

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 2016

HARROW HIGH SCHOOL

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HARROW HIGH SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

P Gamble (Accounting Officer)
P Hamill (Resigned 8 July 2016)
M Patel
K Patel
S Sykes
S Fisher
D Campbell
Y Norton
S Clayton
H Freed (Appointed 23 September 2015 and resigned 31 August 2016)
J Lang (Appointed 23 September 2015)
P Bains (Chair of the Governing Body) (Appointed 23 September 2015)
B Kandler (Appointed 22 January 2016)

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
- Assistant Headteacher	S Briskey
- Assistant Headteacher	A Charles
- Assistant Headteacher	A Holyszko
- Assistant Headteacher	J Clatworthy
- Assistant Headteacher	C Palmer
- Assistant Headteacher	K Kamboj
- Assistant Headteacher	N Corner
- Assistant Headteacher	K Patel
- Assistant Headteacher	J Ngatia
- Business Manager	to be confirmed

Company registration number 07695709 (England and Wales)

Principal address Gayton Road
Harrow
London
HA1 2JG

Registered office Gayton Road
Harrow
London
HA1 2JG

HARROW HIGH SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

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 2016

The governors present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2015 to 31 August 2016. 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 862 in the school census in Summer 2016.

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 2016

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.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel includes all governors and the senior leadership team, which comprises the Headteacher, two Deputy Heads and nine Assistant Heads.

Governors do not receive any remuneration. The senior leadership team's remuneration is set by the Headteacher, except that the Headteacher's remuneration is set by the Chair of Governors as recommended by the Pay Committee.

Related parties and other connected charities and organisations

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 2016

Objectives, strategies and activities

The academy's objectives for 2015/16 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.

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 106 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.

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 2016 was at a high level with 81.7% of passes at grades A* to C, 23.2% 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 49%, with a progress 8 score estimate of 0.1.

HARROW HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 result this year was a deficit of £225,919 before an actuarial loss on the pension deficit of £905,000. Net assets of £10,896,211 and cash funds of £962,020 were carried forward into 2016/17.

At 31 August 2016 cash funds of £962,020 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.

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 £480,656.

The level of total available reserves in general restricted (excluding pensions reserve) and unrestricted funds is £782,718. 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.

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.

HARROW HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 £988,000 in the period to £2,748,000 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 2016

Plans for future periods

Our school community is committed to consistently and relentlessly working to;

improve achievement such that:

- The vast majority of learners in all year groups are on target to achieve MTG
- All groups of learners achieve excellent outcomes and there are no significant gaps in achievement
- There is consistently excellent delivery of the aspirational agenda through registration, assembly, excursions and all other lessons
- *All members of our community demonstrate consistently high aspirations of themselves and others (including h/wk, independent learning, behaviour etc.)*

improve learning such that:

- All staff are fully engaged with CPD and believe the school is supporting them in their development leading to further improved and innovative practice within their classroom.
- All lessons meet GET criteria (including literacy & harrow basics)
- Progress over time is consistently excellent in all classrooms for all groups of learners (SEN, PP etc.)
- Assessment consistently contributes to excellent progress for all
- Learners demonstrate excellent levels of independence, creativity and resourcefulness in their learning

improve rewards, behaviour and safety such that:

- An effective and consistent rewards system engages all learners in excellent behaviour for learning
- All in our community treat each other with respect and model consistently excellent behaviour
- All staff consistently challenge where behaviour is not excellent in a calm and non-confrontational manner
- Attendance and Punctuality is excellent for all in our community
- Language used by all in the school is inclusive, affirming and free from aggression
- All lessons are conducted in line with school reward and behaviour policies
- The safeguarding of all is excellent

HARROW HIGH SCHOOL

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

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.

