

Barnes Academy Trust

(A company limited by guarantee)

Annual report

31 August 2018



Barnes Academy Trust

(A company limited by guarantee)

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Reference and administrative details **Year ended 31 August 2018**

Members	Mr Ian Laws Mrs Winifred Pennington Lightfoot Mr Simon Timothy Mattock
Trustees	Mr Ian Laws Mrs Winifred Pennington Lightfoot Mr Simon Timothy Mattock Ms Patricia Ann Bell Mrs Julia Anne Belshaw
Company registered number	09083904
Company name	Barnes Academy Trust trading as Barnes Infant Academy
Principal and registered office	Mount Road Sunderland Tyne and Wear SR4 7QF
Company secretary	Ms Wendy Adler
Senior management team	Mrs Julia Anne Belshaw, Headteacher Mrs Janine Rushford, Assistant Headteacher Miss Julie Young, Assistant Headteacher Mrs Lauren Reeves, Academy Business Manager
Independent auditor	UNW LLP Chartered Accountants Citygate St James Boulevard Newcastle upon Tyne NE1 4JE
Bankers	Lloyds Bank plc 54 Fawcett Street Sunderland Tyne and Wear SR1 1SF

Barnes Academy Trust

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Trustees' report

Year ended 31 August 2018

The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and auditor's report of Barnes Infant Academy ("the academy") for the year 1 September 2017 to 31 August 2018. The trustees confirm that the annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP FRS 102) "Accounting and Reporting by Charities". 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 3 to 7 serving a catchment area in the area of Sunderland. It has a pupil capacity of 360 and had a roll of 328 at the school census on January 2018.

Structure, governance and management

Constitution

The academy trust is a charitable 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 Barnes Infant Academy are also directors of the charitable company for the purposes of company law. The charitable company is known as Barnes Academy Trust and trades as Barnes Infant Academy.

Details of the trustees who served during the year are included in the reference and administrative details set out on page 1.

The principal object of the academy is to advance for the 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 which shall offer a broad and balanced curriculum.

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.

Method of recruitment and appointment or election of trustees

Membership is determined in accordance with the arrangements set out in the Memorandum and Articles of Association.

The members may appoint up to 12 trustees through such process as they may determine. In addition to the trustees appointed under Article 50, the members may appoint staff directors through such process as they may determine.

The term of office for any trustee shall be four years. This time limit shall not apply to the chief executive officer (headteacher). Subject to remaining eligible to be a particular type of trustee, any trustee may be re appointed or re elected.

Policies and procedures adopted for the induction and training of trustees

Barnes Infant Academy has an induction programme in place for newly appointed trustees, which includes safeguarding the welfare of children training and academy specific training.

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Trustees' report (continued)

Year ended 31 August 2018

A programme of governor training and development is available annually, including access to an online governor training package.

Organisational structure

The academy trust's organisational structure consists of three levels: the trust board, senior leadership team ("SLT") and the academy business manager.

The trust board is responsible for determining strategic policy, adopting an annual school improvement plan following a self evaluation review, monitoring the practices adopted by the academy, determining the strategic direction of the academy, capital expenditure and senior staff appointments. Responsibility for day to day operational management is delegated to the headteacher, who follows policies and procedures determined by and adopted by the trust board.

The SLT consists of the headteacher, two assistant headteachers, and the academy business manager. They are supported by a family liaison officer. The SLT leads and manages the academy at an executive level, implementing the policies determined by the trust board and reporting back to them. The headteacher and trustees are responsible for the authorisation of spending within agreed budgets and the appointment of staff as stated in the scheme of delegation and the academy's finance manual.

The academy business manager is responsible for the management of the financial systems, sourcing additional funds, and ensuring efficient and effective use of resources. The academy business manager is responsible for the authorisation of spending up to agreed limits as stated in the scheme of delegation and the finance manual, as well as the management of business support staff, and the efficient operation of the school office.

The headteacher is the accounting officer for the academy.

Arrangements for setting pay and remuneration of key management personnel

Pay decisions at Barnes Infant Academy are made by the personnel committee of the Barnes Infant Academy trust board. The trust board ensures its processes are open, transparent and fair and that all decisions are objectively justified. Adjustments will be made to take account of special circumstances and the exact adjustments will be made on a case by case basis. In line with its terms of reference, the trust board review salaries annually.

Related parties and other connected charities and organisations

All trustees are required to declare any business interests that may impact upon the trust. In line with the policy, trustees will not be involved in the decision making process where a business interest is declared.

