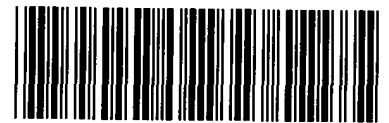


Company Registration No. 09026369 (England and Wales)

**THE HARROW ACADEMIES TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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

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# THE HARROW ACADEMIES TRUST

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# THE HARROW ACADEMIES TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustees

S Hammond (Appointed 6 May 2014)  
K Bartle (Appointed 6 November 2014)  
S Maguire (Appointed 6 November 2014)  
N Kullar (Appointed 1 September 2015)  
J Howkins (Chair of Trustees) (Appointed 6 November 2014)  
D Lumley (Appointed 6 November 2014)  
C Livesey (Appointed 6 November 2014)  
J Reavley (Appointed 6 November 2014)  
P Gamble (Appointed 6 November 2014)  
C Woolf (Accounting Officer) (Appointed 1 September 2015)

### Members

The Bentley Wood Trust  
Canons High School  
Harrow High School  
Hatch End High School  
Nower Hill High School  
Park High School  
Rooks Heath College  
J Howkins

### Senior management team

- Chief Finance Officer

I Noutch

### Company registration number

09026369 (England and Wales)

### Registered office

Nower Hill High School  
George V Avenue  
Pinner  
Middlesex  
HA5 5RP

# THE HARROW ACADEMIES TRUST

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2015**

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The Trustees who act as directors for charity law purposes, present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 6 May 2014 to 31 August 2015.

The Academy Trust plans to operate academies for pupils aged 4 to 19 in the London Borough of Harrow. At the date of signing this report the Funding Agreement with the Secretary of State had yet to be finalised but the trustees remain hopeful this will be finalised and signed before the end of 2015.

### **Structure, governance and management**

#### Constitution

Harrow Academies Trust was formed in 2014 as 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.

Details of the Trustees who served during the year except as noted 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.

#### Trustees' indemnities

In accordance with standard practice, the Academy has purchased insurance to protect the trustees, Trustees and officers of the company from the claims arising from negligent acts, errors or omissions whilst on Academy business. The cover under the policy is £1 million and in the period under review the policy premium was £689.

#### Method of recruitment and appointment or election of trustees

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

The Academy looks to maintain Trustees with a wide range of skills and experiences

#### Policies and procedures adopted for the induction and training of trustees

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

# THE HARROW ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2015**

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### Organisational structure

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

The Trustees meet at least 3 times a year and delegate responsibilities to a number of sub-committees, including Local Governing Bodies. Each committee works under the guidance of a trustee, appointed at the first committee meeting of the academic year. Written terms of reference are reviewed once a year and the clerk to Trustees co-ordinates the work of the Trustees and committees.

### Related parties and other connected charities and organisations

The membership of the academy trust comprises seven academy schools all located within Harrow. Seven of the trustees are currently headteachers of other academy schools located within Harrow. Academies in Harrow work collaboratively across a range of activities including school to school support.

### **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.

*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 4 and 19. All children who apply are admitted up to the capacity of the Academies, with no selection.

Consistent with other academies in the United Kingdom we aim to raise the educational outcomes and to increase student numbers.

# THE HARROW ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2015

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Our vision is, quite simply, to be excellent, inclusive schools for the whole of the community.

This means that Harrow Academies Trust expects and achieves the highest standards of and for every student.

The ethos for Harrow Academies Trust will be academies that are characterised by:

- expecting the highest standards from students and staff;
- a calm, friendly, and disciplined environment with positive relationships;
- a curriculum that excites and stretches all students;
- knowing every student and supporting their personal development;
- working in partnership with families and the wider community;
- continual self-evaluation and improvement; and
- preparing students to have the skills and knowledge required to progress successfully from school.

Harrow Academies Trust will stretch every student to achieve their full potential within a supportive and disciplined environment. Harrow Academies Trust has traditional values, such as respect, tolerance and self-discipline. Our curriculum and enrichment activities will develop personal skills such as resilience, teamwork, and leadership.

#### Public benefit

In setting objectives and planning activities, the trustees 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 used by all sections of the local community.