The governors' report, incorporating a strategic report, was approved by order of the governing body, as the company directors, on 14/12/16..... and signed on its behalf by:



P Bains

Chair of the Governing Body

HARROW HIGH SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

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
P Gamble (Accounting Officer)	5	5
P Hamill (Resigned 8 July 2016)	3	5
M Patel	3	5
K Patel	4	5
S Sykes	1	5
S Fisher	5	5
D Campbell	4	5
Y Norton	2	5
S Clayton	5	5
H Freed (Appointed 23 September 2015 and resigned 31 August 2016)	2	5
J Lang (Appointed 23 September 2015)	3	5
P Bains (Chair of the Governing Body) (Appointed 23 September 2015)	2	5
B Kendler (Appointed 22 January 2016)	1	5

The board of trustees changed with the resignations of John Courquin and Ruth Dennison. Howard Freed and Jon Talton joined in their place.

An external review of governance took place in September 2016. This review identified key areas of strength and for development and an action plan is in place to address these. A follow up will take place in January 2017.

The school also undertook an external review of safeguarding. Key actions have been addressed and a follow up will take place later this year.

HARROW HIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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
P Gamble (Accounting Officer)	3	3
P Hamill (Resigned 8 July 2016)	2	3
M Patel	1	3
K Patel	2	3
S Fisher	2	3
D Campbell	2	3
S Clayton	3	3
P Bains (Chair of the Governing Body) (Appointed 23 September 2015)	2	3
B Kendler (Appointed 22 January 2016)	2	3

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 2016

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 a clear refocusing of these funds for 2016-17 to provide more tailored interventions designed to support achievement in Maths and to improve attendance and punctuality of these learners. An external review of this work is scheduled for January 2017.

Key indicators include:

- 49% of Year 11 learners gaining grades A*-C in English & Maths, Progress 8 score of approximately 0.1
- A Level qualification success rate 100%, value added 0.07
- BTEC level 3 qualification success rate of 100%, value added of 0.49
- A Level & BTEC Average Point Score 222.03
- 85% of learners gained places at university with others going to Drama School, out to work or on apprenticeships.

Please note: all the data above is provisional until January 2017 when validated data is released

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

HARROW HIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

- 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

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 and ESPO Procurement Framework 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

HARROW HIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of governors 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 board of governors 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 2015 to 31 August 2016 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.

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.

HARROW HIGH SCHOOL

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

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 14/12/16 and signed on its behalf by:



P Gamble
Accounting Officer



P Bains
Chair of the Governing Body

HARROW HIGH SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

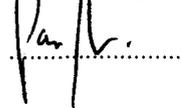
FOR THE YEAR ENDED 31 AUGUST 2016

As accounting officer of Harrow High School 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 EFA terms and conditions of funding, 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 2015.

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 2015.

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

P. Gamble
Accounting Officer



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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 2015 and the Academies Accounts Direction 2015 to 2016;
- 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 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 14/12/16 and signed on its behalf by:



P Bains
Chair of Governors

HARROW HIGH SCHOOL

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

We have audited the accounts of Harrow High School for the year ended 31 August 2016 set out on pages 22 to 43. 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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 17, 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' Report including the incorporated strategic 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 2016 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

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

HARROW HIGH SCHOOL

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

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)
for and on behalf of Alliotts

Chartered Accountants

Statutory Auditor

Friary Court

13-21 High Street

Guildford

Surrey

GU1 3DL

Dated: 14/12/16

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 21 October 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Harrow High School during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 November 2011 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy 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 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Stephen Meredith BA FCA DChA
Reporting Accountant
Alliotts

Dated: 14/12/16

HARROW HIGH SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2016 £	Total 2015 £
Income and endowments from:						
Donations and capital grants	2	2,843	17,990	-	20,833	605,341
Charitable activities:						
- Funding for educational operations	3	-	5,913,560	-	5,913,560	5,392,535
Other trading activities	4	361,895	26,149	-	388,044	347,606
Investments	5	1,205	-	-	1,205	798
Total income and endowments		365,943	5,957,699	-	6,323,642	6,346,280
Expenditure on:						
Charitable activities:						
- Educational operations	7	150,759	6,166,002	232,800	6,549,561	6,008,248
Total expenditure	6	150,759	6,166,002	232,800	6,549,561	6,008,248
Net income/(expenditure)		215,184	(208,303)	(232,800)	(225,919)	338,032
Transfers between funds		-	(44,025)	44,025	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	(905,000)	-	(905,000)	(34,000)
Net movement in funds		215,184	(1,157,328)	(188,775)	(1,130,919)	304,032
Reconciliation of funds						
Total funds brought forward		265,472	(1,288,610)	13,050,268	12,027,130	11,723,098
Total funds carried forward		480,656	(2,445,938)	12,861,493	10,896,211	12,027,130

