

Company Registration Number: 07770592 (England & Wales)

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 10
Governance statement	11 - 15
Statement on regularity, propriety and compliance	16
Statement of Trustees' responsibilities	17
Independent auditors' report on the financial statements	18 - 20
Independent reporting accountant's report on regularity	21 - 22
Statement of financial activities incorporating income and expenditure account	23
Balance sheet	24
Statement of cash flows	25
Notes to the financial statements	26 - 49

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	A Hunt R Dyter N Swain (resigned 16 October 2019) J Hughes (appointed 16 October 2019)
Trustees	A Hunt, Headteacher and Accounting Officer ^{1,2} E Wilkinson ² R Dyter, Chair of Trustees ^{1,2} C Blake (appointed 16 July 2019) K Martin (resigned 20 March 2019) J Bassett ¹ D Clare, Vice Chair ² J Hughes (resigned 16 October 2019) S Sidbotham (appointed 16 October 2019, resigned 3 December 2019) ¹ M Pinfield, Staff Trustee (resigned 25 September 2019, appointed 16 October 2019) T Taylor, Staff Trustee H Warne ¹ ¹ Finance, Personnel & Audit Committee ² Teaching, Learning & Achievement Committee
Company registered number	07770592
Company name	Harrowbarrow School
Principal and Registered Office	Harrowbarrow School School Road Harrowbarrow Callington Cornwall PL17 8BQ
Company Secretary	E Moyle
Accounting Officer	A Hunt
Senior Leadership Team	A Hunt, Headteacher E Moyle, Business Manager
Independent Auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN

**HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Bankers	Lloyds Bank The Parade Liskeard Cornwall PL14 6AW
Solicitors	Cornwall Council Legal Services County Hall Treyew Road Truro Cornwall TR1 3AY

**HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 4 to 11 offering a broad and balanced curriculum. It has a pupil capacity of 119 and had a roll of 116 in the school census on 3 October 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy 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.

The Trustees of Harrowbarrow School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Harrowbarrow School.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

Members' liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy. The limit of this indemnity is £1,000,000.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

On 1 October 2011 the Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy's Board of Trustees comprises the Headteacher, a minimum of 2 Parent Trustees, up to 3 Staff Trustees (providing that the total number of Trustees, including the Headteacher, who are employees of the Academy, does not exceed one third of the total number of Trustees) and up to 8 other Trustees.

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Policies and Procedures Adopted for the Induction and Training of Trustees

The Governing Body and the Headteacher believe it is essential that all new Trustees receive a comprehensive induction package covering a broad range of issues and topics. There is a commitment to ensure new Trustees are given the necessary support and information to fulfil their role with confidence, leading to more effective governance and governor retention.

The training and induction provided for new Trustees depends upon their existing experience but will include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

The Board of Trustees normally meets twice each half term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are two committees as follows;

Finance, Personnel and Audit Committee - this meets at least once each term and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.

Teaching Learning and Achievement Committee - this meets once each half term and is responsible for monitoring the progress being made against the school's Ofsted Action Plan, monitoring and evaluating the quality of teaching and the progress of all groups of pupils, including those for whom the pupil premium, provides support relative to other schools nationally, monitoring the performance of the school and monitoring and maintaining a strong link between performance management and appraisal and salary progression. The committee is also responsible for supporting the Headteacher and School Staff in fulfilling the changes set out in the Ofsted Action Plan.

The following decisions are reserved to the Board of Trustees; to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Trustees, to approve the Annual Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The Senior Leadership Team (SLT) consists of the Headteacher, Deputy Headteacher and the Business Manager. The SLT controls the Academy at an executive level, implementing the policies laid down by the Governors and reporting back to them. The Headteacher, Academy Business Manager and Finance Committee, are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Trustee.

The Headteacher is the Accounting Officer.

**HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees and the Senior Leadership Team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with the Whole School Pay Policy.

Connected Organisations, including Related Party Relationships

The Academy collaborates with other local primary schools and the local secondary school on areas of school improvement but it is not a federation or formal partnership.

There are no related parties which either control or significantly influence the decisions and operations of Harrowbarrow School. The school has a Parent Staff Association which is run by volunteers who organise social and fundraising events throughout the year.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Charitable Company is the operation of Harrowbarrow School to provide free education and care for pupils of different abilities between the ages of 4 and 11 offering a broad and balanced curriculum.

The aims of the Academy during the year ended 31 August 2019 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils.
- to provide a broad and balanced curriculum, including extra curricular activities.
- to develop students as more effective learners.
- to enhance the tertiary provision and outcomes.
- to develop the Academy site so that it enables students to achieve their full potential.
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review.
- to provide value for money for the funds expended.
- to develop greater coherence, clarity and effectiveness in school systems.
- to comply with all appropriate statutory and curriculum requirements.
- to maintain close links with informal primary and secondary partnerships.
- to develop the Academy's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

At Harrowbarrow School we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives, Strategies and Activities

The Academy has identified robust and rigorous targets for the improvement of academic achievement, along with a longer term vision for collaboration, partnership and the increased performance of the school.