#### **Strategic report**

##### Achievements and performance

During the last 12 month period the academy prepared for the opening of two academies, Pinner High School, expected to open in September 2016 and Harrow View Primary School, expected to open in September 2017.

##### Key performance indicators

Detailed key performance indicators will not be set until closer to the opening date of the new schools. The performance targets will be set at challenging levels to reflect the high aspirations for the pupils of the new schools.

##### Going concern

The Academy has achieved a surplus and has retained reserves.

After making appropriate enquiries, the Trust Board has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the Trust Board 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 pre-opening grant. To date £60,539 of grant has been expended on preparation of schools for opening.

# THE HARROW ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2015

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#### Reserves policy

The Trustees have not as yet determined an appropriate level of free reserves.

#### 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 Trust Board is responsible for the identification and management of the risks in their academy. A formal review of risks and the risk management processes is to be undertaken prior to the academies opening and these will be reviewed annually going forward.

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

The key controls used by the Trust Board include:

- formal agendas and minutes for all meetings of the Trust Board 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 Trustees have been prudent in the budgeting for the future.

#### Financial and risk management objectives and policies

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

The Academy Trust's key objectives for 2015/16 are to continue the development and progress of the new academy schools and open the schools in accordance with the agreed plans.

# THE HARROW ACADEMIES TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2015**

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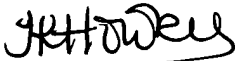
### **Auditor**

In so far as the trustees are aware:

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

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 board of trustees, as the company directors, on 03 December 2015 and signed on its behalf by:



J Howkins  
**Chair of Trustees**



# THE HARROW ACADEMIES TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2015**

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### Scope of responsibility

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

The Trust Board has delegated the day-to-day responsibility to its Headteacher 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 Academies Financial Handbook. The Headteacher is also responsible for reporting to the Trust Board any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Trust Board has formally met 3 times during the year. Attendance during the year at meetings of the Trust Board was as follows:

Trustees	Meetings attended	Out of possible
S Hammond (Appointed 6 May 2014)	3	3
K Bartle (Appointed 6 November 2014)	3	3
S Maguire (Appointed 6 November 2014)	3	3
N Kullar (Appointed 1 September 2015)	0	0
J Howkins (Chair of Trustees) (Appointed 6 November 2014)	3	3
D Lumley (Appointed 6 November 2014)	2	3
C Livesey (Appointed 6 November 2014)	3	3
J Reavley (Appointed 6 November 2014)	3	3
P Gamble (Appointed 6 November 2014)	3	3
C Woolf (Accounting Officer) (Appointed 1 September 2015)	0	0

A self review of governance took place during the year.

The review considered appropriate structures across the multi-academy trust, the membership of the Board and local governing bodies and the relationships between these.

Key findings include the decision to appoint two trustees from non-education backgrounds

The governance structure would be reviewed annually with the next review date scheduled for June 2016.

### Review of value for money

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

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

# THE HARROW ACADEMIES TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2015**

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### **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 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 Academies Trust 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 board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the 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 Trustees.

### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trust Board;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Trust Board has considered the need for a specific internal audit function and has decided not to appoint an internal auditor.

Alliotts, the external auditor are being used to give advice on financial matters.

### **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 performance of extended assurance work and statutory audit work by the external auditor;
- the financial management and governance self-assessment process;
- the work of the Senior Management Team within the Academy who have responsibility for the development and maintenance of the internal control framework.

# THE HARROW ACADEMIES TRUST

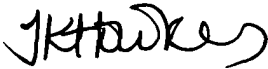
## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2015**

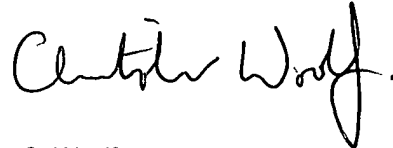
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The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes committee/audit committee and a plan to address weaknesses, [if relevant and ensure continuous improvement of the system is in place.

Approved by order of the Trust Board on 3 December 2015 and signed on its behalf by:



J Howkins  
Chair of Trustees



C Woolf  
Accounting Officer

# THE HARROW ACADEMIES TRUST

## STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

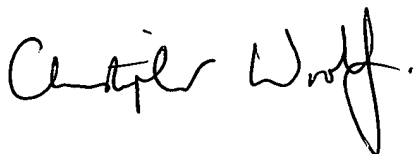
**FOR THE YEAR ENDED 31 AUGUST 2015**

As accounting officer of The Harrow Academies Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy 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.