As at 31 August 2018, two trustees had declared an interest, details of which are held by the academy trust.

Trustees' indemnities

Every governor of the academy trust shall be indemnified out of the assets of the academy trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted by the court from liability for negligence default, breach of duty or breach of trust in relation to the affairs of the academy trust.

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Trustees' report (continued)

Year ended 31 August 2018

Objectives and activities

Objects and aims

The principal objective and activity of the charitable company, Barnes Infant Academy is to provide education for pupils of different abilities between the ages of 3 to 7 years old, in accordance with the Articles of Association approved by the Secretary of State.

Barnes Infant Academy aims:

- to provide opportunities and experiences for all pupils to learn and achieve;
- to promote pupil's spiritual, moral, social and cultural development thus preparing all pupils for the opportunities, responsibilities and experiences of life, within a British society;
- to provide a broad and balanced curriculum, including extra curricular and enrichment activities; and
- to conduct the academy's business in accordance with the highest standards of integrity, probity and openness.

Objectives, strategies and activities

The strategic objectives are:

- to raise standards of attainment and progress in areas of underperformance;
- to continue to improve the quality of teaching;
- to promote good behaviour and safety;
- to continue to offer a broad and balanced curriculum based on the school ethos;
- to continue to develop the quality of leadership and management across the school; and
- to maximise the use of building and grounds to provide safe and exciting learning experiences.

Public benefit

Barnes Infant Academy has complied with its duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

Review of activities

This year Barnes Infant Academy has:

1. Developed the outdoor learning environment with the aim of significantly contributing towards the raising of standards and improving pupils' personal, social and emotional development;
2. Utilised the pupil premium grant funding to raise the attainment of disadvantaged pupils through enhanced learning opportunities and provided financial subsidy in order to address any underlying inequalities;
3. Offered extra-curricular opportunities for pupils to extend their knowledge and understanding and to improve their skills in a range of artistic, creative and sporting activities;
4. Employed a PE apprentice to enhance the quality and breadth of PE and sport opportunities, increase participation in PE and sport and support children to develop healthy lifestyles;
5. Invested in music tuition, ensuring a comprehensive music provision is in place, which includes learning an instrument and regular singing activities;
6. Maintained and improved upon high levels of pupil attendance;
7. There remained a strong focus on Continuing Professional Development (CPD) of staff to support the raising of attainment and achievement;
8. Achieved the Primary Science Quality Award (Gilt Level), reviewed the Basic Skills Award and Embedded the attainment of the award for Outdoor Learning;
9. Secured a new portable classroom to improve Nursery provision.

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Trustees' report (continued) Year ended 31 August 2018

Additionally, Barnes Infant Academy has achieved high standards of attainment (see table below), with figures exceeding national in all areas.

Key Stage One 2018

Subject	Expected Standard +		Greater Depth	
	National %	School %	National %	School %
Reading	75	85.2	26	39.8
Writing	70	77.3	16	20.5
Maths	76	85.2	22	34.1

The school was inspected by Ofsted in April 2017 and achieved a rating of 'Good'.

Barnes Infant Academy has a programme in place to continuously monitor and review performance related data, which includes rigorous self assessment.

Funding

Barnes Infant Academy is funded primarily through the Education and Skills Funding Agency (ESFA) in the form of the General Annual Grant (GAG) and additional funding streams, such as the Universal Infant Free School Meals (UIFSM) Grant, Pupil Premium Grant and Sport and PE Grant. This income is supplemented by Early Years funding from the local authority, which is restricted to particular purposes. The grants received from the ESFA and local authority during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2018, the total recurrent grant funding, together with other incoming resources, which are shown as unrestricted funds in the statement of financial activities, exceeded total expenditure, resulting in a surplus for the year.

As at 31 August 2018 the net book value of fixed assets was £1,694,933. Assets are exclusively used to provide education and associated services to the pupils of Barnes Infant Academy.

Going concern

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

Financial review

Principal risks and uncertainties

Barnes Academy Trust's policy is to adopt best practice in the identification, evaluation and effective control of risks to ensure that they are managed to an acceptable level.

The trust board ensures that the identification, assessment and mitigation of risk is linked to the achievement of the academy trust's vision and strategic goals and considers all risks regularly. The academy has in place a number of systems to review, evaluate and manage risk and ensure that risk management is ongoing and embedded in management and operation procedure. Trustees are satisfied that systems in place to mitigate exposure to major risks are adequate and consider advice from external sources where necessary.