- To accelerate progress and improve outcomes in maths by the end of Y6 so that at least 80% of pupils achieve the expected standard.
- To improve the emotional health and wellbeing of our most vulnerable pupils, particularly those from a background of care, so they can secure strong academic progress.
- To ensure a broad and balanced curriculum is offered to the children, underpinned by an agreed and consistent pedagogy which prepares pupils for the next stage of their education.
- To further develop the informal collaboration, working with seven other local primary schools; this would continue strengthening the performance of the school through strong school improvement partnership work.
- To ensure the school is in a strong position to maintain its' Ofsted rating of 'good' at the next inspection.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

- The Academy aims to advance, for the public benefit, education in Harrowbarrow and the surrounding area.
- The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.
- The Academy welcomed the local preschool on to the school site in January 2017. A leasehold agreement was put in place; enabling the preschool to rent a redundant classroom and outdoor area. This has provided them with an opportunity to extend their provision, increasing their numbers and ensuring their financial viability. Consequently, the school has secured the future for its main feeder of EYFS pupils into the school; the school was oversubscribed for EYFS places for September 2018 and was fully subscribed for September 2019.

STRATEGIC REPORT

Achievements and Performance

- The number of pupils for 2018/2019 was 116, with 116 for the financial year 2019/20. Four of the seven year groups are full or oversubscribed and the school continues to build upon its strong local reputation.
- In July 2019, for a second consecutive year, the school successfully improved outcomes for pupils at the end of KS1; exceeding the national average. The number of pupils achieving the Age Related Expectation (ARE) in reading, writing and maths was above the national average. Those pupils achieving a Greater Depth or Learning were also in line with or above the national average for these subjects. Outcomes in maths rose from 80% to 89% achieving the ARE between 2018 and 2019, reflecting the school improvement work undertaken in this area.
- EYFS outcomes also improved from 2018 to 2019; 76% of pupils secured a Good Level of Development compared to 56% in 2018.
- Following underperformance at the end of KS2 in 2018, the school secured improvements in progress and outcomes in reading and maths in 2019; reading outcomes exceeded the national average for the first time under the new assessment system with 79% achieving the ARE compared to 38% in 2018.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. The amount the school can carry forward is unrestricted. In period under review, £Nil was carried forward.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2018/2019 were 116 in comparison to 118 for 2017/2018. The NOR in the October 2019 Census was 116.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2018/2019 this was 102%.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Going concern policy.

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2019, total expenditure of £606,722 was covered by recurrent grant funding from the DfE, together with other incoming resources of £577,973. The excess of income over expenditure for the year (excluding LGPS liability movements and restricted fixed asset funds) was £28,749.

At 31 August 2019 the net book value of fixed assets was £1,035,879 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings valued on 1 April 2011 at £913,420. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The balance of the former school's budget share (£67,388) was transferred across on conversion of which a balance of £19,414 remains as Unrestricted Funds, some of which has been set aside as reserves for catering and minibus maintenance during 2019/2020.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 23 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy & Scheme of Delegation which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included: Reserves, VAT, Charging and Remissions.

Trustees have adopted a Responsible Officer Policy and appointed an LFS Technician from Cornwall Council to undertake a programme of internal checks on the financial controls. During the year, the Trustees received 3 reports from the Responsible Officer which contained no matters of significance.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free cash reserves should be approximately £40,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £62,783 of which £44,783 are free undesignated reserves.

In addition to the free reserves the Trustees have reviewed the future plans of the Academy and have allocated reserves as follows:

- £15,000 carry forward from Catering to be set aside to cover costs of replacement kitchen equipment as and when required.
- £3,000 to be set aside for minibus maintenance

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy.

Investment Policy

The school will normally use its income during the financial/academic year it is received, with the exception of designated reserves.

Due to the nature of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Academy are as follows:

The Academy has considerable reliance on continued Government funding through the ESFA. In the last year 80% of the Academy's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Governors continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy is dependent on continuing to attract pupils in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Trustees ensure that student success and achievement are closely monitored and reviewed.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has considered its risk management process throughout the year and will implement improvements in the process and ensure staff awareness. A risk register has been drawn up, reviewed and updated on a regular basis.

The Trustees have considered the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. A formal Risk Management Plan and Risk Register are in place and are reviewed on a regular basis.

Whilst the school's NOR remains constant, risks to revenue funding from a falling roll are small. However, the freeze on the Government's overall education budget, changes in funding arrangements for special educational needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees' and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Governing Body recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 23 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

FUNDRAISING

The Trust Board delegate fundraising responsibility to the Academy's Parent, Staff Association, which is affiliated to Parentkind, an organisation that provide advice and insurance for PSA activity. The Headteacher sits of the Board of the PSA to advise on fundraising activity within the school. This is the only form of fundraising undertaken by the Academy as there is no outsourcing to commercial participators or professional fundraisers.

PLANS FOR FUTURE PERIODS

As part of the Academy's annual cycle of self-evaluation and school improvement the following actions have been identified:

Longer term objectives for the Academy include the following:

- To maintain the school's current Ofsted rating of 'good' through rigorous and sustained school improvement.
- To review and implement changes to the wider school curriculum, ensuring all pupils have access to a broad and balanced curriculum through expert teaching.

**HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

- to ensure the financial sustainability of the Academy through continued good business management and fiscal decision making which avoids the future setting of deficit budgets.
- To develop a whole school approach to positive mental health through all the Academy activity with staff, pupils and parents.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

TRUSTEES INDEMNITIES

There were no third party indemnity provisions during the year or at the date of approval of the Trustees' report.


