

Company Registration Number: 07770592 (England & Wales)

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

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HARROWBARROW SCHOOL
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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 (resigned 30 September 2020) ² R Dyter, Chair of Trustees ^{1,2} C Blake ² J Bassett ¹ D Clare, Vice Chair ² J Hughes (resigned 16 October 2019) S Sidbotham (appointed 16 October 2019, resigned 3 December 2019) ² M Pinfield, Staff Trustee (resigned 25 September 2019, appointed 16 October 2019) T Taylor, Staff Trustee (resigned 17 July 2020) H Warne ¹ S Wilkin (appointed 5 November 2020) S Vinson (appointed 5 November 2020) 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 (resigned 13 November 2020) L Connell (appointed 16 November 2020)
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

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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 2020**

The Trustees present their annual report together with the financial statements and Auditors' Report of the Charitable Company for the year ended 31 August 2020. The annual report serves the purpose of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates as a primary 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 104 in the school census on 1st October 2020.

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 Academy are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Harrowbarrow School Academy.

Details of the Trustees who served throughout the year and to the date the accounts are approved are included in the Reference and Administration Details on page 1.

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 cease 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.

Method of recruitment and appointment or election of Trustees

On 1st 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.

Policies and Procedures adopted for the Induction and Training of Trustees

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

TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

The training and induction provided for new Governors depends upon their existing experience but will include a tour of the Academy and a chance to meet staff and pupils. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors 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 Governors normally meets once 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 Governors; 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 Governors, and to approve the Annual Development Plan and budget.

The Governors 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 Governors 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 Governor.

The Headteacher is the Accounting Officer.

TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Arrangements for setting pay and remuneration of key management personnel

The Trustees consider the Board of Trustees and the Senior Leadership Team (comprising 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.

Trade union facility time

There were no relevant union officials for the year/period ended 31 August 2020.

Related Parties and other Connected Charities and Organisations

The Academy collaborates with other local primary schools and the local secondary school on areas of school improvement but this 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/period ended 31 August 2020 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 2020

Objectives, Strategies and Activities

The Academy has identified robust and rigorous targets for the improvement of academic aspects linked to the February 2020 Ofsted inspection:

- To improve the quality of phonic teaching across the school, ensuring consistent Y1 phonic screening check results year on year and enabling pupils to confidently apply phonic learning to reading and writing tasks as they go through the school.
- To improve the impact subject leaders have on the quality of teaching through professional development that establishes the role leaders play in securing improvements.

In addition, the school will focus on the safety and wellbeing of our school community during the global Coronavirus pandemic through:

- Implementing DfE guidance for the full opening of schools to ensure protective measures are in place which protect our school community and prevent the spread of the virus.
- Collaborating with external agencies such as the NHS, Public Health England and Cornwall Council to respond swiftly to any outbreaks of Covid-19 at Harrowbarrow School.
- Supporting the most vulnerable members of our school community during the pandemic to ensure they have our full academic and pastoral support and access to services as necessary.

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 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 thus ensuring their financial viability. Consequently, the school has secured the future for its main feeder of EYFS pupils into the school.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Due to the global Coronavirus pandemic and the closure of schools in March 2020 all the usual performance measures were cancelled; Y6 and Y2 SATs, Y1 phonic screening check, Y4 tables check and EYFS profile. Instead, interim milestones were set, in line with national expectations for schools:

- The school remained open to vulnerable pupils, children of key workers and those with Education Health Care Plans throughout the period of school closures, including school holidays.
- The school reopened to all EYFS, Y1 and Y6 pupils on 2nd June.
- The school reopened to all other year groups in July and, by the end of the summer term, 75% of all pupils had returned to school.
- All families eligible for free school meals received meal vouchers throughout the summer term and summer holiday period.
- Throughout this turbulent period, the school managed to control expenditure, despite unbudgeted costs linked to Coronavirus, without any additional government investment.

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, £24,619 was carried forward representing 5% of GAG.

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FOR THE YEAR ENDED 31 AUGUST 2020**

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2019/2020 were 116 consistent with 2018/2019 when the NOR was 116. The NOR in the October 2020 Census was 104, which will impact on the Academy's funding for 2020/2021.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2019/2020 this was 99%.

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 Statement of Accounting Policies.

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 2020 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 which 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 2020, the Academy received total income of £615,115 and incurred total expenditure of £663,867. The excess of expenditure over income for the year was £48,752.

At 31 August 2020 the net book value of fixed assets was £981,214 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. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

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 22 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, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending.

Trustees have adopted a Responsible Officer Policy and appointed a member of Cornwall Council's Internal Audit team to undertake a programme of internal checks on the financial controls. During the year, the Trustees received 3 Financial Assurance reports, which contained no matters of significance.

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.