The academy maintains a risk register and plan, which is reviewed annually by the finance and audit committee, to assure there is adequate arrangements in place to minimise the risks. Specific risks identified relate to strategic, public profile, governance, information management, human resources, financial management, and external factors. Additionally there is an annual review of all risk management matters, undertaken by staff

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Trustees' report (continued)

Year ended 31 August 2018

dependent upon their role.

Identified major risks include:

Strategic – dependence upon sufficient pupil numbers to remain sustainable. Development plans endeavour to mitigate the risk by agreeing the standards to be achieved by the academy to remain desirable.

Governance – potential skill shortage available on trust board. A rigorous induction and training programme is in place for trustees to ensure skills gaps are diminished.

Human resources – reliance upon capable and experienced staff to maintain standards. Performance management procedures in place, which is supported by a comprehensive continuing professional development (CPD) programme. Changes to the National Joint Council (NJC) local government pay award poses potential long term threats to the academy's finances.

Financial management – significant reliance upon government grant funding through the ESFA and local authority. Risk is presented as there is no assurance that government policy and practice will remain the same, subsequently meaning that funds may reduce or be lost. The academy undertakes three year financial forecasting to project its revenue and expenses, allowing realistic objectives to be set and to minimise unnecessary loss and plan expenses where possible.

Risks associated with fraud are decreased through systems and procedures which are designed and operated to minimise losses due to fraud, corruption, and other dishonest action and abuse. In addition the trust implements and maintains systems of accountability and control to ensure that its resources are properly applied in the way it intended. These systems include, as far as is practical, adequate internal controls to detect not only significant errors but also importantly, fraud and corruption.

The academy trust had a pension deficit as at 31 August 2018 of £242,000, a reduction of £111,000 in the year.

Reserves policy

The trust board is responsible for determining the level of financial reserves to be carried forward at the end of any financial period to enable the academy to plan and fund future expenditure related to the academy trust's development plans and strategic long term aims and developments.

The policy of the trust is to carry forward a prudent level of resources designed to meet the long term needs of the trust and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the DfE/ESFA.

The values of reserves (excluding fixed assets and pension) held at 31 August 2018 was £268,205. The reason for this is to provide sufficient working capital to develop and improve the learning environments, undertake maintenance and repair to the building and grounds and meet future demands forecasted as part of budget planning.

Investments policy

Under the Memorandum and Articles of Association, the academy has the power to invest funds not immediately required for its own purposes, in any way the trustees see fit. The trust considers the long and short term financial commitments as well as its expected income and ensures that any surplus funds are invested well so that they achieve the best financial returns with the minimum risk.

The trust aims to manage its cash balances to ensure that spend of the public monies with which we are entrusted is for the direct educational benefits of pupils. However where any surplus funds are invested, it is done with the aim of increasing funds so they can be spent on teaching and learning.

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Trustees' report (continued)

Year ended 31 August 2018

Plans for future periods

Future developments

The future developments of the academy are:

- to continue to raise standards of attainment and achievement in areas of underperformance, by using pupil evaluation data to improve and build upon high standards and through development of effective strategies close the gaps for children not meeting expectations;
- to continue to improve the quality of teaching, through rigorous systems, to ensure that all teaching is consistently good or better;
- to build upon strategies in place to maintain levels of good attendance and punctuality;
- to remain committed to promoting positive pupils attitudes towards learning, pupils spiritual, moral, social and cultural development, pupils understanding of responsibility and respect and opportunities for pupil voice;
- to embed an appreciation of British values into the curriculum of the academy;
- to continue to offer a broad and balanced curriculum, including maximising and developing the use of ICT, maintaining the music provision and improving attainment within key subjects. Plans are also in place to increase opportunities for children to take part in a wide range of first hand experiences;
- to continue to support middle leaders to develop their expertise so that they can enhance their contribution to raising standards;
- to maximise the use of building and grounds to provide safe and exciting learning experiences, by implementing agreed plans for improvement and development; and
- utilise reserve funds for the benefit of the academy's pupils.

Disclosure of information to auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that trustees have 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 company's auditor is aware of that information.

Auditor

The auditor, UNW LLP, has indicated their willingness to continue in office. The designated trustees will propose a motion re-appointing the auditor at a meeting of the trustees.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 3 December 2018 and signed on its behalf by:



Mr Ian Laws
Chair of Trustees

Barnes Academy Trust

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Governance statement

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Barnes Academy Trust 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 headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Barnes Academy Trust 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
Mr Ian Laws, Chair	4	5
Mrs Winifred Pennington Lightfoot	5	5
Mr Simon Timothy Mattock	4	5
Ms Patricia Ann Bell	5	5
Mrs Julia Anne Belshaw, Headteacher	5	5

During the year ending 31 August 2018 no trustees resigned.

