs**

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

## **Barnfield Studio School**

### **Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)**

#### **1. Statement of Accounting Policies (continued)**

##### **Fund accounting**

A fund is a pool of unexpended resources, held and maintained separately from other pools because of the way in which the resources were originally received or the way in which they have subsequently been treated. A fund may be unrestricted, restricted, designated or endowed as described below:

- Unrestricted funds represent those resources which may be used towards meeting any of the objects of the Academy at the discretion of the directors
- Restricted funds comprise grants from the YPLA and other donors which are to be used for specific purposes as set out in note 15
- Endowed funds are received and the interest earned on the endowment investment is restricted for specific purposes as set out in the deed of gift

##### **Tangible fixed assets**

Tangible fixed assets acquired since the Academy was established are included in the financial statement at cost.

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 useful economic life and residual value of fixed assets is reviewed at the end of each accounting period.

Assets costing less than £1,000 are written off in the year of acquisition. All other assets are capitalised.

##### **Depreciation**

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The estimated useful lives used for other assets are:

Computer equipment and software	3 years
Furniture and Equipment	5 years
Land & Buildings	50 years

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

##### **Investments**

Investments are shown at the period end at market value. Realised and unrealised gains and losses on investment are dealt with through the Statement of Financial Activities and the Income from Investments is included in the year in which it is receivable.

Endowment funds provided by the sponsor and other benefactors are treated as a restricted fund.

##### **Stock**

School uniforms are valued at the lower of cost or net realisable value.

##### **Leased assets**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term.

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## **Barnfield Studio School**

### **Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)**

#### **1. Statement of Accounting Policies (continued)**

##### **Taxation**

The Academy is a registered charity and as such is exempt from income tax and corporation tax under the provisions of the Income and Corporation Taxes Act 1988. The cost of irrecoverable VAT incurred by the Academy has been included in the Statement of Financial Activities.

##### **Pensions**

Academy staff are members of one of two pension schemes, which are defined benefit schemes and one of these is accounted for as a defined contribution scheme.

##### **Pension Benefits**

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

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

Full-time and part-time teaching staffs employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the EFA. As the Studio School is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the Free School has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the Studio School in the year.

##### **Local Government Pension Scheme**

Non-teaching members of staff are offered membership of the Local Government Scheme (LGPS). The LGPS is a defined benefit pension scheme and is unable to identify the Studio School's share of assets and liabilities and accordingly, has accounted for its contributions to the scheme as if it were a defined contribution scheme.

## Barnfield Studio School

### Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

#### 2. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2014 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy has not exceeded these limits during the year ended 31 August 2014.

3. Activities for generating funds	2014 £000s	2013 £000s
Restricted fixed asset fund	-	3,000
Sundry Income	<u>120</u>	<u>12</u>
	<u>120</u>	<u>3,012</u>
4. Investment income	2014 £000s	2013 £000s
Bank Interest	<u>-</u>	<u>1</u>
	<u>-</u>	<u>1</u>
5. Funding for the Academy's Educational Operations	2014 £000s	2013 £000s
EFA Grants		
General Annual Grant (GAG) (note 2)	858	1,483
Capital Grants	<u>2</u>	<u>141</u>
	860	1,624
Other Government grants		
Special educational projects	8	15
Relating to FRS 17 pension movements	<u>-</u>	<u>-</u>
	<u>868</u>	<u>1,639</u>



# Barnfield Studio School

## Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

### 6. Resources Expended

	Staff costs £000s	Non Pay Premises £000s	Expenditure Other £000s	Total 2014 £000s	Total 2013 £000s
Academy's educational operations					
Allocated support costs	97	70	388	555	793
Direct costs	590	67	273	930	726
	<b>687</b>	<b>137</b>	<b>661</b>	<b>1,485</b>	1,519
Governance costs including allocated support costs	-	-	11	11	10
	<b>687</b>	<b>137</b>	<b>672</b>	<b>1,496</b>	1,529

Incoming/outgoing resources for the year include:

