

Company Registration No. 07695709 (England and Wales)

HARROW HIGH SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2015

HARROW HIGH SCHOOL

CONTENTS

	Page
Reference and administrative details	1 - 2
Governors' report	3 - 8
Governance statement	9 - 13
Statement on regularity, propriety and compliance	14
Statement of governors' responsibilities	15
Independent auditor's report on the accounts	16 - 17
Independent reporting accountant's report on regularity	18 - 19
Statement of financial activities	20
Balance sheet	21
Cash flow statement	22
Notes to the accounts	23 - 41

HARROW HIGH SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

J Courquin (Chair of the Governing Body) (Resigned 20 July 2015) *
P Gamble (Accounting Officer) *
R Dennison (Resigned 23 July 2015) *
P Hamill *
C Bath (Resigned 20 July 2015) *
E Palankai (Resigned 10 July 2015)
M Patel *
K Patel *
C Hotchkiss (Resigned 1 December 2014)
S Sykes *
S Fisher *
D Campbell *
E Douglas *
J Talton (Resigned 4 March 2015)
K Titmuss (Resigned 2 September 2014)
S Galoria (Resigned 6 September 2014)
S Clayton (Appointed 10 December 2014) *
M Griffiths (Appointed 1 November 2014 and resigned 6 July 2015) *
H Freed (Chair of the Governing Body) (Appointed 23 September 2015)
J Lang (Appointed 23 September 2015)
P Bains (Appointed 23 September 2015)

* members of the finance & staffing committee

Members

J Courquin (resigned 23 June 2015)
R Dennison (resigned 23 July 2015)
P Gamble
P Hamill
M Patel

Senior management team

- Headteacher	P Gamble
- Deputy Headteacher	J Buchanan
- Deputy Headteacher	M Jukes
- Deputy Headteacher	K Kenny
- Assistant Headteacher	A Charles
- Assistant Headteacher	A Holyszko
- Assistant Headteacher	J Clatworthy
- Assistant Headteacher	C Palmer
- Assistant Headteacher	K Kamboj
- Assistant Headteacher	N Corner
- Business Manager	R Dennison (resigned 31 December 2014)

Company registration number

07695709 (England and Wales)

Principal and registered office

Gayton Road
Harrow
Middlesex
HA1 2JG
England

HARROW HIGH SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Registered office

Gayton Road
Harrow
Middlesex
HA1 2JG
England

Independent auditor

Alliotts
Friary Court
13-21 High Street
Guildford
Surrey
GU1 3DL

Bankers

Lloyds Bank PLC
105-109 Station Road
Edgware
London
HA8 7JL

HARROW HIGH SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

The governors present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The charitable company operates an academy for pupils aged 11 to 19 serving a catchment area in the London Borough of Harrow. It has a pupil capacity of 900 in the main school and 120 in the sixth form and had a roll of 848 in the school census in Summer 2015.

Structure, governance and management

Constitution

The Academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy trust. The governors of Harrow High School Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Harrow High School.

The members of the governing body are the legal members of the charitable company, and three directors act as the trustees for the charitable activities of the Academy. These trustees are also directors of the charitable company for the purposes of company law.

Details of the governors who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Governors' indemnities

In accordance with standard practice, the Academy has purchased insurance to protect the trustees, governors and officers of the company from claims arising from negligent acts, errors or omissions whilst on Academy business. The cover under the policy is £5 million and in the year under review the policy premium was £383.

Method of recruitment and appointment or election of governors

The Academy looks to ensure a mix of skills and selects new governors on the basis of background, experience and specialist skills. Governors are recruited from Academy contacts including parents and staff.

The Academy looks to maintain governors with a wide range of skills and experiences including the following:

- a member with a legal background,
- a member with a financial/accounting background,
- a member with education experience,
- a member with senior managerial or business experience,
- a member with estates experience, and

It is likely that members will have expertise in more than one of these areas.

Policies and procedures adopted for the induction and training of governors

Governors are provided with induction training and a wider programme of training events is organised according to needs.

HARROW HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Organisational structure

The day-to-day administration is undertaken within the policies and procedures written by the Academy and approved by governors, which provide for significant personnel and expenditure decisions and major capital projects to be referred to the governors for prior approval. These policies and procedures are based on guidance from DfE.

The governors meet at least 4 times a year and delegate responsibilities to a number of sub-committees, including: Finance & Staffing, Curriculum and Safeguarding. Each committee works under the guidance of a trustee governor, appointed at the first committee meeting of the academic year. Written terms of reference are reviewed once a year and the clerk to Governors co-ordinates the work of the governors and committees.

Connected organisations including related party relationships

The Academy is one of seven member academies of The Jubilee Academy, which has been set up to provide alternative education provision in the London Borough of Harrow.

Objectives and activities

Objects and aims

The company's objects, as set out in the Memorandum of Association, are 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 the school offering a broad curriculum with a strong emphasis, but in no way limited to one or a combination of the specialisms specified in the funding agreements entered into between the Company and the Secretary of State for Education ("Secretary of State").

Within the objects, the Academy aims to create an environment to nurture children, to get the best from them and to allow them to develop and fulfil their potential. We aim to provide students with a first class education and a wide range of opportunities. This is done in a way which is consistent with the ethos that every child will be valued, respected and cared for, and through a daily moral purpose to provide the best learning experience for all.

The objective is to provide education for students of all abilities between the ages of 11 and 19. All children who apply are admitted (up to the capacity) of the Academy, with no selection.

Consistent with other academies in the United Kingdom we aim to raise the educational outcomes from the levels inherited from the predecessor school, and to increase student numbers.