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

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

Approved on 3 December 2015 and signed by:



C Woolf  
Accounting Officer

# THE HARROW ACADEMIES TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

---

The trustees (who also act as governors for Harrow Academies Trust and are also the directors of Harrow Academies Trust for the purposes of company law) are responsible for preparing the Trustees' 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 trustees to prepare accounts for each financial year. Under company law the trustees 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 trustees are required to:

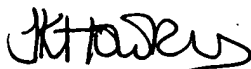
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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 trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the Trust Board on 3 December 2015 and signed on its behalf by:



J Howkins  
Chair of Trustees

# THE HARROW ACADEMIES TRUST

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF HARROW ACADEMIES TRUST

---

We have audited the accounts of The Harrow Academies Trust for the year ended 31 August 2015 set out on pages 16 to 27. 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 trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 11, the trustees, who are also the directors of Harrow Academies Trust 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 trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' 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 the EFA.

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

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

# THE HARROW ACADEMIES TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE HARROW ACADEMIES TRUST

---

#### **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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Stephen Meredith*

Stephen Meredith BA FCA DChA (Senior Statutory Auditor)

Chartered Accountants

Statutory Auditor

Dated: *3 December 2015*

# THE HARROW ACADEMIES TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE HARROW ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY

---

In accordance with the terms of our engagement letter dated 8th 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 The Harrow Academies Trust during the period 6 May 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 The Harrow Academies Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Harrow Academies Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the The Harrow Academies Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of The Harrow Academies Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under 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 6 May 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 the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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



# THE HARROW ACADEMIES TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE HARROW ACADEMIES TRUST 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 Head teacher 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 6 May 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 BA FCA DChA  
Reporting Accountant

Dated: 3 December 2015

# THE HARROW ACADEMIES TRUST

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

	Notes	Unrestricted funds £	Restricted funds £	Fixed Asset funds £	Total 2015 £
<b><u>Incoming resources</u></b>					
<i>Resources from generated funds</i>					
- Investment income	2	87	-	-	87
<i>Resources from charitable activities</i>					
- Funding for educational operations	3	-	450,000	15,400,000	15,850,000
<b>Total incoming resources</b>		<b>87</b>	<b>450,000</b>	<b>15,400,000</b>	<b>15,850,087</b>
<b><u>Resources expended</u></b>					
<i>Costs of generating funds</i>					
<i>Charitable activities</i>					
- Educational operations	5	-	54,426	-	54,426
Governance costs	6	-	6,113	-	6,113
<b>Total resources expended</b>	4	<b>-</b>	<b>60,539</b>	<b>-</b>	<b>60,539</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>87</b>	<b>389,461</b>	<b>15,400,000</b>	<b>15,789,548</b>
Gross transfers between funds		-	-	-	-
<b>Net income/(expenditure) for the year</b>		<b>87</b>	<b>389,461</b>	<b>15,400,000</b>	<b>15,789,548</b>
Fund balances at 6 May 2014		-	-	-	-
<b>Fund balances at 31 August 2015</b>		<b>87</b>	<b>389,461</b>	<b>15,400,000</b>	<b>15,789,548</b>

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 financial period above.

# THE HARROW ACADEMIES TRUST

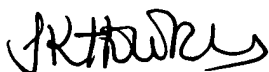
## BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015	
		£	£
<b>Fixed assets</b>			
Tangible assets	9		15,400,000
<b>Current assets</b>			
Debtors	10	3,314,584	
Cash at bank and in hand		162,427	
		<u>3,477,011</u>	
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	11	(7,463)	
		<u>3,469,548</u>	
<b>Net current assets</b>			3,469,548
<b>Total assets less current liabilities</b>			18,869,548
Creditors: amounts falling due after more than one year	12		(3,080,000)
			<u>15,789,548</u>
<b>Net assets excluding pension asset</b>			15,789,548
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>	13		
- Fixed asset funds			15,400,000
- General funds			389,461
			<u>15,789,461</u>
<b>Total restricted funds</b>			15,789,461
<b>Unrestricted income funds</b>	13		87
			<u>15,789,548</u>
<b>Total funds</b>			15,789,548

The accounts were approved by order of the board of trustees and authorised for issue on 03 December 2015.