	2014 £000s	2013 £000s
Fees payable to auditor		
Audit	9	10
other services	-	-
Profit/(loss) on disposal of fixed assets	-	-
	<b>9</b>	<b>10</b>

### 7. Charitable activities – Educational Operations

	2014 £000s	2013 £000s
<b>Direct Costs</b>		
Teaching and educational support staff costs	590	495
Depreciation and loss on disposals of fixed assets	100	26
Books, apparatus and stationary	88	59
Examination Fees	29	43
Staff development	7	5
Educational consultancy	44	61
Other direct costs	72	37
	<b>930</b>	<b>726</b>
Relating to FRS 17 pension movements	-	-

## Barnfield Studio School

### Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

	2014 £000	2013 £000
<b>Allocated Support Costs</b>		
Support staff costs	98	114
Pupil recruitment and support	3	7
Maintenance of premises and equipment	23	3
Rent & Rates	12	202
Heat & Light	35	-
Insurance	11	8
Transport	38	41
Catering	16	18
Technology Costs	12	9
Indirect employee expenses	8	28
Other support costs	299	363
	<b>555</b>	<b>793</b>
	<b>1,485</b>	<b>1,519</b>

The figures above include £100,000 for depreciation relating to the restricted fixed asset funds all other expenditure relates to restricted funds

#### 8. Governance Costs

	2014 £000	2013 £000
Support costs	-	-
Legal and professional fees	2	-
Internal Audit	-	-
Audit Fees	9	10
	<b>11</b>	<b>10</b>

## Barnfield Studio School

### Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

#### 9. Staff Costs

##### a. Staff costs

Staff costs during the period were:

	2014 £000s	2013 £000s
Wages and Salaries	567	495
Social security costs	43	39
Other pension costs	77	75
	<u>687</u>	<u>609</u>
Supply staff costs	70	38
Staff restructuring costs	-	-
	<u>757</u>	<u>647</u>

##### b. Staff numbers

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

	2014 No.	2013 No.
<b>Charitable Activities</b>		
Teachers	14	11
Administration and support	3	3
	<u>17</u>	<u>14</u>

##### c. Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2014 No.	2013 No.
£60,001 - £70,000	-	1
£80,001 - £90,000	1	-

The above employee earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the year ended 31 August 2014 pension contributions for the member of staff amounted to £11,000.

#### 10. Related Party Transactions - Trustees' remuneration and expenses

The principal only receives remuneration in respect of services he provides undertaking the role of principal, and not in respect of his services as a trustee. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. The value of trustees' remuneration was as follows:

M Cronin (principal and trustee): £70,001- £80,000 (2013: £60,001 - £70,000).

During the year ended 31 August 2014 no travel and subsistence expenses were reimbursed to the trustees (2013: £nil).

Other related party transactions involving trustees are set out in note 23.

## Barnfield Studio School

### Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

#### 11. Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £606 (2013: £748).

#### 12. Tangible assets

	Furniture & Equipment £000s	Computer Equipment & Software £000s	Land & Buildings £000s	Total £000s
<b>Cost</b>				
At 1 September 2013	41	71	3,226	3,338
Additions	-	1	-	1
Disposals	-	-	-	-
At 31 August 2014	<u>41</u>	<u>72</u>	<u>3,226</u>	<u>3,339</u>
<b>Accumulated Depreciation</b>				
At 1 September 2013	7	15	5	27
Charged in year	8	24	67	100
On Disposals	-	-	-	-
At 31 August 2014	<u>15</u>	<u>39</u>	<u>72</u>	<u>127</u>
<b>Net Book Values</b>				
At 31 August 2014	<u>26</u>	<u>33</u>	<u>3,154</u>	<u>3,212</u>
At 31 August 2013	<u>34</u>	<u>56</u>	<u>3,221</u>	<u>3,311</u>