HARROW HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

Objectives, strategies and activities

The academy's objectives for 2014/15 are detailed below:

Improve Achievement such that:

- In excess of 65% of learners achieve 5A*-C including English and Maths
- Progress for higher ability learners is outstanding
- *Progress in core and foundation subjects is outstanding (85% 3LP, 50% 4LP)*
- Progress in all A level subjects is good or better (*ALPS grade 4+*)
- 85% of learners in all year groups achieve minimum target grades, 50% achieve stretch target grades
- *Attainment in year 9 reflects improved progress – targets will be set in line with outstanding progress targets.*

Improve teaching and learning to consistently 85% good or better, 30% outstanding.

Learners to take responsibility for the highest standards of behaviour in all lessons and around the school

Ensure literacy provision for all learners is outstanding

Shift aspirations of all learners to embed high expectations, excellent effort and outstanding behaviour

Public benefit

In setting objectives and planning activities, the governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. The Academy also makes its facilities available to the community outside of educational hours at reduced rates and is heavily used by all sections of the local community.

Strategic report

Achievements and performance

During the last 12 month period the academy educated approximately 820 students between the ages of 11 and 19. Recruitment for Year 7 students was again strong. We have over 141 learners in current year 7.

The Academy provided an outstanding standard of education and this was confirmed by the academic results at KS4 and KS5, which despite a dip in English outcomes demonstrate the continuing trend of improvement at Harrow High School.

The Academy aims to support young people in reaching their potential in all areas of school life. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or dance, with the aim of producing 'well rounded' individuals who are able to make a positive contribution to society.

Students have volunteered for community projects locally and overseas.

HARROW HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Key performance indicators

The Academy was rated Good in all categories by Ofsted who inspected in March 2014. This follows a similar judgement in 2011

The A Level & BTEC Level 3 pass rate in 2015 was at a high level with 71.2% of passes at grades A* to C, 21.6% achieved A-A* and all students have progressed to appropriate employment, training or higher education. There were some outstanding individual performances.

The proportion of students gaining five higher grade GCSE passes was 47%, with 100% of students achieving BTEC passes. Progress was again very good, with a progress 8 score estimate of 0.3.

Going concern

The Academy has achieved a strong surplus and has retained reserves inherited on conversion.

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

Financial review

Funding for the period was provided by EFA by means of standard grants to cover operational and capital costs. Additional funds were received from letting facilities to third parties, from bank interest and from success in attracting other grant income. The Academy successfully applied for an ACMF grant from the EFA for £599,839 funding of which £578,686 had been received in this financial year and of which £145,709 had been spent.

A surplus of funds of £12,027,130 has been carried forward into 2015/16. Cash funds of £1,190,086 were carried forward into 2015/16

At 31 August 2015 cash funds of £1,190,085 were held in bank accounts for the Academy. The bulk of these funds were held either in higher rate fixed term deposit accounts or in normal deposit accounts. All funds were held with Lloyds bank. These funds have largely been accumulated through a significant brought forward surplus, sustainable budget setting and good financial control to ensure we are able to sustain improvements over a number of years.

Both financial and educational Key Performance Indicators are used to track progress against objectives, and to identify quickly any worrying trends. These KPIs include student numbers, staff costs as a % of income, actual cost Vs budget, cash held and reporting on the strength of the balance sheet.

Reserves policy

The governors have determined an appropriate level of free reserves (total funds less the amount held in tangible assets, restricted and designated funds), that represents the amounts deemed to be necessary to deal with unexpected emergencies. The governors have assessed this as £250,000 and currently it stands at £265,472.

The level of total available reserves in general restricted and unrestricted funds is £736,862. This is as per the Balance Sheet - General Reserves and Unrestricted income.

The governors are also aware of upcoming cost pressures in pension and national insurance contributions and the impact of the continuing reduction in student led funding. They therefore regard the level of reserves held as reasonable.

HARROW HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Investment policy and powers

Our investment policy is zero risk based and funds will only be lodged with organisations with the highest possible credit rating. Fixed term deposits will only be taken out where we are sure the funds will not be required during the duration of the term.

Principal risks and uncertainties

The governing body is responsible for the identification and management of the risks in their academy. A formal review of risks and the risk management processes was undertaken during the year and these will be reviewed annually going forward.

Through the risk management processes that have been formalised at the Academy, the governors are satisfied that the major risks identified will be adequately mitigated where necessary.

The key controls used by the governing body include:

- formal agendas and minutes for all meetings of the governing body and committees;
- terms of reference for all committees;
- comprehensive strategic planning, financial forecasting, budgeting and management accounting;
- established and identifiable organisational structures and reporting lines;
- comprehensive formal written policies;
- clear authorisation limits;
- construction and regular review of risk registers;
- vetting procedures as required by law, for protection of the vulnerable.

In common with every academy in the country, funding is dependent on government policy; there is always risk that funding will be cut and the governors have been prudent in the budgeting for the future. The brought forward surplus is viewed as providing protection against funding and student number fluctuations.

The deficit on the Local Government Pension Scheme rose by £127,000 in the period to £1,760,000 and there is continuing uncertainty in any final salary scheme of this type.

HARROW HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Plans for future periods

The Academy's key objectives for 2015/16 are to continue the development and progress of the Academy, taking it from outstanding to great. The Academy Improvement Plan includes:

Improve Achievement such that:

- In excess of 65% of learners achieve 5A*-C including English and Maths
- Progress for higher ability learners is outstanding (top 20% nationally)
- Progress in core and foundation subjects is outstanding (85% 3LP, 50% 4LP)
- Progress in all A level subjects is good or better (ALPS grade 4+)
- 85% of learners in all year groups achieve minimum target grades, 50% achieve stretch target grades
- Attainment in year 9 reflects improved progress – targets will be set in line with outstanding progress targets.