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**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

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 £67,375 of which £9,375 is 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.
- £40,000 to be set aside to support the school through 2021/2022 as a result in a drop in pupil numbers in October 2020 census which ultimately will affect the funding received.

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 an additional short-term bank investment account, should this be deemed as appropriate, 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:

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 94% 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, Governors ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Governors 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.

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**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Staffing - the success of the Academy is reliant on the quality of its staff and so the Governors 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 Governors 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 Governors 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 has remained reasonably constant, risks to revenue funding from a foreseen falling roll in 2020/21 means that the school has had to manage expenditure cautiously for 2019/20. Austerity measures in 2019/20 have helped to prepare for the drop in funding moving forward. Further measures will likely be required though.

The Governors examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Governors' and Finance Committee meetings. The Governors 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 22 to the financial statements, represents a significant potential liability. However, as the Governors 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 provides advice and insurance for PSA activity. The Headteacher sits on 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. All fundraising activities have been suspended due to Covid-19.

STREAMLINED ENERGY AND CARBON REPORTING

As the Trust has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

PLANS FOR FUTURE PERIODS

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

Short term objectives for the Academy:

- Ensure protective measures keep staff and pupils safe during the Coronavirus global pandemic.
- Restore 'normal' curriculum provision as closely as possible, despite Covid related restrictions.
- Plan for a reduced budget in 2021/22 to lessen the impact on educational provision.

Longer term objectives for the Academy include the following:

- To restore the school's previous 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.
- To implement a systematic synthetic phonic programme across the school so that this raises standards in reading and writing.

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.

AUDITOR

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Approved by order of the members of the Board of Trustees on 16 December 2020 and signed on their behalf, by:



Ross Dyter
Chair of Trustees

**HARROWBARROW SCHOOL
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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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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 STATEMENT (CONTINUED)

GOVERNANCE

- 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 Trust. 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	4	6
J Bassett	4	6
D Clare, Vice Chair	4	6
S Sidbotham	0	0
M Pinfield, Staff Trustee	4	6
T Taylor, Staff Trustee	3	5
H Warne	4	6
S Wilkin	0	0
S Vinson	0	0

During the year there was one appointment, Mrs S Sidbotham, who resigned shortly after appointment due to work commitments. Mr T Ottewell-Taylor's (Staff Governor) term ended in July 2020. David Clare's term of office as a Parent Governor also ended, but he has been co-opted by the Board to continue as a Governor. As at 31 August 2020 there were 3 vacancies on the Board of Governors. However, since the start of the new academic year Elizabeth Wilkinson has resigned, so there are currently 4 vacancies. The Clerk has sent out nomination forms for the Staff Governor vacancy and will shortly be inviting nominations for the 2 Parent Governor roles.

The Board continues to challenge and support the leadership of the school to ensure standards are maintained or improved upon.

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

Governance Review

- The Governors review their performance annually and draft a Governor action plan to address areas for improvement.
Areas addressed in the year 2019/2020 include:
 - Recruiting new Governors to fill vacancies by using data from the skills audit to target desirable expertise.
 - Deepening Governor understanding of their safeguarding responsibilities through attendance at Safer Recruitment and Single Central Record training.
 - Completed a full internal review of governance and used to inform Governor action plan.
 - All Governors receive regular newsletters from the NGA and some Governors have now started to access online training through the NGA.
- The Governors review their action plan annually.

The Finance, Personnel and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to meet at least once each term and be 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
A Hunt	3	3
J Bassett (Committee Chair)	3	3
R Dyter	3	3
H Warne	1	3

The Teaching, Learning and 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
A Hunt	4	4
E Wilkinson	3	4
D Clare	3	4
R Dyter	4	4
S Sidbotham	0	0
C Blake	1	3

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 included an overall reduction in support staff hours in 2019/2020.
- Having oversight of all income and expenditure to ensure the school is functioning within its financial means.
- Working with other schools to purchase services as a group to reduce the financial cost.

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. Governors 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 Read Write Inc resources to support a raising attainment agenda for phonics across the school.
- Supporting curriculum development through the funding of subject specific CPD for curriculum leaders.
- 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 Council Internal Audit Officer.

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:

Examples of steps taken to ensure better purchasing include:

- 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 Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY (CONTINUED)

The Accounting Officer considers how the Trust'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 Trust 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 EFSA 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 on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Harrowbarrow School for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance, Personnel and 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 has decided not to appoint an internal auditor. However, the Trustees have appointed Dawn Robinson, a Finance Analyst and a member of Cornwall Council's central Internal Audit Team, to carry out the Financial Assurance checks.

GOVERNANCE STATEMENT (CONTINUED)

THE RISK AND CONTROL FRAMEWORK (CONTINUED)

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 Board of Trustees through the Finance, Personnel and 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 2019/2020 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 letter provided by the external auditors;
- the work of FPA Committee who have responsibility for the development and maintenance of the internal control framework;
- the financial management and governance self-assessment process.