HARROW HIGH SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

Comparative year information Year ended 31 August 2015	Notes	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total 2015 £
Income and endowments from:					
Donations and capital grants	2	1,918	603,423	-	605,341
Charitable activities:					
- Funding for educational operations	3	-	5,392,535	-	5,392,535
Other trading activities	4	311,611	35,995	-	347,606
Investments	5	798	-	-	798
Total income and endowments		<u>314,327</u>	<u>6,031,953</u>	<u>-</u>	<u>6,346,280</u>
Expenditure on:					
Charitable activities:					
- Educational operations	7	189,888	5,606,972	211,388	6,008,248
Total expenditure	6	<u>189,888</u>	<u>5,606,972</u>	<u>211,388</u>	<u>6,008,248</u>
Net income/(expenditure)		124,439	424,981	(211,388)	338,032
Transfers between funds		-	(91,457)	91,457	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	18	-	(34,000)	-	(34,000)
Net movement in funds		124,439	299,524	(119,931)	304,032
Reconciliation of funds					
Total funds brought forward		141,033	(1,588,134)	13,170,199	11,723,098
Total funds carried forward		<u>265,472</u>	<u>(1,288,610)</u>	<u>13,050,268</u>	<u>12,027,130</u>

HARROW HIGH SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Intangible assets	11		3,860		-
Tangible assets	12		12,857,633		13,050,268
			<u>12,861,493</u>		<u>13,050,268</u>
Current assets					
Debtors	13	271,469		164,522	
Cash at bank and in hand		962,020		1,190,086	
		<u>1,233,489</u>		<u>1,354,608</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(421,769)		(588,744)	
Net current assets			<u>811,720</u>		<u>765,864</u>
Total assets less current liabilities			<u>13,673,213</u>		<u>13,816,132</u>
Creditors: amounts falling due after more than one year	15		(29,002)		(29,002)
Net assets excluding pension liability			<u>13,644,211</u>		<u>13,787,130</u>
Defined benefit pension liability	18		(2,748,000)		(1,760,000)
Net assets			<u>10,896,211</u>		<u>12,027,130</u>
Funds of the Academy trust:					
Restricted funds	17				
- Fixed asset funds			12,861,493		13,050,268
- Restricted income funds			302,062		471,390
- Pension reserve			(2,748,000)		(1,760,000)
Total restricted funds			<u>10,415,555</u>		<u>11,761,658</u>
Unrestricted income funds	17		<u>480,656</u>		<u>265,472</u>
Total funds			<u>10,896,211</u>		<u>12,027,130</u>

The accounts set out on pages 22 to 43 were approved by the governing body and authorised for issue on 14/11/16 and are signed on its behalf by:



P Bains
Chair of the Governing Body

Company Number 07695709

HARROW HIGH SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Net cash provided by (used in) operating activities	20		(185,246)		847,018
Cash flows from investing activities					
Dividends, interest and rents from investments		1,205		798	
Payments to acquire intangible fixed assets		(4,211)		-	
Payments to acquire tangible fixed assets		(39,814)		(91,457)	
			(42,820)		(90,659)
Cash flows from financing activities					
Repayment of other loan		-		33,145	
			-		33,145
Change in cash and cash equivalents in the reporting period					
			(228,066)		789,504
Cash and cash equivalents at 1 September 2015			1,190,086		400,582
Cash and cash equivalents at 31 August 2016			<u>962,020</u>		<u>1,190,086</u>

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

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

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

Harrow High School meets the definition of a public benefit entity under FRS 102.