Continue to Improve teaching and learning to consistently 90% good or better, 30% outstanding

Ensure behaviour and attendance are outstanding through reviewing and implementing well-structured reward and sanction structures

Develop personalised system of support for all learners at risk of underachievement to ensure no-one is left behind

Ensure literacy provision for all learners is outstanding leading to excellent rates of progress

Further shift aspirations of all learners to embed high expectations, excellent effort and outstanding behaviour from leading to further improved attainment and progression

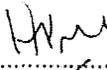
Auditor

In so far as the governors are aware:

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

A resolution proposing that Alliotts be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the governing body, as the company directors, on 16/12/15 and signed on its behalf by:


.....
H Freed

Chair of the Governing Body

HARROW HIGH SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of responsibility

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

The governing body has delegated 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 Harrow High School and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The governing body has formally met 5 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governors	Meetings attended	Out of possible
J Courquin (Chair of the Governing Body) (Resigned 20 July 2015)	4	5
P Gamble (Accounting Officer)	5	5
R Dennison (Resigned 23 July 2015)	5	5
P Hamill	5	5
C Bath (Resigned 20 July 2015)	3	4
E Palankai (Resigned 10 July 2015)	1	4
M Patel	4	5
K Patel	4	5
C Hotchkiss (Resigned 1 December 2014)	0	1
S Sykes	3	5
S Fisher	4	5
D Campbell	4	5
E Douglas	4	5
J Talton (Resigned 4 March 2015)	1	2
K Titmuss (Resigned 2 September 2014)	0	0
S Galoria (Resigned 6 September 2014)	0	0
S Clayton (Appointed 10 December 2014)	2	4
M Griffiths (Appointed 1 November 2014 and resigned 6 July 2015)	0	3
H Freed (Chair of the Governing Body) (Appointed 23 September 2015)	0	0
J Lang (Appointed 23 September 2015)	0	0
P Bains (Appointed 23 September 2015)	0	0

The board of trustees met on the 23rd July 2015 and reviewed the governance processes for the year. A Governing Body Planner was created which maps all policy review, review of the SIP, the SEF and data. It also plans for audit reports, budget monitoring, Health and Safety and risk assessment monitoring. This is not an exclusive list and the planner will be available under governance on the school website. The school will be involved in its next external review of governance in 2016.

HARROW HIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The **finance and staffing committee** is a sub-committee of the main governing body. Its purpose is to:

- provide guidance and assistance to the governing body on all financial and budgetary matters;
- deal with any financial matter raised by the Headteacher or designated representative;
- prepare and review financial policy statements, including consideration of long term planning and resourcing;
- consider each year's priorities and present an annual budget to the governing body for approval;
- monitor income and expenditure of all public funds and report the financial situation to the governing body each term;
- recommend the level of delegation to the Headteacher for the day-to-day financial management of the school;
- agree virement of funds, if necessary, within limits set by the governing body;
- ensure compliance with the appropriate financial regulations;
- ensure the audit of non-public funds for presentation to the governing body;
- receive and, where appropriate, respond to periodic audit reports of public funds; and
- advise the governing body on all matters relating to fund raising and sponsorship.

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
J Courquin (Chair of the Governing Body) (Resigned 20 July 2015)	4	4
P Gamble (Accounting Officer)	3	4
R Dennison (Resigned 23 July 2015)	3	4
P Hamill	2	4
C Bath (Resigned 20 July 2015)	2	4
M Patel	3	4
K Patel	2	4
S Sykes	1	4
S Fisher	2	4
D Campbell	3	4
E Douglas	1	4
S Clayton (Appointed 10 December 2014)	3	4
M Griffiths (Appointed 1 November 2014 and resigned 6 July 2015)	1	4

Review of value for money

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

HARROW HIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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

1. Effectiveness through improved educational performance

The School Improvement Plan has targeted resources to ensure an increased proportion of the school budget has been used on teaching and learning. This has contributed to another year of strong examination results and educational outcomes for school learners. Pupil Premium and other funding sources have been used to fund a range of interventions to improve the outcomes of the most disadvantaged learners. There is regular review of the effectiveness of each of these interventions.

Key indicators include:

- 47% of learners gaining 5 A*-C inc English & Maths
- A Level qualification success rate 99%
- A Level Average Point Score 216
- 85% of learners gained places at university with others going to Drama School, out to work or on apprenticeships.

The school was inspected by OFSTED in March 2014 achieving a grade of GOOD.

2. Efficiency through financial governance and management

There is robust financial governance and oversight including the following;

- Financial regulations and procedures recently reviewed
- Written delegations annually reviewed and signed
- Purchasing procedures based on clear separation of duties and a requirement for written quotations and tenders when specified thresholds are reached
- Regular budget monitoring including comprehensive monthly management accounts
- Financial planning and Cash-flow Forecasting.
- Business continuity planning and regular review of the risk register
- Lettings and charges policy annually reviewed
- Investment policy based on an appropriate balance between risk and reward
- Policies covering gifts and hospitality rigorously enforced
- Regular self-assessment based on FMGS
- Finance training for governors and staff with significant financial responsibilities
- Use of timetabling and other data to ensure the use of teaching and accommodation resources are optimised
- Regular updating of property strategy to ensure accommodation is suitable and any future improvements are prioritised appropriately
- Pay policies are used that are underpinned by the use of national pay scales for teachers and job evaluation for support staff posts
- A full programme of audit assurance work agreed by governors, delivered by external auditors, with follow-up through Finance & Staffing Committee
- Use is made of specialist advice including legal, property and actuarial services where appropriate and justified on cost grounds