#### 13. Debtors

	2014 £000s	2013 £000s
Other debtors	<u>74</u>	<u>-</u>
	<u>74</u>	<u>-</u>

# Barnfield Studio School

## Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

### 14. Creditors: amounts falling due within one year

	2014 £000s	2013 £000s
Accruals and other creditors	719	200
	<u>719</u>	<u>200</u>

### 15. Funds

The income funds of the Academy comprise the following balances of grants to be applied for specific purposes:

	Balance at 1 September 2013 £000s	Incoming resources £000s	Resources Expended £000s	Gains, losses and transfers £000s	Balance at 31 August 2014 £000s
<b>Restricted General Funds</b>					
General Annual Grant (GAG)	136	987	(1,396)	-	(273)
<b>Restricted Fixed Asset Fund</b>					
DfE/EFA Capital grants	3,311	1	(100)	-	3,212
<b>Unrestricted funds</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>
<b>Total funds</b>	<b>3,449</b>	<b>988</b>	<b>(1,496)</b>	<b>-</b>	<b>2,941</b>

The restricted general fund relates to revenue grants and income to be used with the charitable objectives within the company. The restricted fixed asset fund relates to income received for the purchase of capital items.

Under the funding agreement with the Secretary of State the academy trust was subject to limits on the amount of GSG that it could carry forward at 31 August 2014. Note 1 discloses whether the limits were exceeded.

# Barnfield Studio School

## Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

### 16. Analysis of net assets between funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted Funds £000s	Restricted General Funds £000s	Restricted Fixed Asset Funds £000s	Total Funds £000s
Tangible fixed assets	-	-	3,212	3,212
Current Assets	2	446	-	448
Current Liabilities	-	(719)	-	(719)
Pension Liability	-	-	-	-
<b>Total Net assets</b>	<b>2</b>	<b>(273)</b>	<b>3,212</b>	<b>2,941</b>

### 17. Capital Commitments

	2014 £000s	2013 £000s
Contracted for, but not provided in the financial statement	-	-
Authorised by governors, but not yet contracted	-	-
	<u>-</u>	<u>-</u>

### 18. Lease Commitments

#### Operating leases

At 31 August 2014 and 2013 the Academy had no annual commitments under non-cancellable operating leases.

### 19. Reconciliation of net (expense) / income to net cash inflow from operating activities

	2014 £000s	2013 £000s
Net (expense)/income	(508)	3,124
Depreciation (note 12)	100	26
Interest Receivable (note 4)	-	(1)
Inherited Buildings	-	(3,000)
Other	-	1
Decrease in debtors	-	299
Increase/(Decrease) in creditors	444	(180)
<b>Net cash inflow from operating activities</b>	<b>36</b>	<b>269</b>

## Barnfield Studio School

### Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

#### 20. Returns on investments and servicing of finance

	2014 £000s	2013 £000s
Interest received	-	1
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b>-</b>	<b>1</b>

#### 21. Capital expenditure and financial investment

	2014 £000s	2013 £000s
Purchase of tangible fixed assets	(1)	(141)
Capital grants from DfE/EFA	-	-
Capital funding received from sponsors and others	-	-
Receipts from sale of tangible fixed assets	-	-
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>(1)</b>	<b>(141)</b>

#### 22. Analysis of changes in net funds

	At 1 September 2013 £000	Cash flows £000	At 31 August 2014 £000
Cash in hand and at bank	338	35	373
	<b>338</b>	<b>35</b>	<b>373</b>

#### 23. Related party transactions

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

A summary of related party transactions undertaken by the company is set out below:

Barnfield College – a company within the Barnfield Federation. Transactions totalling income of £74,000 (2013 : expenditure of £364,000), relating to income from the letting of rooms at the York Street Campus. There was a debtor of £74,000 outstanding at 31 August 2014 (2013 : creditor £27,000).  
Barnfield Academy Trust – a company within the Barnfield Federation. Transactions netting £473,000 (2013 : £30,000) relating to the general running of Barnfield Studio School. There was a creditor of £630,000 outstanding at 31 August 2014 (2013 : creditor £180,000).