The finance and audit committee is a sub-committee of the main board of trustees. Its purpose is to:

- review and approve the annual budget in detail and to make recommendations to the board;
- review the academy's internal and external financial statements and reports to ensure that they reflect best practice;
- discuss with the external auditor the nature and scope of each forthcoming audit and to ensure that the external auditor has the fullest co-operation of staff;
- consider all relevant reports by the accounting officer, finance director or the appointed external auditor, including reports on the academy's accounts, achievement of value for money and the response to any management letters;
- review the effectiveness of the academy's internal control system established to ensure that the aims, objectives and key performance targets are achieved;
- review new and existing policies relating to the financial and audit management;
- approve all purchases of goods or services above the value as set out in scheme of delegation; and
- regularly monitor the progress of the budget using financial information supplied by the headteacher and the academy business manager.

Attendance at meetings in the year was as follows:

Trustee/local academy board member	Meetings attended	Out of a possible
Mrs Julia Anne Belshaw, Headteacher	7	7
Ms Patricia Ann Bell	6	7
Mr Ian Laws, Chair	4	7
Mrs Winifred Pennington Lightfoot	7	7
Mrs Lauren Reeves	7	7
Mr P Whiteley	6	7

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Governance statement (continued)

Review of value for money

As accounting officer, the headteacher has responsibility for ensuring that the academy delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- regularly reviewing the functions of the academy, challenging how and why services are provided and setting targets and performance indicators for improvement;
- monitoring outcomes and comparing performance with similar academies and within the school;
- consulting appropriate stakeholders before major decisions are made; and
- promoting fair competition through quotations and tenders to ensure that goods and services are secured in the most economic, efficient and effective way.

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 Barnes Academy Trust for the year 1 September 2017 to 31 August 2018 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the 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 board of trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The 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 UNW LLP, the external auditor, to perform additional checks.

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Governance statement (continued)

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems, in accordance with a programme of work agreed in advance with the finance and audit committee.

On a termly basis, the auditor reports to the board of trustees 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 headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the auditor;
- 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 and audit 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 3 December 2018 and signed on their behalf, by:



Mr Ian Laws
Chair of Trustees



Mrs Julia Anne Belshaw
Accounting Officer

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Statement on regularity, propriety and compliance

As accounting officer of Barnes Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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



Mrs J Belshaw
Accounting Officer

Date: 3 December 2018

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Statement of trustees' responsibilities

Year ended 31 August 2018

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills 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 of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

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

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

The 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 ESFA/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 and signed on its behalf by:



Mr Ian Laws
Chair

Date: 3 December 2018

Independent auditor's report on the financial statements to the members of Barnes Academy Trust

Opinion

We have audited the financial statements of Barnes Academy Trust (the 'academy') for the year ended 31 August 2018 which comprise the statement of financial activities incorporating income and expenditure account, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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



Independent auditor's report on the financial statements to the members of Barnes Academy Trust

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy or to cease operations,



Independent auditor's report on the financial statements to the members of Barnes Academy Trust

or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

A handwritten signature in black ink, appearing to read 'Anne Hallowell'.

Anne Hallowell BSc DChA FCA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne
3 December 2018

Barnes Academy Trust

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Independent reporting auditor's assurance report on regularity to Barnes Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 21 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Barnes Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Barnes Academy Trust's accounting officer and the reporting auditors

The accounting officer is responsible, under the requirements of Barnes Academy Trust's funding agreement with the Secretary of State for Education dated 1 April 2012, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to support our conclusion includes:

- testing a sample of expenditure to verify that the trust's procurement procedures have been followed for the items selected;
- testing a sample of payments to ensure that they are correctly authorised in accordance with the trust policies;
- testing a sample of expenditure to verify the nature of spend is in line with funding agreements; and
- testing a sample of income and expenditure to ensure systems and controls are being implemented in line with the trust policies;

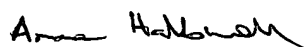
Barnes Academy Trust

(A company limited by guarantee)

Independent reporting auditor's assurance report on regularity to Barnes Academy Trust and the Education Funding Agency (continued)

Conclusion

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



Anne Hallowell Bsc FCA DChA

UNW LLP

Chartered Accountants
Newcastle upon Tyne

3 December 2018

Barnes Academy Trust

(A company limited by guarantee)