These accounts for the year ended 31 August 2016 are the first accounts of Harrow High School prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 24.

1.2 Going concern

The governors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

1.3 Income

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

Grants 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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. 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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Other income

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

Donated goods, facilities and services

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.

Interest receivable

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

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the Academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These 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.

Governance costs

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

1.5 Intangible fixed assets and amortisation

Intangible assets costing £3,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Purchased computer software	2 years
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HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.6 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
Motor vehicles	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.

1.7 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy trust 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.

1.8 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.

1.9 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.

1.10 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.

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 18, 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 are 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 and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.11 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 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.

1.12 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Donations	2,843	-	2,843	1,918
Capital Grants	-	17,990	17,990	603,423
	<u>2,843</u>	<u>17,990</u>	<u>20,833</u>	<u>605,341</u>

3 Funding for the Academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
DfE / EFA grants				
General annual grant (GAG)	-	5,356,970	5,356,970	5,065,153
Other DfE / EFA grants	-	319,797	319,797	276,557
	<u>-</u>	<u>5,676,767</u>	<u>5,676,767</u>	<u>5,341,710</u>
Other government grants				
Local authority grants	-	90,269	90,269	31,941
Other government grants	-	146,524	146,524	18,884
	<u>-</u>	<u>236,793</u>	<u>236,793</u>	<u>50,825</u>
Total funding	<u>-</u>	<u>5,913,560</u>	<u>5,913,560</u>	<u>5,392,535</u>

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	202,557	-	202,557	200,754
Catering income	159,338	-	159,338	110,857
Other income	-	26,149	26,149	35,995
	<u>361,895</u>	<u>26,149</u>	<u>388,044</u>	<u>347,606</u>

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	1,205	-	1,205	798
	<u>1,205</u>	<u>-</u>	<u>1,205</u>	<u>798</u>

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

6 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £	Total 2015 £
Academy's educational operations					
- Direct costs	4,258,666	-	427,485	4,686,151	4,332,452
- Allocated support costs	644,006	508,052	711,352	1,863,410	1,675,796
	<u>4,902,672</u>	<u>508,052</u>	<u>1,138,837</u>	<u>6,549,561</u>	<u>6,008,248</u>
Total expenditure	<u>4,902,672</u>	<u>508,052</u>	<u>1,138,837</u>	<u>6,549,561</u>	<u>6,008,248</u>
Net income/(expenditure) for the year includes:				2016	2015
				£	£
Fees payable to auditor for:					
- Audit				7,595	7,340
- Other services				4,110	3,975
Depreciation and amortisation of fixed assets				232,800	211,388
				<u>232,800</u>	<u>211,388</u>

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £	
Direct costs - educational operations	-	4,686,151	4,686,151	4,332,452	
Support costs - educational operations	150,759	1,712,651	1,863,410	1,675,796	
	<u>150,759</u>	<u>6,398,802</u>	<u>6,549,561</u>	<u>6,008,248</u>	
				2016	2015
				£	£
Analysis of support costs					
Support staff costs			644,006	562,868	
Depreciation and amortisation			232,800	211,388	
Technology costs			79,277	52,106	
Premises costs			408,283	389,252	
Other support costs			480,478	446,081	
Governance costs			18,566	14,101	
			<u>1,863,410</u>	<u>1,675,796</u>	

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

8 Staff costs

	2016 £	2015 £
Wages and salaries	3,561,898	3,484,824
Social security costs	318,299	276,720
Operating costs of defined benefit pension schemes	600,704	553,205
	<hr/>	<hr/>
Staff costs	4,480,901	4,314,749
Supply staff costs	404,715	211,991
Staff restructuring costs	7,300	12,300
Staff development and other staff costs	9,756	1,598
	<hr/>	<hr/>
Total staff expenditure	4,902,672	4,540,638
	<hr/> <hr/>	<hr/> <hr/>