HARROW HIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

3. Economy through working collaboratively to share best practice and drive down costs

The school actively participates in a wide range of collaborative initiatives;

- Member of Harrow Collegiate Teaching School Alliance
- Extensive programme of CPD delivered across Harrow secondary schools
- The school started a good practice group with similarly effective schools across the country. This has led to some excellent sharing sessions and further developments in these schools
- Member of sixth form collegiate allowing students to undertake studies at a number of different schools contributing to more efficient class sizes and greater student choice
- Collaborative procurement programme managed by School Business Managers covering a range of services including catering, cleaning, financial software, audit, energy, property management, banking, HR and payroll services
- Shared services including project management and financial advice
- Member of Crescent Purchasing Consortium accessing contracts for insurance and other goods and services
- Benchmarking with other Harrow secondary schools and other families of schools
- Member of The Jubilee Academy, a new alternative provision school opened in Harrow in September 2013
- Member of Harrow Academy Trust incorporating Pinner High and Harrow View Primary School

4. The school actively promotes the use of the building. Community groups, education providers and sports clubs regularly hire rooms providing a good income stream for the school as well as benefiting the local community.

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 Harrow High School for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

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

The risk and control framework

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

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

HARROW HIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Academy has appointed Mav Patel, a Governor, to carry out a programme of internal checks.

This role includes performing a range of checks on the Academy's financial processes and giving advice on financial matters.

On a termly basis, there is a report to the governing body on the operation of the systems of financial controls and on the discharge of the board of Governors' financial responsibilities. No material failures or weaknesses were identified during the year by these reports.

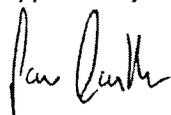
Review of effectiveness

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

- the work of the responsible officer;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the Senior Management Team within the Academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the finance & staffing committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the governing body on 16/12/15..... and signed on its behalf by:



P Gamble
Accounting Officer



H Freed
Chair of the Governing Body

HARROW HIGH SCHOOL

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2015

As Accounting Officer of Harrow High School Academy Trust I have considered my responsibility to notify the Academy trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with Education Funding Agency terms and conditions of funding, under the funding agreement in place between the Academy trust and 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 trust's governing body 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.

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 governing body and EFA.

Approved on 16/12/15..... and signed by:



P Gamble
Accounting Officer

HARROW HIGH SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES

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

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

In preparing these accounts, the governors are required to:

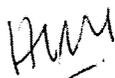
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the governing body on 16.12.15..... and signed on its behalf by:


H Freed
Chair of Governors

HARROW HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARROW HIGH SCHOOL

We have audited the accounts of Harrow High School for the year ended 31 August 2015 set out on pages 20 to 41. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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

Respective responsibilities of governors and auditors

As explained more fully in the Governors' Responsibilities Statement set out on page 15, the governors, who are also the directors of Harrow High School for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 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 in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA.

Opinion on other matter prescribed by the Companies Act 2006

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

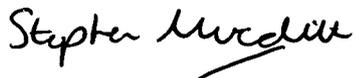
HARROW HIGH SCHOOL

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF HARROW HIGH SCHOOL

Matters on which we are required to report by exception

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

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



Stephen Meredith BA FCA DChA (Senior Statutory Auditor)
Alliotts

Chartered Accountants

Statutory Auditor

Friary Court
13-21 High Street
Guildford
Surrey
GU1 3DL

Dated: 16.12.15

HARROW HIGH SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HARROW HIGH SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 8 October 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Harrow High School during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Harrow High School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Harrow High School's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

HARROW HIGH SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HARROW HIGH SCHOOL AND THE EDUCATION FUNDING AGENCY (CONTINUED)

The work undertaken to draw to our conclusion includes:

- Analytical review of the Academy trust's general activities to ensure that they are within the Academy trust's framework of authorities,
- Consideration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance,
- Review of the general control environment for the Academy trust on financial statements and on regularity,
- Sample testing of expenditure transactions to ensure the activity is permissible within the Academy trusts framework of authority,
- Confirmation that a sample of expenditure has been appropriately authorised in accordance with the Academy trust's delegated authorities,
- Formal representations obtained from the governing body and the Accounting Officer acknowledging the responsibilities including disclosing all non compliance with laws and regulations specific to the authorising framework,
- Confirmation that any extra contractual payments such as severance and compensation payments have been appropriately authorised,
- Review of credit card expenditure for any indication of personal use by staff, Headteacher or governors,
- Review of specific terms of grant funding within the funding agreement,
- Review of related party transactions for connections with the Headteacher or governors,
- Review of income received in accordance with the activities permitted within the Academy trust's charitable objectives.