Statement of financial activities (including income and expenditure account) Year ended 31 August 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:						
Donations and capital grants	2	56,160	-	246,430	302,590	41,976
Charitable activities	3	-	1,438,404	7,353	1,445,757	1,368,411
Investments	4	1,053	-	-	1,053	1,654
Total income		57,213	1,438,404	253,783	1,749,400	1,412,041
Expenditure on:						
Charitable activities		4,261	1,483,932	65,485	1,553,678	1,585,677
Total expenditure	5	4,261	1,483,932	65,485	1,553,678	1,585,677
Net income / (expenditure) before transfers		52,952	(45,528)	188,298	195,722	(173,636)
Transfers between funds	17	(6,158)	13,528	(7,370)	-	-
Net income / (expenditure) before other recognised gains and losses		46,794	(32,000)	180,928	195,722	(173,636)
Actuarial gains on defined benefit pension schemes	21	-	143,000	-	143,000	111,000
Net movement in funds		46,794	111,000	180,928	338,722	(62,636)
Reconciliation of funds:						
Total funds brought forward		221,411	(353,000)	1,514,005	1,382,416	1,445,052
Total funds carried forward		268,205	(242,000)	1,694,933	1,721,138	1,382,416

The notes on pages 22 to 39 form part of these financial statements.

Barnes Academy Trust

(A company limited by guarantee)

Balance sheet At 31 August 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	13		1,694,933		1,514,005
Current assets					
Debtors	14	36,102		43,439	
Cash at bank and in hand		329,357		268,580	
		<u>365,459</u>		<u>312,019</u>	
Creditors: amounts falling due within one year	15	(97,254)		(87,267)	
Net current assets			<u>268,205</u>		<u>224,752</u>
Total assets less current liabilities			<u>1,963,138</u>		<u>1,738,757</u>
Creditors: amounts falling due after more than one year	16		-		(3,341)
Net assets excluding pension scheme liabilities			<u>1,963,138</u>		<u>1,735,416</u>
Defined benefit pension scheme liability	21	(242,000)		(353,000)	
Net assets including pension scheme liabilities			<u><u>1,721,138</u></u>		<u><u>1,382,416</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds excluding pension liability		1,694,933		1,514,005	
Pension reserve		(242,000)		(353,000)	
Total restricted income funds			<u>1,452,933</u>		<u>1,161,005</u>
Unrestricted income funds	17		<u>268,205</u>		<u>221,411</u>
Total funds			<u><u>1,721,138</u></u>		<u><u>1,382,416</u></u>

Barnes Academy Trust
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Balance sheet (continued)
At 31 August 2018

The financial statements on pages 18 to 39 were approved by the trustees, and authorised for issue, on 3 December 2018 and are signed on their behalf, by:



Mr Ian Laws
Chair of Trustees

The notes on pages 22 to 39 form part of these financial statements.

Registered company number: 09083904

Barnes Academy Trust
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Statement of cash flows
Year ended 31 August 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	<u>57,410</u>	<u>(205,717)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		-	(45,467)
Capital grants from DfE/EFSA		<u>7,353</u>	<u>7,353</u>
Net cash provided by/(used in) investing activities		<u>7,353</u>	<u>(38,114)</u>
Cash flows from financing activities:			
Repayments of borrowings		<u>(3,986)</u>	<u>(3,986)</u>
Net cash used in financing activities		<u>(3,986)</u>	<u>(3,986)</u>
Change in cash and cash equivalents in the year		60,777	(247,817)
Cash and cash equivalents brought forward		<u>268,580</u>	<u>516,397</u>
Cash and cash equivalents carried forward		<u>329,357</u>	<u>268,580</u>

The notes on pages 22 to 39 form part of these financial statements.

Barnes Academy Trust

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 August 2018

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Barnes Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

1.3 Income

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

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

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

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

Barnes Academy Trust

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 August 2018

1. Accounting policies (continued)

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

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

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.

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Barnes Academy Trust

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Notes to the financial statements

Year ended 31 August 2018

1. Accounting policies (continued)

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

Leasehold property	-	50 years straight line
Leasehold improvements	-	10 years straight line
Furniture and fixtures	-	10 years straight line
Computer equipment	-	3 years 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 incorporating income and expenditure account.

1.6 Liabilities and provisions

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

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

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

1.7 Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Barnes Academy Trust

(A company limited by guarantee)

Notes to the financial statements Year ended 31 August 2018

1. Accounting policies (continued)

1.8 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. *Deferred income* is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.9 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Barnes Academy Trust

(A company limited by guarantee)

Notes to the financial statements

Year ended 31 August 2018

1. Accounting policies (continued)

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 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the 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 with restrictions imposed by the funder/donor and include grants from the DfE, EFSA and other government grants.