AUDITORS

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.

The auditors, Bishop Fleming LLP, are willing to continue in office. The appointment of auditors for 2019 – 2020 will be discussed and a decision made by governors at the AGM.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on and signed on the Board's behalf by:



R Dyter
Chair of Trustees

11th December 2019

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the 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 Harrowbarrow School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

- Following the resignation of the previous vice-chair, D Clare was appointed to this role in October 2017. C Blake was elected to a parent governor role following the resignation of K Martin.
- The Trustees agree the annual school improvement priorities with the Headteacher, based upon analysis of the school's performance, then rigorously monitor and challenge the school through the annual school improvement cycle to ensure outcomes are achieved. The Trustees scrutinise the business of the school to ensure value for money is secured, whilst maintaining acceptable service standards, and the accounting and financial planning ensure the sustainability and viability of the school in the future.
- The Board undertakes an annual review of their own performance and uses this analysis to target areas for improvement and inform succession planning within the Academy. The Trustees currently recognise the financial challenges faced by the education sector and have acted to ensure savings within the Academy are made to ensure it is as prepared for this it can be.
- The Trustees receive half termly data about the academic and financial performance of the school. This data comes from external sources, such as the DfE and Local Authority, as well as from the School Leadership Team and the Academy Business Manager. In addition, the appointed auditors provide benchmarking information to help the Board compare the performance of the Academy against other similar academies. The Board finds this data acceptable because much of it comes from external sources, which enables the Board to cross reference it against internal sources for reliability.

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
A Hunt, Headteacher and Accounting Officer	6	6
E Wilkinson	5	6
R Dyter, Chair of Trustees	6	6
C Blake	0	1
K Martin	2	4
J Bassett	5	6
D Clare, Vice Chair	5	6
J Hughes	3	6
M Pinfield, Staff Trustee	6	6
T Taylor, Staff Trustee	3	6
H Warne	4	6

During the year there was 1 resignation, K Martin. As at the 31 August 2019 there were 2 vacancies on the Board of Trustees. Since the start of the new financial year, one of these vacancies has been filled by S Sidbotham who has been appointed to the Board. This new financial year has also seen the resignation of

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

Trustee J Hughes. She has however been appointed as a Member which has enabled N Swain to resign from the role. The Board continues to challenge and support the leadership of the school to ensure standards are maintained or improved upon.

Governance reviews

The Trustees review their performance annually and draft a Trustee action plan to address areas for improvement. Areas addressed in the year 2018/2019 include:

- Recruiting new Trustees to fill vacancies by using data from the skills audit to target desirable expertise.
- Deepening Trustee understanding of their safeguarding responsibilities through attendance at Local Authority led Prevent Duty training.
- Greater challenge of the SLT by the Trustees around education standards and pupil outcomes.
- Existing Trustees moving into new roles have had an induction with the Headteacher to ensure they understand the requirements of the role. Access to relevant training has also been offered to them.
- All Trustees receive regular newsletters from the NGA and some Trustees have now started to access online training through the NGA.

The Trustees review their action plan annually.

The Finance, Personnel & Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to meet at least once each term and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving Financial Assurance Reports from the Finance Analyst and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
R C Dyter	4	4
A J Hunt	4	4
J E Bassett	4	4
H Warne	0	4

A Hunt is only in attendance during Finance, Personnel and Audit committee meetings when it takes on the Audit function.

The Teaching, Learning & Achievement Committee is also a sub-committee of the main Board of Trustees. Its purpose is to:

- To monitor the progress being made against the school's Ofsted Action Plan.
- To monitor and evaluate the quality of teaching and the progress of all groups of pupils, including those for whom the pupil premium, provides support relative to other schools nationally.
- To monitor the performance of the school.
- To monitor and maintain a strong link between performance management and appraisal and salary progression.
- To support the Headteacher and School Staff in fulfilling the changes set out in the Ofsted action Plan.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
R C Dyter	8	8
A J Hunt	8	8
D Clare	6	8
E Wilkinson	4	8

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by:

- Reviewing service provider support at the end of contracts to ensure value for money is a consideration before entering into new agreements.
- Careful management of staffing costs, in a challenging financial climate, whilst ensuring educational standards aren't compromised. This has included an overall reduction in support staff hours to ensure the school avoided setting a deficit budget for 2019/20.
- Having oversight of all income and expenditure to ensure the school is functioning within its financial means.

The governing body is accountable for the way in which the school's resources are allocated to meet the objectives set out in the school's development plans. Trustees need to secure the best possible outcomes for pupils, in the most efficient and effective way, at a reasonable cost. This will lead to continuous improvement in the school's achievements and services.

Improving educational results:

We have ensured that resources are directed where they are most needed and are most effective in meeting educational requirements, for example:

- Deploying staff to support the areas of greatest academic need.
- Investing in maths CPD and resources to support a raising attainment agenda for this subject across the school.
- Carefully considered spending of the new sports premium to ensure it has maximum impact on engagement and outcomes for pupils in sport.
- Approving teacher's pay awards where performance management targets have been met.
- Investing in staffing and resources to support the educational provision of a growing number of vulnerable children and pupils with Special Educational Needs.