Staff numbers

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

	2016 Number	2015 Number
Teachers	52	52
Administration and support	44	48
Management	12	12
	<hr/>	<hr/>
	108	112
	<hr/> <hr/>	<hr/> <hr/>

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:

	2016 Number	2015 Number
Teachers	47	50
Administration and support	36	35
Management	11	12
	<hr/>	<hr/>
	94	97
	<hr/> <hr/>	<hr/> <hr/>

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

8 Staff costs

(Continued)

Higher paid staff

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

	2016 Number	2015 Number
£60,001 - £70,000	4	2
£70,001 - £80,000	1	1
£90,001 - £100,000	1	1
	<u> </u>	<u> </u>

Non statutory/non-contractual staff severance payments

Included in other staff costs there is a single non-statutory/non-contractual severance payment totalling £7,300 (2015: £12,300).

Key management personnel

The key management personnel of the Academy trust comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy trust was £843,095 (2015: £831,760).

9 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 (2015: £NIL) were reimbursed to Trustees.

The value of governors' remuneration was as follows:

P Gamble (Headteacher)	
Remuneration	£90,000 - £95,000 (2015: £90,000 - £95,000)
Employers pension contributions	£15,000 - £20,000 (2015: £10,000 - £15,000)
S Sykes (staff)	
Remuneration	£45,000 - £50,000 (2015: £45,000 - £50,000)
Employers pension contributions	£5,000 - £10,000 (2015: £5,000 - £10,000)
Y Norton (staff)	
Remuneration	£30,000 - £35,000 (2015: £25,000 - £30,000)
Employers pension contribution	£nil - £nil (2015: £nil - £nil)
S Fisher (staff)	
Remuneration	£40,000 - £45,000 (2015: £40,000 - £45,000)
Employers pension contribution	£5,000 - £10,000 (2015: £5,000 - £10,000)

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

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

10 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 2016 was £383 (2015: £1,757). The cost of this insurance is included in the total insurance cost.

11 Intangible fixed assets

	Computer software £
Cost	
At 1 September 2015	-
Additions	4,211
	<hr/>
At 31 August 2016	4,211
	<hr/>
Amortisation	
At 1 September 2015	-
Charge for year	351
	<hr/>
At 31 August 2016	351
	<hr/>
Net book value	
At 31 August 2016	3,860
	<hr/> <hr/>

12 Tangible fixed assets

	Land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2015	13,691,269	219,386	24,605	3,200	13,938,460
Additions	-	22,083	17,731	-	39,814
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2016	13,691,269	241,469	42,336	3,200	13,978,274
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 September 2015	762,787	106,161	16,044	3,200	888,192
Charge for the year	186,805	40,434	5,210	-	232,449
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2016	949,592	146,595	21,254	3,200	1,120,641
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 August 2016	12,741,677	94,874	21,082	-	12,857,633
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 August 2015	12,928,482	113,225	8,561	-	13,050,268
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

13 Debtors	2016	2015
	£	£
Trade debtors	18,106	27,294
Other debtors	91,975	82,572
Prepayments and accrued income	161,388	54,656
	<u>271,469</u>	<u>164,522</u>
	<u><u>271,469</u></u>	<u><u>164,522</u></u>
14 Creditors: amounts falling due within one year	2016	2015
	£	£
Other loans	4,143	4,143
Trade creditors	103,154	352,510
Other taxation and social security	91,464	82,852
Other creditors	68,294	64,760
Accruals and deferred income	154,714	84,479
	<u>421,769</u>	<u>588,744</u>
	<u><u>421,769</u></u>	<u><u>588,744</u></u>
15 Creditors: amounts falling due after more than one year	2016	2015
	£	£
Other loans	29,002	29,002
	<u>29,002</u>	<u>29,002</u>
	<u><u>29,002</u></u>	<u><u>29,002</u></u>
Analysis of loans		
Wholly repayable within five years	33,145	33,145
Less: included in current liabilities	(4,143)	(4,143)
	<u>29,002</u>	<u>29,002</u>
Amounts included above	<u><u>29,002</u></u>	<u><u>29,002</u></u>
Loan maturity		
Debt due in one year or less	4,143	4,143
Due in more than one year but not more than two years	4,143	4,143
Due in more than two years but not more than five years	12,429	12,429
Due in more than five years	12,430	12,430
	<u>33,145</u>	<u>33,145</u>
	<u><u>33,145</u></u>	<u><u>33,145</u></u>