1.12 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment

The only significant area of judgement is the useful economic lives of fixed assets, details of which are given above.

Barnes Academy Trust
(A company limited by guarantee)

Notes to the financial statements
Year ended 31 August 2018

2. Income from donations and capital grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	56,160	-	-	56,160	41,976
Donated fixed assets	-	-	246,430	246,430	-
	<u>56,160</u>	<u>-</u>	<u>246,430</u>	<u>302,590</u>	<u>41,976</u>
Total 2017	<u>41,976</u>	<u>-</u>	<u>-</u>	<u>41,976</u>	

3. Funding for the academy's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
General Annual Grant (GAG)	-	1,046,082	1,046,082	1,081,730
Local authority revenue	-	221,884	221,884	128,792
Other non capital government grants	-	72,550	72,550	47,186
Catering income	-	97,888	97,888	103,350
Capital income	-	7,353	7,353	7,353
	<u>-</u>	<u>1,445,757</u>	<u>1,445,757</u>	<u>1,368,411</u>
Total 2017	<u>-</u>	<u>1,368,411</u>	<u>1,368,411</u>	

4. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	1,053	-	1,053	1,654
	<u>1,053</u>	<u>-</u>	<u>1,053</u>	<u>1,654</u>
Total 2017	<u>1,654</u>	<u>-</u>	<u>1,654</u>	

Barnes Academy Trust
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Notes to the financial statements
Year ended 31 August 2018

5. Expenditure

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Educational operations:					
Direct costs	934,905	-	123,879	1,058,784	1,062,167
Support costs	216,391	114,945	163,558	494,894	523,510
	<u>1,151,296</u>	<u>114,945</u>	<u>287,437</u>	<u>1,553,678</u>	<u>1,585,677</u>
Total 2017	<u>1,134,662</u>	<u>116,862</u>	<u>334,153</u>	<u>1,585,677</u>	

In 2017, of the total expenditure, £6,939 was to unrestricted funds and £1,578,738 was to restricted funds.

6. Support costs

	Educational Operations £	Total 2018 £	Total 2017 £
Pension interest cost	8,000	8,000	8,000
Other costs	18,402	18,402	29,418
Technology costs	12,389	12,389	10,791
Cleaning	26,517	26,517	28,394
Rent and rates	8,145	8,145	6,740
Light and heat	17,988	17,988	18,538
Security and transport	6,828	6,828	6,749
Catering costs	92,907	92,907	95,407
Legal and professional fees	11,734	11,734	14,127
Governance costs	13,298	13,298	15,796
Maintenance of premises and equipment	10,930	10,930	37,148
Wages and salaries	158,371	158,371	150,574
National insurance	8,393	8,393	8,810
Pension cost	49,627	49,627	51,907
Depreciation	51,365	51,365	41,111
	<u>494,894</u>	<u>494,894</u>	<u>523,510</u>
Total 2017	<u>523,510</u>	<u>523,510</u>	

Barnes Academy Trust
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Notes to the financial statements
Year ended 31 August 2018

7. Net income/expenditure

This is stated after charging:

	2018 £	2017 £
Operating lease rentals	2,125	1,339
Depreciation of tangible fixed assets - leased by the charity	51,150	41,111
Depreciation of tangible fixed assets - owned by the charity	14,352	19,253

8. Auditor's remuneration

The auditor's remuneration amounts to an audit fee of £5,175 (2017: £5,075), and internal assurance and accountancy fees of £4,335 (2017: £4,250).

9. Staff

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	879,120	861,323
Social security costs	69,819	70,409
Pension costs	184,469	179,003
	<u>1,133,408</u>	<u>1,110,735</u>
Supply teacher costs	17,888	23,927
	<u>1,151,296</u>	<u>1,134,662</u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	14	14
Administration and support	38	34
Management	3	3
	<u>55</u>	<u>51</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	13	14
Administration and support	22	22
Management	3	4
	<u>38</u>	<u>40</u>

Barnes Academy Trust
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Notes to the financial statements
Year ended 31 August 2018

9. Staff costs (continued)

c. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2018 No.	2017 No.
In the band £70,001 - £80,000	1	1

d. Key management personnel

The key management personnel of the academy trust comprise the headteacher, the two assistant headteachers and the business manager. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £228,974 (2017: £197,512).