Financial governance and oversight:

Our governance arrangements include regular monitoring by the Governing Body and its committees, including the Finance, Staffing and Audit Committee. They receive regular reports, and ask relevant questions as recorded in the minutes.

The work of these committees is further informed by regular Financial Assurance reports from the appointed Cornwall Local Authority Financial Analyst.

The governors are committed to an annual review of their performance, followed by termly tracking of progress against the priorities for improvement identified during the audit.

Better purchasing:

An example of steps taken to ensure better purchasing includes collaborating with other local schools to secure discounted rates for the group purchasing of legal services and health & safety external support.

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

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY (CONTINUED)

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by:

- Robust financial governance and budget management.
- Value for money purchasing.
- Reviewing controls and managing risk.
- Considering allocation/targeting/use of resources.
- Not allocating time/resources to areas where few improvements can be achieved.
- Making comparisons with similar Academies using data provided by the ESFA and the Government.
- Challenging proposals and examining their effectiveness and efficiency.
- Deploying staff effectively.
- Reviewing quality of curriculum provision and quality of teaching.
- Reviewing quality of children's learning to enable children to achieve nationally expected progress.
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks, 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 Harrowbarrow School for the period from 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that have been in place for the period from 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

GOVERNANCE STATEMENT (CONTINUED)

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and the Trustees have appointed Dan Robinson, the member of Cornwall Council's LFS team and Cornwall Council Internal Auditor to carry out Financial Assurance checks.

The role of the Finance Analyst includes giving advice on financial matters and performing a range of checks on the Academy's financial systems, including payroll, purchasing and banking. On a termly basis, the Finance Analyst reports to the Finance, Personnel & Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Three visits were carried out during the 2018/2019 Financial Year.

REVIEW OF EFFECTIVENESS

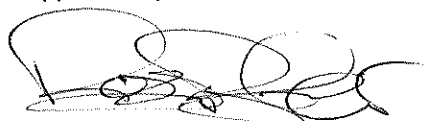
As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the Financial Assurance reports ;
- the management report provided by the external auditors;
- the work of Finance, Personnel & Audit Committee who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Personnel & Audit Committee. No significant weaknesses have been found. Continuous monitoring will ensure continuous improvement of the system which is in place.

11th December 2019

Approved by order of the members of the Board of Trustees on[^] and signed on their behalf by:



R Dyter
Chair of Trustees



A Hunt
Accounting Officer

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Harrowbarrow School I have considered my responsibility to notify the Academy Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy 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 2018.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2018.

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



A Hunt

Accounting Officer

Date: 11th December 2019

**HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

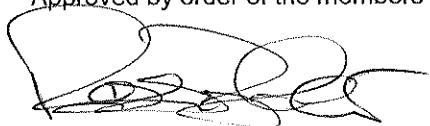
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on ^{11th December 2019} and signed on its behalf by:



R Dyter
Chair of Trustees

**HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HARROWBARROW SCHOOL**

OPINION

We have audited the financial statements of Harrowbarrow School (the 'Academy') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

**HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HARROWBARROW SCHOOL (CONTINUED)**

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

**HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HARROWBARROW SCHOOL (CONTINUED)**

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

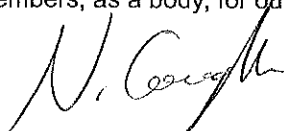
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

This report is made solely to the Academy'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 Academy's members those matters we are required to state to them in an Auditors' 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 Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Nathan Coughlin FCA (Senior statutory auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: 18 December 2019

**HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
HARROWBARROW SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 3 October 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Harrowbarrow School during the year 1 September 2018 to 31 August 2019 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 Harrowbarrow School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Harrowbarrow School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Harrowbarrow School and ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF HARROWBARROW SCHOOL'S ACCOUNTING OFFICER
AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Harrowbarrow School's funding agreement with the Secretary of State for Education dated 1 October 2011, and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

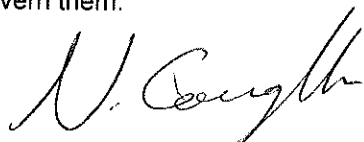
We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statement where appropriate and included analytical review and detailed substantive testing of transactions.

**HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
HARROWBARROW SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Nathan Coughlin FCA (Reporting Accountant)

Bishop Fleming LLP

Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date:

18 December 2019.

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:						
Donations and capital grants	3	427	1,753	98,231	100,411	8,249
Charitable activities	4	15,569	551,116	-	566,685	560,122
Other trading activities	5	9,041	-	-	9,041	7,695
Investments	6	67	-	-	67	66
TOTAL INCOME		25,104	552,869	98,231	676,204	576,132
EXPENDITURE ON:						
Charitable activities		20,430	611,292	44,721	676,443	632,673
TOTAL EXPENDITURE		20,430	611,292	44,721	676,443	632,673
NET INCOME/ (EXPENDITURE)		4,674	(58,423)	53,510	(239)	(56,541)
Transfers between funds	17	(19,144)	14,820	4,324	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		(14,470)	(43,603)	57,834	(239)	(56,541)
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial losses on defined benefit pension schemes	23	-	(65,000)	-	(65,000)	57,000
NET MOVEMENT IN FUNDS		(14,470)	(108,603)	57,834	(65,239)	459
RECONCILIATION OF FUNDS:						
Total funds brought forward		92,665	(104,988)	968,705	956,382	955,923
Net movement in funds		(14,470)	(108,603)	57,834	(65,239)	459
TOTAL FUNDS CARRIED FORWARD		78,195	(213,591)	1,026,539	891,143	956,382

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 26 to 49 form part of these financial statements.