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 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Stephen Meredith

Stephen Meredith BA FCA DChA
Reporting Accountant
Alliotts

Dated: *16.12.15*

HARROW HIGH SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	Unrestricted funds £	Restricted funds £	Fixed Asset fund £	Total 2015 £	Total 2014 £
<u>Incoming resources</u>						
<i>Resources from generated funds</i>						
- Voluntary income	2	1,918	-	-	1,918	2,229
- Activities for generating funds	3	311,611	35,995	-	347,606	258,483
- Investment income	4	798	-	-	798	833
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	-	5,995,958	-	5,995,958	5,830,196
Total incoming resources		314,327	6,031,953	-	6,346,280	6,091,741
<u>Resources expended</u>						
<i>Charitable activities</i>						
- Educational operations	7	189,888	5,559,871	211,388	5,961,147	6,525,548
Governance costs	8	-	14,101	-	14,101	20,435
Total resources expended	6	189,888	5,573,972	211,388	5,975,248	6,545,983
Net incoming/(outgoing) resources before transfers		124,439	457,981	(211,388)	371,032	(454,242)
Gross transfers between funds		-	(91,457)	91,457	-	-
Net income/(expenditure) for the year		124,439	366,524	(119,931)	371,032	(454,242)
<u>Other recognised gains and losses</u>						
Actuarial gains/(losses) on defined benefit pension scheme	18	-	(67,000)	-	(67,000)	(333,000)
Net movement in funds		124,439	299,524	(119,931)	304,032	(787,242)
Fund balances at 1 September 2014		141,033	(1,588,134)	13,170,199	11,723,098	12,510,340
Fund balances at 31 August 2015		265,472	(1,288,610)	13,050,268	12,027,130	11,723,098

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

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

HARROW HIGH SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015		2014	
		£	£	£	£
Fixed assets					
Tangible assets	11		13,050,268		13,170,199
Current assets					
Debtors	12	164,522		77,943	
Cash at bank and in hand		1,190,086		400,582	
			<u>1,354,608</u>		<u>478,525</u>
Current liabilities					
Creditors: amounts falling due within one year	13	(588,744)		(292,626)	
Net current assets			<u>765,864</u>		<u>185,899</u>
Total assets less current liabilities			<u>13,816,132</u>		<u>13,356,098</u>
Creditors: amounts falling due after more than one year	14		(29,002)		-
Net assets excluding pension liability			<u>13,787,130</u>		<u>13,356,098</u>
Defined benefit pension liability	18		(1,760,000)		(1,633,000)
Net assets			<u><u>12,027,130</u></u>		<u><u>11,723,098</u></u>
Funds of the Academy trust:					
Restricted funds	16				
- Fixed asset funds			13,050,268		13,170,199
- General funds			471,390		44,866
- Pension reserve			(1,760,000)		(1,633,000)
Total restricted funds			<u>11,761,658</u>		<u>11,582,065</u>
Unrestricted income funds	16		265,472		141,033
Total funds			<u><u>12,027,130</u></u>		<u><u>11,723,098</u></u>

The accounts were approved by order of the governing body and authorised for issue on 16.12.15

H Freed

Chair of the Governing Body

Company Number 07695709

HARROW HIGH SCHOOL

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	19	847,018	(455,491)
Returns on investments and servicing of finance			
Investment income		798	833
		<u>798</u>	<u>833</u>
Net cash inflow/(outflow) from returns on investments and servicing of finance		798	833
		<u>847,816</u>	<u>(454,658)</u>
Capital expenditure and financial investments			
Payments to acquire tangible fixed assets		(91,457)	(15,203)
		<u>(91,457)</u>	<u>(15,203)</u>
Net cash flow from capital activities		(91,457)	(15,203)
Net cash inflow/(outflow) before financing		756,359	(469,861)
Financing			
Repayment of other loan		33,145	-
		<u>33,145</u>	<u>-</u>
Net cash inflow/(outflow) from funding		33,145	-
Increase/(decrease) in cash	20	<u>789,504</u>	<u>(469,861)</u>

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

The accounts 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 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Going concern

The governors 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 governors make this assessment in respect of a period of one year from the date of approval of the accounts.

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

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

Other income

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

Interest receivable

Interest receivable is included within the Statement of Financial Activities on a receivable basis.

1.4 Resources expended

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

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

Costs of generating funds

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

Charitable activities

These are costs incurred on the Academy trust's educational operations.

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Land and buildings	50 years
Computer equipment	4 years
Fixtures, fittings & equipment	5 years

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.

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

1.6 Leasing and hire purchase commitments

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

1.7 Taxation

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

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.8 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 18, the TPS is a multi-employer scheme and the Academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.9 Fund accounting

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

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 Education Funding Agency.

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Other donations	1,918	-	1,918	2,229

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Hire of facilities	200,754	-	200,754	171,828
Catering income	110,857	-	110,857	-
Other income	-	35,995	35,995	86,655
	<u>311,611</u>	<u>35,995</u>	<u>347,606</u>	<u>258,483</u>

4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Short term deposits	798	-	798	833
	<u>798</u>	<u>-</u>	<u>798</u>	<u>833</u>

5 Funding for the Academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
DfE / EFA grants				
General annual grant (GAG)	-	5,065,153	5,065,153	5,173,076
Other DfE / EFA grants	-	879,980	879,980	637,443
	<u>-</u>	<u>5,945,133</u>	<u>5,945,133</u>	<u>5,810,519</u>
Other government grants				
Local authority grants	-	31,941	31,941	19,677
Other grants	-	18,884	18,884	-
	<u>-</u>	<u>50,825</u>	<u>50,825</u>	<u>19,677</u>
Total funding	<u>-</u>	<u>5,995,958</u>	<u>5,995,958</u>	<u>5,830,196</u>

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

6 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2015 £	Total 2014 £
Academy's educational operations					
- Direct costs	3,977,770	-	354,682	4,332,452	4,459,967
- Allocated support costs	562,868	466,732	599,095	1,628,695	2,065,581
	<u>4,540,638</u>	<u>466,732</u>	<u>953,777</u>	<u>5,961,147</u>	<u>6,525,548</u>
Other expenditure					
Governance costs	-	-	14,101	14,101	20,435
	<u>-</u>	<u>-</u>	<u>14,101</u>	<u>14,101</u>	<u>20,435</u>
Total expenditure	<u>4,540,638</u>	<u>466,732</u>	<u>967,878</u>	<u>5,975,248</u>	<u>6,545,983</u>
Net income/(expenditure) for the year includes:				2015	2014
				£	£
Operating leases					
- Plant and machinery				6,106	6,966
Fees payable to auditor					
- Audit				7,340	7,195
- Other services				1,885	1,805
- March 2014 Comparison Study				-	7,090
				<u>15,131</u>	<u>22,056</u>