10. 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 headteacher 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:

		2018 £	2017 £
Mrs J Belshaw	Remuneration	70,000-75,000	70,000-75,000
	Pension contributions paid	10,000-15,000	10,000-15,000

During the year ended 31 August 2018, no trustees received any reimbursement of expenses (2017: £nil).

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 years ended 31 August 2018 and 31 August 2017 was included within the academy's overall risk protection arrangements.

12. Other finance income

	2018 £	2017 £
Interest income on pension scheme assets	25,000	11,000
Interest on pension scheme liabilities	(33,000)	(19,000)
	<u>(8,000)</u>	<u>(8,000)</u>

Barnes Academy Trust
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Notes to the financial statements
Year ended 31 August 2018

13. Tangible fixed assets

	Leasehold land and buildings £	Leasehold improvements £	Furniture and fixtures £	Computer equipment £	Total £
Cost					
At 1 September 2017	1,441,000	158,669	1,982	62,905	1,664,556
Additions	-	246,430	-	-	246,430
At 31 August 2018	1,441,000	405,099	1,982	62,905	1,910,986
Depreciation					
At 1 September 2017	75,009	32,462	-	43,080	150,551
Charge for the year	26,042	25,108	215	14,137	65,502
At 31 August 2018	101,051	57,570	215	57,217	216,053
Net book value					
At 31 August 2018	1,339,949	347,529	1,767	5,688	1,694,933
At 31 August 2017	1,365,991	126,207	1,982	19,825	1,514,005

Included within leasehold land and buildings is leasehold land at valuation of £311,000 (2017: £311,000) which is not depreciated.

14. Debtors

	2018 £	2017 £
VAT recoverable	9,469	26,646
Prepayments and accrued income	26,633	16,793
	<u>36,102</u>	<u>43,439</u>

15. Creditors: amounts falling due within one year

	2018 £	2017 £
Other loans	3,341	3,986
Trade creditors	224	-
Accruals and deferred income	93,689	83,281
	<u>97,254</u>	<u>87,267</u>

Barnes Academy Trust
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Notes to the financial statements
Year ended 31 August 2018

15. Creditors: amounts falling due within one year (continued)

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	60,288	62,710
Resources deferred during the year	62,710	60,288
Amounts released from previous years	(60,288)	(62,710)
	<u>62,710</u>	<u>60,288</u>
Deferred income at 31 August 2018	<u>62,710</u>	<u>60,288</u>

16. Creditors: amounts falling due after more than one year

	2018 £	2017 £
Other loans	-	3,341
	<u>-</u>	<u>3,341</u>

The other loans balance relates to a loan from Salix which is provided on a capital repayment basis with an expected end date of November 2018 and no interest payable.

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Notes to the financial statements
Year ended 31 August 2018

17. Statement of funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General funds	221,411	57,213	(4,261)	(6,158)	-	268,205
Restricted funds						
General Annual Grant (GAG)	-	1,438,404	(1,451,932)	13,528	-	-
Pension reserve	(353,000)	-	(32,000)	-	143,000	(242,000)
	<u>(353,000)</u>	<u>1,438,404</u>	<u>(1,483,932)</u>	<u>13,528</u>	<u>143,000</u>	<u>(242,000)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	1,514,005	253,783	(65,485)	(7,370)	-	1,694,933
Total restricted funds	<u>1,161,005</u>	<u>1,692,187</u>	<u>(1,549,417)</u>	<u>6,158</u>	<u>143,000</u>	<u>1,452,933</u>
Total of funds	<u><u>1,382,416</u></u>	<u><u>1,749,400</u></u>	<u><u>(1,553,678)</u></u>	<u><u>-</u></u>	<u><u>143,000</u></u>	<u><u>1,721,138</u></u>

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

Restricted fixed asset funds represents all the fixed assets of the academy, including the leasehold buildings of the school, which are restricted to be applied for educational purposes in furtherance of the academy's objects.

Restricted funds represents income given for a specific purpose, and includes the General Annual Grant (GAG) and other educational funding given in relation to the running of the academy and the provision of education.

During the year, a transfer was made from the restricted GAG fund to the restricted fixed asset fund, representing educational spend on capital equipment. A transfer has also been made from the unrestricted fund to the general restricted fund to represent spend on educational activities.