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07770592

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	13	1,035,879	979,201
CURRENT ASSETS			
Debtors	14	97,798	21,235
Cash at bank and in hand	21	86,955	119,340
		<u>184,753</u>	<u>140,575</u>
Creditors: amounts falling due within one year	15	(113,489)	(37,394)
NET CURRENT ASSETS		<u>71,264</u>	<u>103,181</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,107,143</u>	<u>1,082,382</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>1,107,143</u>	<u>1,082,382</u>
Defined benefit pension scheme liability	23	(216,000)	(126,000)
TOTAL NET ASSETS		<u><u>891,143</u></u>	<u><u>956,382</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Fixed asset funds	17	1,026,539	968,705
Restricted income funds	17	2,409	21,012
		<u>1,028,948</u>	<u>989,717</u>
Restricted funds excluding pension liability	17	1,028,948	989,717
Pension reserve	17	(216,000)	(126,000)
Total restricted funds	17	<u>812,948</u>	<u>863,717</u>
Unrestricted income funds	17	<u>78,195</u>	<u>92,665</u>
TOTAL FUNDS		<u><u>891,143</u></u>	<u><u>956,382</u></u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 23 to 49 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:



R Dyter
(Chair of Trustees)

11th December
2019

The notes on pages 26 to 49 form part of these financial statements.

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash (used in)/provided by operating activities	19	(27,842)	13,705
CASH FLOWS FROM INVESTING ACTIVITIES	20	(4,543)	(4,981)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(32,385)	8,724
Cash and cash equivalents at the beginning of the year		119,340	110,616
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	21	86,955	119,340

The notes on pages 26 to 49 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 GOING CONCERN

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

1.3 INCOME

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

• **Grants**

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 year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

• **Sponsorship income**

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

• **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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.3 INCOME (CONTINUED)

- **Other income**

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

1.4 EXPENDITURE

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 TAXATION

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS

Assets costing £1,000 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. 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, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	- 0.8% to 12.5% Straight line
Motor vehicles	- 20% Reducing balance
Furniture and equipment	- 12.5% to 33.3% Straight line
Computer equipment	- 33.3% or 20% Straight line

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

1.8 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.9 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.10 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 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.11 FINANCIAL INSTRUMENTS

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

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

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

1.12 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.13 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.14 FUND ACCOUNTING

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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 Department for Education Group.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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 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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	427	87,891	88,318	2,921
Capital Grants	-	12,093	12,093	5,328
	<u>427</u>	<u>99,984</u>	<u>100,411</u>	<u>8,249</u>
	<u>514</u>	<u>7,735</u>	<u>8,249</u>	
TOTAL 2018				

4. FUNDING FOR THE ACADEMY'S EDUCATION

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DFE/ESFA Grants				
General Annual Grant	-	466,087	466,087	459,290
Other DfE Group grants	-	72,023	72,023	74,045
	<u>-</u>	<u>538,110</u>	<u>538,110</u>	<u>533,335</u>
Other Government Grants				
High Needs	-	2,803	2,803	-
Other government grants non capital	-	2,165	2,165	-
	<u>-</u>	<u>4,968</u>	<u>4,968</u>	<u>-</u>
Other				
Internal catering income	14,334	-	14,334	10,440
Income for hosting trainee teachers	200	-	200	1,875
Sales to students	1,035	-	1,035	1,297
Other	-	8,038	8,038	13,175
	<u>15,569</u>	<u>551,116</u>	<u>566,685</u>	<u>560,122</u>
TOTAL 2018	<u>13,612</u>	<u>546,510</u>	<u>560,122</u>	

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	2,360	2,360	2,294
Fees received	6,681	6,681	5,401
	<u>9,041</u>	<u>9,041</u>	<u>7,695</u>

All prior year balances relate to unrestricted funds.

6. INVESTMENT INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	67	67	66

All prior year balances relate to unrestricted funds.

7. EXPENDITURE

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Education:					
Direct costs	400,535	29,624	53,128	483,287	445,264
Support costs	96,699	26,511	69,946	193,156	187,409
	<u>497,234</u>	<u>56,135</u>	<u>123,074</u>	<u>676,443</u>	<u>632,673</u>
TOTAL 2018	<u>463,835</u>	<u>65,427</u>	<u>103,411</u>	<u>632,673</u>	

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Direct costs 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	483,287	193,156	676,443	632,673
TOTAL 2018	445,264	187,409	632,673	

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Pension finance costs	2,000	2,000
Staff costs	400,380	370,527
Depreciation	41,611	39,913
Educational supplies	20,843	12,269
Staff development	1,664	5,148
Other costs	15,912	13,057
Supply teachers	155	-
Technology costs	722	2,350
	483,287	445,264