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Direct costs				
Teaching and educational support staff costs	-	3,977,770	3,977,770	4,288,097
Educational supplies and services	-	72,732	72,732	57,526
Examination fees	-	81,839	81,839	83,153
Educational consultancy	-	39,008	39,008	31,191
Other direct costs	-	161,103	161,103	146,192
	-	4,332,452	4,332,452	4,606,159
Allocated support costs				
Support staff costs	126,415	436,453	562,868	605,524
Depreciation	-	211,388	211,388	205,667
Technology costs	-	52,106	52,106	68,141
Maintenance of premises and equipment	-	255,344	255,344	472,742
Cleaning	-	6,806	6,806	6,511
Energy costs	3,052	91,485	94,537	108,870
Rent and rates	-	32,565	32,565	31,782
Insurance	-	41,204	41,204	50,336
Security and transport	-	4,003	4,003	6,787
Catering	27,456	56,757	84,213	71,172
Interest and finance costs	-	28,000	28,000	38,000
Other support costs	32,965	222,696	255,661	253,857
	189,888	1,438,807	1,628,695	1,919,389
Total costs	189,888	5,771,259	5,961,147	6,525,548

8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Legal and professional fees	-	6,761	6,761	6,150
Auditor's remuneration				
- Audit of financial statements	-	7,340	7,340	7,195
- March 2014 Comparison Study	-	-	-	7,090
	-	14,101	14,101	20,435

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

9 Staff costs

	2015 £	2014 £
Wages and salaries	3,498,722	3,695,058
Social security costs	276,720	293,002
Other pension costs	553,205	554,991
	<u>4,328,647</u>	<u>4,543,051</u>
Supply teacher costs	211,991	350,570
	<u>4,540,638</u>	<u>4,893,621</u>

The average number of persons (including senior management team) employed by the Academy trust during the year expressed as full time equivalents was as follows:

	2015 Number	2014 Number
Teachers	61	63
Administration and support	35	38
Management	1	1
	<u>97</u>	<u>102</u>

The number of employees whose annual remuneration was £60,000 or more was:

	2015 Number	2014 Number
£60,001 - £70,000	2	5
£70,001 - £80,000	1	-
£90,001 - £100,000	1	1
	<u>4</u>	<u>6</u>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2015	2014
Teachers' Pension Scheme	Numbers	4	5
	£	49,838	49,838
Local Government Pension Scheme	Numbers	1	1
	£	12,754	12,754

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £12,300 (2014: £43,043). Individually, the payments were: £8,300 and £4,000.

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

10 Governors' remuneration and expenses

The Headteacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy trust in respect of their role as governors. During the year, no travel and subsistence payments (2014: £NIL) were reimbursed to Trustees.

The value of governors' remuneration was as follows:

P Gamble (Headteacher)	
Remuneration	£90,000 - £95,000 (2014: £90,000 - £95,000)
Employers pension contributions	£10,000 - £15,000 (2014: £10,000 - £15,000)
R Dennison (staff) - resigned 31/12/14	
Remuneration	£20,000 - £25,000 (2014: £60,000 - £65,000)
Employers pension contributions	£0 - £5,000 (2014: £10,000 - £15,000)
S Sykes (staff)	
Remuneration	£45,000 - £50,000 (2014: £45,000 - £50,000)
Employers pension contributions	£5,000 - £10,000 (2014: £5,000 - £10,000)
Y Douglas (staff)	
Remuneration	£25,000 - £30,000 (2014: £25,000 - £30,000)
Employers pension contribution	£nil - £nil (2014: £nil - £nil)
S Fisher (staff)	
Remuneration	£25,000 - £30,000 (2014: £40,000 - £45,000)
Employers pension contribution	£5,000 - £10,000 (2014: £5,000 - £10,000)
J Talton (staff) - resigned as governor 04/03/15	
Remuneration	£25,000 - £30,000 (2014: £25,000 - £30,000)
Employers pension contribution	£5,000 - £10,000 (2014: £5,000 - £10,000)

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

Governors' and officers' insurance

In accordance with normal commercial practice, the Academy trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was £383 (2014: £1,757). The cost of this insurance is included in the total insurance cost.

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2014	13,691,269	133,434	19,100	3,200	13,847,003
Additions	-	85,952	5,505	-	91,457
At 31 August 2015	13,691,269	219,386	24,605	3,200	13,938,460
Depreciation					
At 1 September 2014	575,982	84,330	13,292	3,200	676,804
Charge for the year	186,805	21,831	2,752	-	211,388
At 31 August 2015	762,787	106,161	16,044	3,200	888,192
Net book value					
At 31 August 2015	12,928,482	113,225	8,561	-	13,050,268
At 31 August 2014	13,115,287	49,104	5,808	-	13,170,199

12 Debtors

	2015 £	2014 £
Trade debtors	27,294	25,999
Other debtors	82,572	38,732
Prepayments and accrued income	54,656	13,212
	164,522	77,943

13 Creditors: amounts falling due within one year

	2015 £	2014 £
Other loans	4,143	-
Trade creditors	352,510	41,174
Taxes and social security costs	82,852	82,337
Other creditors	64,760	68,085
Accruals	59,016	101,030
Deferred income	25,463	-
	588,744	292,626

Included within Other loans is a loan of £4,143 from Salix which is provided as an interest free loan.