J Howkins  
Chair of Trustees



Company Number 09026369

# THE HARROW ACADEMIES TRUST

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £
Net cash inflow/(outflow) from operating activities	15	(2,917,660)
<b>Returns on investments and servicing of finance</b>		
Investment income		87
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>		87
		(2,917,573)
<b>Capital expenditure and financial investments</b>		
Capital grants received		15,400,000
Payments to acquire tangible fixed assets		(15,400,000)
<b>Net cash flow from capital activities</b>		-
<b>Net cash inflow/(outflow) before financing</b>		(2,917,573)
<b>Financing</b>		
Repayment of long term Government loan		3,080,000
<b>Net cash inflow/(outflow) from funding</b>		3,080,000
<b>Increase/(decrease) in cash</b>	16	162,427

# THE HARROW ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2015

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

##### Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

##### 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.

##### Donated services and gifts in kind

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

# THE HARROW ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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### 1 Accounting policies

(Continued)

#### 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.

##### 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 trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

#### 1.5 Tangible fixed assets and depreciation

Assets costing £5,000 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/reducing balance] basis over its expected useful life, as follows:

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

#### 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.

# THE HARROW ACADEMIES TRUST

## 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 , 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 trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by [the Education Funding Agency/Department for Education/sponsor/other funders] where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the [Education Funding Agency/Department for Education].

### 2 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £
Short term deposits	87	-	87

# THE HARROW ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 3 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2015 £
<b>DfE / EFA grants</b>			
Start up grants	-	450,000	450,000
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Other government grants</b>			
Other grants	-	15,400,000	15,400,000
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total funding</b>	<u>          </u>	<u>          </u>	<u>          </u>

### 4 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2015 £
<b>Academy's educational operations</b>				
- Direct costs	-	-	12,131	12,131
- Allocated support costs	-	-	42,295	42,295
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Other expenditure</b>				
Governance costs	-	-	6,113	6,113
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total expenditure</b>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

<b>Net income/(expenditure) for the year includes:</b>	<b>2015</b>
	<b>£</b>
Fees payable to auditor	
- Audit	4,000
	<u>          </u>



# THE HARROW ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

5 Charitable activities	Unrestricted funds £	Restricted funds £	Total 2015 £
<b>Direct costs</b>			
Educational supplies and services	-	75	75
Other direct costs	-	12,056	12,056
	-	12,131	12,131
<b>Allocated support costs</b>			
Technology costs	-	10,685	10,685
Rent and rates	-	1,662	1,662
Insurance	-	2,279	2,279
Other support costs	-	27,669	27,669
	-	42,295	42,295
<b>Total costs</b>	-	54,426	54,426
<b>6 Governance costs</b>	Unrestricted funds £	Restricted funds £	Total 2015 £
Legal and professional fees	-	2,113	2,113
Auditor's remuneration - Audit of financial statements	-	4,000	4,000
	-	6,113	6,113
<b>7 Staff costs</b>			2015 £
Wages and salaries			-
Social security costs			-
Other pension costs			-
<b>Total staff costs</b>			-

There were no employees during the year.

There were no employees whose annual remuneration was £60,000 or more.

# THE HARROW ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2015

#### 8 Trustees' remuneration and expenses

No Trustees have been paid remuneration or have received benefits from an employment with the academy trust. In this, it's first year there were no staff appointed and therefore no staff governors who would ordinarily be remunerated for their services as staff members.

#### Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,590 (2014: £ NIL).

#### 9 Tangible fixed assets

	Land and buildings £
<b>Cost</b>	
At 6 May 2014	-
Additions	15,400,000
	<hr/>
At 31 August 2015	15,400,000
	<hr/>
<b>Depreciation</b>	
At 6 May 2014 and at 31 August 2015	-
	<hr/>
<b>Net book value</b>	
At 31 August 2015	15,400,000
	<hr/> <hr/>

#### 10 Debtors

	2015 £
Other debtors	3,089,584
Prepayments and accrued income	225,000
	<hr/>
	3,314,584
	<hr/> <hr/>

Amounts falling due after more than one year and included in the debtors above are:

	2015 £
Other debtors	3,089,584
	<hr/> <hr/>

The debtor balance due after more than 1 year is VAT that can only be reclaimed when the Academy opens in September 2016. It is related to costs incurred for set up and the purchase of the school property itself.