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Pension finance costs	2,000	2,000
Staff costs	96,699	93,308
Depreciation	4,552	4,435
Other costs	3,810	4,801
Recruitment and support	425	272
Maintenance of premises and equipment	7,765	9,280
Cleaning	1,382	1,630
Rent and rates	4,591	4,387
Energy costs	8,946	7,417
Insurance	3,099	3,891
Security and transport	5,085	4,804
Catering	12,836	11,099
Technology costs	8,698	9,930
Office overheads	5,302	4,451
Legal and professional	7,953	9,424
Bank interest and charges	125	64
Educational consultancy	25	-
Governance costs	19,863	16,216
	<u>193,156</u>	<u>187,409</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	510	510
Depreciation of tangible fixed assets	46,163	44,348
Fees paid to auditors for:		
- audit	5,500	4,775
- other services	3,880	1,350
	<u>55,553</u>	<u>50,483</u>

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. STAFF COSTS

a. STAFF COSTS

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	370,197	352,619
Social security costs	29,216	26,735
Pension costs	87,814	84,481
	<u>487,227</u>	<u>463,835</u>
Agency staff costs	155	-
Staff restructuring costs	9,852	-
	<u>497,234</u>	<u>463,835</u>

Staff restructuring costs comprise:

Severance payments	<u>9,852</u>	<u>-</u>
--------------------	--------------	----------

b. STAFF NUMBERS

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

	2019 No.	2018 No.
Teachers	7	7
Educational Support	9	11
Administration and Clerical	4	4
Management	1	1
	<u>21</u>	<u>23</u>

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	6	6
Educational Support	4	4
Administration and Clerical	1	1
Management	1	1
	<u>12</u>	<u>12</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. STAFF COSTS (CONTINUED)

c. HIGHER PAID STAFF

No employee received remuneration amounting to more than £60,000 in either year.

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £111,679 (2018: £109,871).

As staff Trustees are not remunerated in respect of their role as Trustee, where staff Trustees do not form part of the Key Management Personnel other than their role as a Trustee, their remuneration as set out in Note 11 has not been included in the total benefits received by Key Management Personnel above.

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018: £NIL).

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: A Hunt, Headteacher: Remuneration £55,000 - £60,000 (2018: £55,000 - £60,000) and employer pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000). M Pinfield: Remuneration £40,000 - £45,000 (2018: £40,000 - £45,000) and employer pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000). T Taylor: Remuneration £35,000 - £40,000 (2018: £30,000 - £35,000) and employer pension contributions £5,000 - £10,000 (2018: £5,000 - £10,000).

Other related party transactions involving the Trustees are set out in Note 27.

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £50 (2018: £50). The cost of this insurance is included in the total insurance cost.

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

13. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
COST					
At 1 September 2018	1,138,145	85,220	13,009	29,340	1,265,714
Additions	67,844	10,042	24,955	-	102,841
At 31 August 2019	1,205,989	95,262	37,964	29,340	1,368,555
DEPRECIATION					
At 1 September 2018	197,135	70,993	10,952	7,433	286,513
Charge for the year	32,916	4,979	3,887	4,381	46,163
At 31 August 2019	230,051	75,972	14,839	11,814	332,676
NET BOOK VALUE					
At 31 August 2019	975,938	19,290	23,125	17,526	1,035,879
At 31 August 2018	941,010	14,227	2,057	21,907	979,201

14. DEBTORS

	2019 £	2018 £
DUE WITHIN ONE YEAR		
VAT recoverable	2,769	2,320
Prepayments and accrued income	95,029	18,915
	97,798	21,235

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	10,134	-
Other taxation and social security	15,124	15,320
Accruals and deferred income	88,231	22,074
	<u>113,489</u>	<u>37,394</u>
	2019 £	2018 £
DEFERRED INCOME		
Deferred income at 1 September 2018	16,656	17,237
Resources deferred during the year	13,915	16,656
Amounts released from previous periods	(16,656)	(17,237)
Deferred income as at 31 August 2019	<u>13,915</u>	<u>16,656</u>

At the balance sheet date the Academy was holding funds received in advance of £9,676 for UIFSM relating to 2019/20 academic year, and £4,239 for trip income for a residential occurring in September 2019.

16. FINANCIAL INSTRUMENTS

	2019 £	As restated 2018 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	86,955	119,340
Financial assets that are debt instruments measured at amortised cost	74,061	7,220
	<u>161,016</u>	<u>126,560</u>
	2019 £	As restated 2018 £
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(84,450)	(5,418)

Financial assets measured at fair value through income and expenditure comprise of cash at bank.

Financial assets that are debt instruments measured at amortised cost comprise of accrued income.

Financial liabilities measured at amortised cost comprise of accruals and trade creditors.