Included within Other loans is a loan of £33,045 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 2016

16 Deferred income	2016 £	2015 £
Deferred income is included within:		
Creditors due within one year	14,000	25,463
Total deferred income at 1 September 2015	25,463	-
Amounts deferred in the year	(11,463)	25,463
Total deferred income at 31 August 2016	14,000	25,463

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 2016.

17 Funds	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	-	5,356,970	(5,279,310)	(26,035)	51,625
Other DfE / EFA grants	471,390	319,797	(319,797)	(471,390)	-
Other government grants	-	236,793	(236,793)	-	-
Other restricted funds	-	44,139	(247,102)	453,400	250,437
Funds excluding pensions	471,390	5,957,699	(6,083,002)	(44,025)	302,062
Pension reserve	(1,760,000)	-	(83,000)	(905,000)	(2,748,000)
	(1,288,610)	5,957,699	(6,166,002)	(949,025)	(2,445,938)
Restricted fixed asset funds					
Inherited funds	12,928,418	-	(186,805)	-	12,741,613
Capital expenditure from GAG	121,850	-	(45,995)	44,025	119,880
	13,050,268	-	(232,800)	44,025	12,861,493
Total restricted funds	11,761,658	5,957,699	(6,398,802)	(905,000)	10,415,555
Unrestricted funds					
General funds	265,472	365,943	(150,759)	-	480,656
Total funds	12,027,130	6,323,642	(6,549,561)	(905,000)	10,896,211

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 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 2016.

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.

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 £68,036 (2015: £64,760) were payable to the schemes at 31 August 2016 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.

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

(Continued)

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

The pension costs paid to the TPS in the period amounted to £490,052 (2015: £570,220).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with 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 £210,000.

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.

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations (Continued)

Total contributions made	2016 £	2015 £
Employer's contributions	203,000	188,000
Employees' contributions	50,000	50,000
	<u>253,000</u>	<u>238,000</u>
Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	3.6	4.0
Rate of increase for pensions in payment	2.1	2.6
Discount rate	2.0	3.7
	<u>2.0</u>	<u>3.7</u>

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

Change in assumptions at 31 August 2016:

	Approximate % increase to Employer Liability	Approximate monetary amount (£'000)
0.5% decrease in Real Discount Rate	12%	608
1 year increase in member life expectancy	3%	151
0.5% increase in the Salary Increase Rate	4%	219
0.5% increase in the Pension Increase Rate	7%	369

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

	2016 Years	2015 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
	<u>26.9</u>	<u>26.9</u>

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations	(Continued)	
The Academy trust's share of the assets in the scheme	2016	2015
	Fair value	Fair value
	£	£
Equities	1,785,000	1,337,000
Bonds	320,000	223,000
Property	160,000	137,000
Other assets	23,000	17,000
	<u>2,288,000</u>	<u>1,714,000</u>
Total market value of assets	<u>2,288,000</u>	<u>1,714,000</u>
Actual return on scheme assets - gain/(loss)	<u>391,000</u>	<u>(55,000)</u>
Amounts recognised in the statement of financial activities	2016	2015
	£	£
Current service cost (net of employee contributions)	221,000	220,000
Net interest cost	65,000	61,000
	<u>286,000</u>	<u>281,000</u>
Changes in the present value of defined benefit obligations	2016	2015
	£	£
Obligations at 1 September	3,474,000	3,120,000
Current service cost	221,000	220,000
Interest cost	132,000	119,000
Employee contributions	50,000	50,000
Actuarial loss	1,229,000	31,000
Benefits paid	(70,000)	(66,000)
	<u>5,036,000</u>	<u>3,474,000</u>
At 31 August	<u>5,036,000</u>	<u>3,474,000</u>
Changes in the fair value of the Academy trust's share of scheme assets	2016	2015
	£	£
Assets at 1 September	1,714,000	1,487,000
Interest income	67,000	91,000
Return on plan assets (excluding amounts included in net interest):		
Actuarial loss	324,000	(36,000)
Employer contributions	203,000	188,000
Employee contributions	50,000	50,000
Benefits paid	(70,000)	(66,000)
	<u>2,288,000</u>	<u>1,714,000</u>
At 31 August	<u>2,288,000</u>	<u>1,714,000</u>