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

14 Creditors: amounts falling due after more than one year	2015 £	2014 £
Other loans	29,002	-
	<u>29,002</u>	<u>-</u>
Analysis of loans		
Wholly repayable within five years	33,145	-
Less: included in current liabilities	(4,143)	-
	<u>29,002</u>	<u>-</u>
Amounts included above	29,002	-
	<u>29,002</u>	<u>-</u>
Loan maturity		
Debt due in one year or less	4,143	-
In more than one year but not more than two years	4,143	-
In more than two years but not more than five years	12,429	-
In more than five years	12,430	-
	<u>33,145</u>	<u>-</u>
	<u>33,145</u>	<u>-</u>

Included within Other loans is a loan of £29,002 from Salix which is provided as an interest free loan.

15 Deferred income	2015 £	2014 £
Deferred income is included within:		
Creditors due within one year	25,463	-
	<u>25,463</u>	<u>-</u>
Total deferred income at 1 September 2014	-	-
Amounts deferred in the year	25,463	-
	<u>25,463</u>	<u>-</u>
Total deferred income at 31 August 2015	<u>25,463</u>	<u>-</u>

At the balance sheet date the academy trust was holding funds received in advance for SEN funding and rates relief relating to the Autumn term 2015.

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

16 Funds

	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2015 £
Restricted general funds					
General Annual Grant	-	5,065,153	(4,973,696)	(91,457)	-
Other DfE / EFA grants	44,866	879,980	(453,456)	-	471,390
Other government grants	-	50,825	(50,825)	-	-
Other restricted funds	-	35,995	(35,995)	-	-
	<u>44,866</u>	<u>6,031,953</u>	<u>(5,513,972)</u>	<u>(91,457)</u>	<u>471,390</u>
Funds excluding pensions	44,866	6,031,953	(5,513,972)	(91,457)	471,390
Pension reserve	(1,633,000)	-	(60,000)	(67,000)	(1,760,000)
	<u>(1,588,134)</u>	<u>6,031,953</u>	<u>(5,573,972)</u>	<u>(158,457)</u>	<u>(1,288,610)</u>
Restricted fixed asset funds					
Inherited fixed asset fund	13,115,223	-	(186,805)	-	12,928,418
Capital expenditure from GAG or other funds	54,976	-	(24,583)	91,457	121,850
	<u>13,170,199</u>	<u>-</u>	<u>(211,388)</u>	<u>91,457</u>	<u>13,050,268</u>
Total restricted funds	<u>11,582,065</u>	<u>6,031,953</u>	<u>(5,785,360)</u>	<u>(67,000)</u>	<u>11,761,658</u>
Unrestricted funds					
General funds	141,033	314,327	(189,888)	-	265,472
	<u>141,033</u>	<u>314,327</u>	<u>(189,888)</u>	<u>-</u>	<u>265,472</u>
Total funds	<u>11,723,098</u>	<u>6,346,280</u>	<u>(5,975,248)</u>	<u>(67,000)</u>	<u>12,027,130</u>

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

16 Funds

(Continued)

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

General Annual Grant: This fund is for the purpose of running the Academy in accordance with the Funding Agreement with the Secretary of State and along guidelines as set out in the Academies Financial Handbook.

Under the funding agreement with the Secretary of State, the Academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

Other DfE/EFA Grants: This fund has also arisen from funding received for the furtherance of the Academy's activities that are not funded through the General Annual Grant.

Other incoming resources: This restricted fund has arisen from non grant related income that the Academy trust has received. The monies have to be used for the benefit of the academy trust, but there are no restrictions on when these monies can be spent.

Pension Reserve: This liability has arisen from the Local Government Pension Scheme which was inherited by the Academy trust upon conversion. See Note 18 for further details on this liability.

Restricted fixed asset funds: These have arisen from fixed assets inherited upon conversion and from the subsequent purchases of new assets for use by the academy trust. All assets held are specifically for the use of the Academy.

Unrestricted funds: These have arisen from activities carried out by the academy for raising funds and are unrelated to any form of Government assistance and therefore the Academy can choose to spend it however it chooses.

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	13,050,268	13,050,268
Current assets	883,218	471,390	-	1,354,608
Creditors falling due within one year	(588,744)	-	-	(588,744)
Creditors falling due after one year	(29,002)	-	-	(29,002)
Defined benefit pension liability	-	(1,760,000)	-	(1,760,000)
	<u>265,472</u>	<u>(1,288,610)</u>	<u>13,050,268</u>	<u>12,027,130</u>

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

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

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

Contributions amounting to £64,760 (2014: £67,575) were payable to the schemes at 31 August 2015 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The pension costs paid to the TPS in the period amounted to £570,220 (2014: £582,758).

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

(Continued)

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 27.1 per cent for employers and various amounts based on pay bands for employees. The estimated value of employer contributions for the forthcoming year is £200,000.

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.