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

17. STATEMENT OF FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Minibus maintenance	3,000	-	-	-	-	3,000
Unrestricted fixed assets	16,854	-	(1,442)	-	-	15,412
Catering funds	15,000	-	-	-	-	15,000
	<u>34,854</u>	<u>-</u>	<u>(1,442)</u>	<u>-</u>	<u>-</u>	<u>33,412</u>
GENERAL FUNDS						
General funds	57,811	25,104	(18,988)	(19,144)	-	44,783
TOTAL UNRESTRICTED FUNDS	<u>92,665</u>	<u>25,104</u>	<u>(20,430)</u>	<u>(19,144)</u>	<u>-</u>	<u>78,195</u>
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	15,362	466,087	(497,241)	15,792	-	-
Pupil Premium	-	35,559	(35,559)	-	-	-
UIFSM	-	18,001	(18,001)	-	-	-
PE and Sports grant	3,822	16,990	(14,079)	(4,324)	-	2,409
Donations	-	1,753	(1,753)	-	-	-
Other curriculum income	-	8,038	(11,390)	3,352	-	-
ERASMUS Plus	1,828	-	(1,828)	-	-	-
High Needs	-	2,803	(2,803)	-	-	-
Teachers Pay Grant	-	3,638	(3,638)	-	-	-
Pension reserve	(126,000)	-	(25,000)	-	(65,000)	(216,000)
	<u>(104,988)</u>	<u>552,869</u>	<u>(611,292)</u>	<u>14,820</u>	<u>(65,000)</u>	<u>(213,591)</u>

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

17. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	791,190	-	(16,714)	-	-	774,476
Devolved Formula Capital	18,531	12,093	(2,544)	-	-	28,080
Fixed assets purchased from GAG and other restricted funds	1,486	-	(495)	-	-	991
Academy capital maintenance grant	24,111	-	(10,745)	-	-	13,366
CIF funding	103,201	-	(4,691)	-	-	98,510
Other capital income	30,186	86,138	(9,532)	4,324	-	111,116
	<u>968,705</u>	<u>98,231</u>	<u>(44,721)</u>	<u>4,324</u>	<u>-</u>	<u>1,026,539</u>
TOTAL RESTRICTED FUNDS	<u>863,717</u>	<u>651,100</u>	<u>(656,013)</u>	<u>19,144</u>	<u>(65,000)</u>	<u>812,948</u>
TOTAL FUNDS	<u>956,382</u>	<u>676,204</u>	<u>(676,443)</u>	<u>-</u>	<u>(65,000)</u>	<u>891,143</u>

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

Restricted Funds

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

Pupil Premium - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

UFSM - Money received to provide free school meals for pupils.

PE and Sports Grant – This represents funding received from the ESFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

ERASMUS Plus - This represents funding received for a project under the European Community Action Scheme for the Mobility of University Students funding.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

17. STATEMENT OF FUNDS (CONTINUED)

High Needs - Funding received by the Local Authority to fund further support for students with additional needs.

Pension reserve – This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy.

Restricted Fixed Asset Funds

Fixed assets transferred on conversion – This represent the buildings and equipment donated to the School from the Local Authority on conversion to an Academy.

Devolved Formula Capital - This represents funding from the ESFA to cover the maintenance and purchase of the Academy's assets.

CIF funding - These funds were received from ESFA to be used for building a new temporary classroom building.

Other capital income - this represents assets funded from other capital income.

Designated Funds

Minibus maintenance - this represents a separate designated fund set aside for future maintenance costs.

Catering funds - this represents a separate designated fund set aside for future catering capital costs.

Unrestricted fixed assets - this represents assets funded from unrestricted funds.

Other information

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

17. STATEMENT OF FUNDS (CONTINUED)

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Minibus maintenance	-	-	-	3,000	-	3,000
Unrestricted fixed assets	18,297	-	(1,443)	-	-	16,854
Catering funds	14,268	-	-	732	-	15,000
	<u>32,565</u>	<u>-</u>	<u>(1,443)</u>	<u>3,732</u>	<u>-</u>	<u>34,854</u>
GENERAL FUNDS						
General funds	<u>48,956</u>	<u>21,887</u>	<u>(9,300)</u>	<u>(3,732)</u>	<u>-</u>	<u>57,811</u>
TOTAL UNRESTRICTED FUNDS	<u>81,521</u>	<u>21,887</u>	<u>(10,743)</u>	<u>-</u>	<u>-</u>	<u>92,665</u>
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	25,266	459,290	(470,994)	1,800	-	15,362
Pupil Premium	-	37,445	(37,445)	-	-	-
UIFSM	-	19,010	(19,010)	-	-	-
PE and Sports grant	-	17,590	(11,568)	(2,200)	-	3,822
Donations	-	2,407	(1,662)	(745)	-	-
Other curriculum income	-	7,983	(7,983)	-	-	-
ERASMUS Plus	-	5,192	(3,364)	-	-	1,828
Pension reserve	(156,000)	-	(27,000)	-	57,000	(126,000)
	<u>(130,734)</u>	<u>548,917</u>	<u>(579,026)</u>	<u>(1,145)</u>	<u>57,000</u>	<u>(104,988)</u>

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

17. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	807,904	-	(16,714)	-	-	791,190
Devolved Formula Capital	16,879	5,328	(1,876)	(1,800)	-	18,531
Fixed assets purchased from GAG and other restricted funds	3,022	-	(1,536)	-	-	1,486
Academy capital maintenance grant	34,856	-	(10,745)	-	-	24,111
CIF funding	107,892	-	(4,691)	-	-	103,201
Other capital income	34,583	-	(7,342)	2,945	-	30,186
	<u>1,005,136</u>	<u>5,328</u>	<u>(42,904)</u>	<u>1,145</u>	<u>-</u>	<u>968,705</u>
TOTAL RESTRICTED FUNDS	<u>874,402</u>	<u>554,245</u>	<u>(621,930)</u>	<u>-</u>	<u>57,000</u>	<u>863,717</u>
TOTAL FUNDS	<u>955,923</u>	<u>576,132</u>	<u>(632,673)</u>	<u>-</u>	<u>57,000</u>	<u>956,382</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	15,412	-	1,020,467	1,035,879
Current assets	62,783	48,054	73,916	184,753
Creditors due within one year	-	(45,645)	(67,844)	(113,489)
Pension liability	-	(216,000)	-	(216,000)
TOTAL	<u>78,195</u>	<u>(213,591)</u>	<u>1,026,539</u>	<u>891,143</u>