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

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17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
General funds	371,928	43,630	(6,939)	(187,208)	-	221,411
Restricted funds						
Restricted general funds	(20,778)	1,361,058	(1,489,374)	149,094	-	-
Pension reserve	(435,000)	-	(29,000)	-	111,000	(353,000)
Restricted fixed asset funds						
Restricted fixed asset funds	1,528,902	7,353	(60,364)	38,114	-	1,514,005
Total of funds	1,445,052	1,412,041	(1,585,677)	-	111,000	1,382,416

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General funds	371,928	100,843	(11,200)	(193,366)	-	268,205
Restricted funds						
Restricted general funds	(20,778)	2,799,462	(2,941,306)	162,622	-	-
Pension reserve	(435,000)	-	(61,000)	-	254,000	(242,000)
Restricted fixed asset funds						
Restricted fixed asset funds	1,528,902	261,136	(125,849)	30,744	-	1,694,933
	1,073,124	3,060,598	(3,128,155)	193,366	254,000	1,452,933
Total of funds	1,445,052	3,161,441	(3,139,355)	-	254,000	1,721,138

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18. Analysis of net assets between funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	1,694,933	1,694,933
Current assets	268,205	97,254	-	365,459
Creditors due within one year	-	(97,254)	-	(97,254)
Provisions for liabilities and charges	-	(242,000)	-	(242,000)
	<u>268,205</u>	<u>(242,000)</u>	<u>1,694,933</u>	<u>1,721,138</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	1,514,005	1,514,005
Current assets	228,738	83,281	-	312,019
Creditors due within one year	(3,986)	(83,281)	-	(87,267)
Creditors due in more than one year	(3,341)	-	-	(3,341)
Provisions for liabilities and charges	-	(353,000)	-	(353,000)
	<u>221,411</u>	<u>(353,000)</u>	<u>1,514,005</u>	<u>1,382,416</u>

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net income/(expenditure) for the year (as per statement of financial activities)	195,722	(173,636)
Adjustment for:		
Depreciation charges	65,502	60,364
Decrease/(increase) in debtors	7,982	(181)
Increase/(decrease) in creditors	9,987	(113,911)
Capital grants from DfE and other capital income	(7,353)	(7,353)
Defined benefit pension scheme finance cost	32,000	29,000
Donated fixed assets	(246,430)	-
Net cash provided by/(used in) operating activities	<u>57,410</u>	<u>(205,717)</u>

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Year ended 31 August 2018

20. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	329,357	268,580
Total	329,357	268,580

21. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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21. Pension commitments (continued)

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £91,798 (2017: £89,003).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £88,000 (2017: £85,000), of which employer's contributions totalled £69,000 (2017: £69,000) and employees' contributions totalled £19,000 (2017: £16,000). The agreed contribution rates for future years are 14.1% for employers and 6.4% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.50 %	3.50 %
Inflation assumption (CPI)	2.00 %	2.00 %

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

	2018	2017
Retiring today		
Males	22.9	22.8
Females	26.4	26.3
Retiring in 20 years		
Males	25.1	25.0
Females	28.7	28.6

	At 31 August 2018 £000	At 31 August 2017 £000
Sensitivity analysis		
Discount rate +0.1%	1,307	1,268
Discount rate -0.1%	1,373	1,332
Mortality assumption - 1 year increase	1,302	1,262
Mortality assumption - 1 year decrease	1,378	1,338

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Notes to the financial statements Year ended 31 August 2018

21. Pension commitments (continued)

CPI rate +0.1%	1,355	1,315
CPI rate -0.1%	1,325	1,286

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	741	626
Government bonds	44	37
Corporate bonds	123	109
Property	93	85
Cash	24	37
Derivatives	73	-
Other	-	53
Total market value of assets	1,098	947

The actual return on scheme assets was £73,000 (2017: £393,000).

The amounts recognised in the statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Current service cost	(93,000)	(90,000)
Interest income	25,000	11,000
Interest cost	(33,000)	(19,000)
Total	(101,000)	(98,000)

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

	2018 £	2017 £
Opening defined benefit obligation	1,300,000	940,000
Current service cost	93,000	90,000
Interest cost	33,000	19,000
Employee contributions	19,000	16,000
Actuarial (gains)/losses	(95,000)	271,000
Benefits paid	(10,000)	(36,000)
Closing defined benefit obligation	1,340,000	1,300,000

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21. Pension commitments (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	947,000	505,000
Interest income	25,000	11,000
Actuarial gain	48,000	382,000
Employer contributions	69,000	69,000
Employee contributions	19,000	16,000
Benefits paid	(10,000)	(36,000)
Closing fair value of scheme assets	1,098,000	947,000

22. Operating lease commitments

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	1,417	1,498
Between 1 and 5 years	3,898	624
Total	5,315	2,122

23. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

24. Members' liability

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