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations **(Continued)**

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Fixed asset funds £	Total 2016 £
Fund balances at 31 August 2016 are represented by:				
Intangible fixed assets	-	-	3,860	3,860
Tangible fixed assets	-	-	12,857,633	12,857,633
Current assets	480,656	752,833	-	1,233,489
Creditors falling due within one year	-	(421,769)	-	(421,769)
Creditors falling due after one year	-	(29,002)	-	(29,002)
Defined benefit pension liability	-	(2,748,000)	-	(2,748,000)
	480,656	(2,445,938)	12,861,493	10,896,211
	480,656	(2,445,938)	12,861,493	10,896,211

20 Reconciliation of net income/(expenditure) to net cash flows from operating activities

	2016 £	2015 £
Net income/(expenditure) for the reporting period	(225,919)	338,032
Adjusted for:		
Investment income	(1,205)	(798)
Defined benefit pension costs less contributions payable	18,000	32,000
Defined benefit pension net finance cost/(income)	65,000	61,000
Depreciation and amortisation of fixed assets	232,800	211,388
(Increase)/decrease in debtors	(106,947)	(86,579)
Increase/(decrease) in creditors	(166,975)	291,975
Net cash used in operating activities	(185,246)	847,018

21 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £	2015 £
Amounts due within one year	-	6,106

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

22 Related party transactions

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.

During the year there were fees of £36,000 (2015: £33,903) paid to Harrow Alternative Provision Academy Trust, a school set up by the senior schools of the Harrow Collegiate to offer alternative provision education to pupils from their respective schools, of which Harrow High School is a member and the Accounting Officer is a Governor.

During the year the school paid a £4,000 annual subscription through Bentley Wood Trust to a company called Harrow Collegiate Teaching Schools Alliance. This company is related through the previous chair (who served through most of this period) who is also one of the four members of it's Governance Group.

23 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.

24 Reconciliations on adoption of FRS 102

Reconciliation of funds for the previous financial period

	1 September 2014 £	31 August 2015 £
Funds as reported under previous UK GAAP and under FRS 102	11,723,098	12,027,130
Change in recognition of LGPS cost	1	-
Reclassification of capital grants to 'Donation' income	2	-
	<u> </u>	<u> </u>

Reconciliation of net income for the previous financial period

	Notes	2015 £
Net income as reported under previous UK GAAP		371,032
Adjustments arising from transition to FRS 102:		
Change in recognition of LGPS cost	1	(33,000)
Reclassification of capital grants to 'Donation' income	2	-
Net income reported under FRS 102		<u> </u> <u>338,032</u>

HARROW HIGH SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

24 Reconciliations on adoption of FRS 102

(Continued)

Notes to reconciliations on adoption of FRS 102

Change in recognition of LGPS cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expenditure. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expenditure. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expenditure by £33,000 and increase the credit in other recognised gains and losses in the statement of financial activities by an equivalent amount.

Reclassification of capital grants to 'Donation' income

Under FRS102 Capital Grants and funding can no longer be recognised as income for 'Educational Operations'. They should be classified as 'Donation' income in the notes to the accounts. This is because work carried out on the fabric of the school buildings is not considered to be an 'Educational Operation'. There is no impact on the Financial Statements as shown above because this is a reclassification within the incoming resources on the Statement of Financial Position.