# THE HARROW ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

<b>11</b>	<b>Creditors: amounts falling due within one year</b>		<b>2015</b>
			<b>£</b>
	Trade creditors		1,800
	Accruals		5,663
			7,463
			7,463
<b>12</b>	<b>Creditors: amounts falling due after more than one year</b>		<b>2015</b>
			<b>£</b>
	Government loans		3,080,000
			3,080,000
	<b>Analysis of loans</b>		
	Wholly repayable within five years		3,080,000
			3,080,000
	Amounts included above		3,080,000
<b>13</b>	<b>Funds</b>		
		<b>Balance at 6</b>	
		<b>May 2014</b>	
		<b>£</b>	
		<b>Incoming</b>	
		<b>resources</b>	
		<b>£</b>	
		<b>Resources</b>	
		<b>expended</b>	
		<b>£</b>	
		<b>Gains, losses</b>	
		<b>&amp; transfers</b>	
		<b>£</b>	
		<b>Balance at 31</b>	
		<b>August 2015</b>	
		<b>£</b>	
	<b>Restricted general funds</b>		
	Start up grants	-	450,000
		(60,539)	-
		-	389,461
	<b>Restricted fixed asset funds</b>		
	DfE / EFA capital grants	-	15,400,000
		-	-
		-	15,400,000
	<b>Total restricted funds</b>	-	15,850,000
		(60,539)	-
		-	15,789,461
	<b>Unrestricted funds</b>		
	General funds	-	87
		-	-
		-	87
	<b>Total funds</b>	-	15,850,087
		(60,539)	-
		-	15,789,548

# THE HARROW ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 13 Funds

(Continued)

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

**General Annual Grant:** The schools in the Trust have not opened during this financial period and therefore the Trust has not received any GAG from the EFA for this period. When the secondary school opens next period, this fund will be 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.

**Restricted Start up grant:** This grant has been awarded to the Trust by the EFA to fund the set up of the Trust. It is to be applied over a period of three years to the academic year 2017/18.

**Restricted fixed asset funds:** This fund has arisen from the purchase of the land and buildings for the secondary school on behalf of the Trust by the DfE.

**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.

### 14 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Fixed asset funds	Total funds
	£	£	£	£
<b>Fund balances at 31 August 2015 are represented by:</b>				
Tangible fixed assets	-	-	15,400,000	15,400,000
Current assets	87	3,476,924	-	3,477,011
Creditors falling due within one year	-	(7,463)	-	(7,463)
Creditors falling due after one year	-	(3,080,000)	-	(3,080,000)
	<u>87</u>	<u>389,461</u>	<u>15,400,000</u>	<u>15,789,548</u>

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

	2015 £
Net income	15,789,548
Capital grants and similar income	(15,400,000)
Investment income	(87)
(Increase)/decrease in debtors	(3,314,584)
Increase/(decrease) in creditors	7,463
Net cash inflow/(outflow) from operating activities	<u>(2,917,660)</u>

# THE HARROW ACADEMIES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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<b>16</b>	<b>Reconciliation of net cash flow to movement in net funds</b>	<b>2015</b>
		<b>£</b>
	Increase/(decrease) in cash	162,427
	Government loan	(3,080,000)
	Net funds at 6 May 2014	-
	<b>Net funds at 31 August 2015</b>	<b>(2,917,573)</b>

<b>17</b>	<b>Analysis of net funds</b>	<b>At 6 May 2014</b>	<b>Cash flows</b>	<b>Non-cash changes</b>	<b>At 31 August 2015</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	Cash at bank and in hand	-	162,427	-	162,427
	Debt due within one year	-	(3,080,000)	3,080,000	-
	Debt due after one year	-	-	(3,080,000)	(3,080,000)
		-	(3,080,000)	-	(3,080,000)
	Net balances	-	(2,917,573)	-	(2,917,573)

### 18 Related parties

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

### 19 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.