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	16,854	-	962,347	979,201
Current assets	75,811	58,406	6,358	140,575
Creditors due within one year	-	(37,394)	-	(37,394)
Pension liability	-	(126,000)	-	(126,000)
TOTAL	92,665	(104,988)	968,705	956,382

19. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net expenditure for the year (as per Statement of financial activities)	(239)	(56,541)
ADJUSTMENTS FOR:		
Depreciation	46,163	44,348
Capital grants from DfE and other capital income	(98,231)	-
Interest received	(67)	(66)
Defined benefit pension scheme cost less contributions payable	21,000	23,000
Defined benefit pension scheme finance cost	4,000	4,000
(Increase)/decrease in debtors	(8,719)	1,636
Increase/(decrease) in creditors	8,251	(2,672)
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	(27,842)	13,705

20. CASH FLOWS FROM INVESTING ACTIVITIES

	2019 £	2018 £
Purchase of tangible fixed assets	(34,997)	(5,047)
Capital grants from DfE Group and other parties	30,387	-
Interest received	67	66
NET CASH USED IN INVESTING ACTIVITIES	(4,543)	(4,981)

**HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash at bank and in hand	<u>86,955</u>	<u>119,340</u>

22. CAPITAL COMMITMENTS

	2019 £	2018 £
Contracted for but not provided in these financial statements	<u>-</u>	<u>2,102</u>

23. PENSION COMMITMENTS

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

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

Contributions amounting to £7,675 were payable to the schemes at 31 August 2019 (2018: £7,359) and are included within creditors.

TEACHERS' PENSION SCHEME

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

23. PENSION COMMITMENTS (CONTINUED)

VALUATION OF THE TEACHERS' PENSION SCHEME

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. 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 2016 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 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The employer's pension costs paid to TPS in the year amounted to £41,647 (2018: £38,966).

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 an unfunded multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £28,000 (2018: £29,000), of which employer's contributions totalled £21,000 (2018: £23,000) and employees' contributions totalled £7,000 (2018: £6,000). The agreed contribution rates for future years are 15.4 per cent for employers and 5.5-12.5 per cent for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	2.4	2.40
Rate of increase for pensions in payment/inflation	2.3	2.30
Discount rate for scheme liabilities	1.9	2.80

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

23. PENSION COMMITMENTS (CONTINUED)

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

	2019 Years	2018 Years
Retiring today		
Males	21.1	22.1
Females	23.6	24.5
Retiring in 20 years		
Males	22.3	24.0
Females	25.0	26.4

Sensitivity analysis

	2019 £000	2018 £000
Discount rate -0.1%	17	12
CPI rate +0.1%	13	9

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

	At 31 August 2019 £	As restated At 31 August 2018 £
Equities	204,050	153,370
Corporate Bonds	150,150	134,590
Property	26,950	21,910
Cash and other liquid assets	3,850	3,130
Total market value of assets	385,000	313,000

The actual return on scheme assets was £42,000 (2018: £15,000).

The amounts recognised in the Statement of financial activities are as follows:

	2019 £	2018 £
Current service cost	(45,000)	(46,000)
Past service cost	(1,000)	-
Interest income	9,000	7,000
Interest cost	(13,000)	(11,000)
Total amount recognised in the Statement of Financial Activities	(50,000)	(50,000)

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

23. PENSION COMMITMENTS (CONTINUED)

Changes in the present value of the defined benefit obligations were as follows:

	2019 £	2018 £
At 1 September	439,000	426,000
Current service cost	45,000	46,000
Interest cost	13,000	11,000
Employee contributions	7,000	6,000
Actuarial losses/(gains)	98,000	(49,000)
Benefits paid	(2,000)	(1,000)
Past service cost	1,000	-
At 31 August	601,000	439,000

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2019 £	2018 £
At 1 September	313,000	270,000
Interest income	9,000	7,000
Actuarial gains	33,000	8,000
Employer contributions	25,000	23,000
Employee contributions	7,000	6,000
Benefits paid	(2,000)	(1,000)
At 31 August	385,000	313,000

24. OPERATING LEASE COMMITMENTS

At 31 August 2019 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Amounts payable		
Not later than 1 year	382	510
Later than 1 year and not later than 5 years	-	382
	382	892

**HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

25. MEMBERS' LIABILITY

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

26. GENERAL INFORMATION

Harrowbarrow School is a company limited by guarantee, incorporated in England and Wales. The registered office is Harrowbarrow School, School Road, Harrowbarrow, Callington, Cornwall, PL17 8BQ.

27. RELATED PARTY TRANSACTIONS

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

No related party transactions took place in the period of account other than certain Trustees' remuneration and expenses already disclosed in note 11.