Contributions made	2015 £	2014 £
Employer's contributions	188,000	203,000
Employees' contributions	50,000	58,000
	<u> </u>	<u> </u>
Total contributions	238,000	261,000
	<u> </u>	<u> </u>

Principal actuarial assumptions	2015 %	2014 %
Rate of increase in salaries	4.0	3.9
Rate of increase for pensions in payment	2.6	2.6
Discount rate for scheme liabilities	3.7	3.7
Expected return on assets	3.7	5.8
	<u> </u>	<u> </u>

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

Change in assumptions at 31 August 2015:

	Approximate % increase to Employer Liability	Approximate monetary amount (£'000)
0.5% decrease in Real Discount Rate	12%	417
1 year increase in member life expectancy	3%	104
0.5% increase in the Salary Increase Rate	5%	188
0.5% increase in the Pension Increase Rate	6%	218

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

(Continued)

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

	2015 Years	2014 Years
Retiring today		
- Males	22.1	22.1
- Females	24.4	24.4
Retiring in 20 years		
- Males	24.5	24.5
- Females	26.9	26.9

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

	2015 Expected return %	2015 Fair value £	2014 Expected return %	2014 Fair value £
Equities	3.7	1,337,000	6.3	1,160,000
Bonds	3.7	223,000	3.5	193,000
Property	3.7	137,000	4.5	119,000
Other assets	3.7	17,000	3.3	15,000
Total market value of assets		1,714,000		1,487,000
Present value of scheme liabilities - funded		(3,474,000)		(3,120,000)
Net pension asset / (liability)		(1,760,000)		(1,633,000)

None of the fair values of the assets shown above include any of the Academy's own financial instruments or any property occupied by, or other assets used by, the academy.

The expected return on assets is based on the long term future expected investment return for each asset class as at the beginning of the period (i.e. As at 1 September 2014 for the period to 31 August 2015). The return on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The return on equities and property is then assumed to be a margin above gilt yields.

The actual return on the scheme assets was £55,000 (2014: £159,000).

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations	(Continued)	
Amounts recognised in the statement of financial activities		
	2015	2014
	£	£
Operating costs/(income)		
Current service cost (net of employee contributions)	220,000	212,000
Past service cost	-	-
	<u>220,000</u>	<u>212,000</u>
Total operating charge	<u>220,000</u>	<u>212,000</u>
Finance costs/(income)		
Expected return on pension scheme assets	(91,000)	(77,000)
Interest on pension liabilities	119,000	115,000
	<u>28,000</u>	<u>38,000</u>
Net finance costs/(income)	<u>28,000</u>	<u>38,000</u>
Total charge/(income)	<u>248,000</u>	<u>250,000</u>
Actuarial gains and losses recognised in the statement of financial activities		
	2015	2014
	£	£
Actuarial (gains)/losses on assets: actual return less expected	36,000	(53,000)
Experience (gains)/losses on liabilities	31,000	386,000
(Gains)/losses arising from changes in assumptions	-	-
	<u>67,000</u>	<u>333,000</u>
Total (gains)/losses	<u>67,000</u>	<u>333,000</u>
Cumulative (gains)/losses to date	<u>67,000</u>	<u>-</u>
Movements in the present value of defined benefit obligations		
	2015	2014
	£	£
Obligations at 1 September 2014	(3,120,000)	(2,384,000)
Current service cost	(220,000)	(212,000)
Interest cost	(119,000)	(115,000)
Contributions by employees	(50,000)	(58,000)
Actuarial gains/(losses)	(31,000)	(386,000)
Benefits paid	66,000	35,000
	<u>(3,474,000)</u>	<u>(3,120,000)</u>
At 31 August 2015	<u>(3,474,000)</u>	<u>(3,120,000)</u>

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

18 Pensions and similar obligations

(Continued)

Movements in the fair value of scheme assets

	2015 £	2014 £
Assets at 1 September 2014	1,487,000	1,131,000
Expected return on assets	91,000	77,000
Actuarial gains/(losses)	(36,000)	53,000
Contributions by employers	188,000	203,000
Contributions by employees	50,000	58,000
Benefits paid	(66,000)	(35,000)
	<u>1,714,000</u>	<u>1,487,000</u>
At 31 August 2015	<u>1,714,000</u>	<u>1,487,000</u>

History of experience gains and losses

	2015 £	2014 £
Present value of defined benefit obligations	(3,474,000)	(3,120,000)
Fair value of share of scheme assets	1,714,000	1,487,000
	<u>(1,760,000)</u>	<u>(1,633,000)</u>
Experience adjustment on scheme assets	(36,000)	53,000
Experience adjustment on scheme liabilities	2,000	45,000
	<u>(34,000)</u>	<u>98,000</u>

19 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2015 £	2014 £
Net income	371,032	(454,242)
Investment income	(798)	(833)
Defined benefit pension costs less contributions payable	32,000	9,000
Defined benefit pension finance costs/(income)	28,000	38,000
Depreciation of tangible fixed assets	211,388	205,667
(Increase)/decrease in debtors	(86,579)	178,714
Increase/(decrease) in creditors	291,975	(431,797)
	<u>847,018</u>	<u>(455,491)</u>
Net cash inflow/(outflow) from operating activities	<u>847,018</u>	<u>(455,491)</u>

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

20 Reconciliation of net cash flow to movement in net funds	2015 £	2014 £
Increase/(decrease) in cash	789,504	(469,861)
Repayment of other loan	(33,145)	-
Net funds at 1 September 2014	400,582	870,443
Net funds at 31 August 2015	1,156,941	400,582

21 Analysis of net funds	At 1 September 2014 £	Cash flows £	Non-cash changes £	At 31 August 2015 £
Cash at bank and in hand	400,582	789,504	-	1,190,086
Debt due within one year	-	(33,145)	29,002	(4,143)
Debt due after one year	-	-	(29,002)	(29,002)
	-	(33,145)	-	(33,145)
Net balances	400,582	756,359	-	1,156,941

22 Commitments under operating leases

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

	2015 £	2014 £
Expiry date:		
- Within one year	286	-
- Between two and five years	5,820	6,966
	6,106	6,966

23 Related parties

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

No related party transactions took place in the period of account.

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.