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 and Audit Committee. No significant weaknesses have been found. Continuous monitoring will ensure continuous improvement of the system in place.

Approved by order of the members of the Board of Trustees on 16 December 2020
their behalf by:

and signed on



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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2019.

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 2019.

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: 16 December 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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 and 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 2019 and the Academies Accounts Direction 2019 to 2020;
- 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 and signed on its behalf by:



R Dyter

Chair of Trustees

Date: 16 December 2020

**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 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the 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.

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

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

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 2020

**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 21 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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 noncompliance. This work was integrated with our audit on the financial statements 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 2019 to 31 August 2020 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

Chartered Accountants

Statutory Auditors

Salt Quay House

4 North East Quay

Sutton Harbour

Plymouth

PL4 0BN

Date: 18 December 2020

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:						
Donations and capital grants	3	417	1,947	6,783	9,147	100,411
Charitable activities	4	9,974	584,616	-	594,590	566,685
Other trading activities	5	11,327	-	-	11,327	9,041
Investments	6	51	-	-	51	67
TOTAL INCOME		21,769	586,563	6,783	615,115	676,204
EXPENDITURE ON:						
Charitable activities	7	18,620	590,525	54,722	663,867	676,443
TOTAL EXPENDITURE		18,620	590,525	54,722	663,867	676,443
NET INCOME/ (EXPENDITURE)		3,149	(3,962)	(47,939)	(48,752)	(239)
Transfers between funds	16	-	659	(659)	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		3,149	(3,303)	(48,598)	(48,752)	(239)
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial losses on defined benefit pension schemes	22	-	(44,000)	-	(44,000)	(65,000)
NET MOVEMENT IN FUNDS		3,149	(47,303)	(48,598)	(92,752)	(65,239)
RECONCILIATION OF FUNDS:						
Total funds brought forward		78,195	(213,591)	1,026,539	891,143	956,382
Net movement in funds		3,149	(47,303)	(48,598)	(92,752)	(65,239)
TOTAL FUNDS CARRIED FORWARD		81,344	(260,894)	977,941	798,391	891,143

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

The notes on pages 27 to 51 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	13	981,214	1,035,879
CURRENT ASSETS			
Debtors	14	42,630	97,798
Cash at bank and in hand	20	106,240	86,955
		<u>148,870</u>	<u>184,753</u>
Creditors: amounts falling due within one year	15	(35,693)	(113,489)
NET CURRENT ASSETS		<u>113,177</u>	<u>71,264</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,094,391</u>	<u>1,107,143</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>1,094,391</u>	<u>1,107,143</u>
Defined benefit pension scheme liability	22	(296,000)	(216,000)
TOTAL NET ASSETS		<u><u>798,391</u></u>	<u><u>891,143</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Fixed asset funds	16	977,941	1,026,539
Restricted income funds	16	35,106	2,409
		<u>1,013,047</u>	<u>1,028,948</u>
Restricted funds excluding pension liability	16	1,013,047	1,028,948
Pension reserve	16	(296,000)	(216,000)
Total restricted funds	16	<u>717,047</u>	<u>812,948</u>
Unrestricted income funds	16	<u>81,344</u>	<u>78,195</u>
TOTAL FUNDS		<u><u>798,391</u></u>	<u><u>891,143</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 24 to 51 were approved by the Trustees, and authorised for issue on 16 December 2020 and are signed on their behalf, by:



R Dyter
Chair of Trustees

The notes on pages 27 to 51 form part of these financial statements.

HARROWBARROW SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by/(used in) operating activities	18	13,951	(27,842)
CASH FLOWS FROM INVESTING ACTIVITIES	19	5,334	(4,543)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		19,285	(32,385)
Cash and cash equivalents at the beginning of the year		86,955	119,340
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	20, 21	106,240	86,955

The notes on pages 27 to 51 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 2020 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.

• **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.

1. ACCOUNTING POLICIES (continued)

1.3 INCOME (CONTINUED)

- **Donated fixed assets (excluding transfers on conversion or into the Academy)**

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

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 2020

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 each asset, 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	- 20% to 33.3% 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 2020

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.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised 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.

**HARROWBARROW SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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 22, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	417	1,947	1,500	3,864
Capital Grants	-	-	5,283	5,283
	<u>417</u>	<u>1,947</u>	<u>6,783</u>	<u>9,147</u>
	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	427	1,753	86,138	88,318
Capital Grants	-	-	12,093	12,093
	<u>427</u>	<u>1,753</u>	<u>98,231</u>	<u>100,411</u>

4. FUNDING FOR THE ACADEMY'S EDUCATION

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
DFE/ESFA Grants			
General Annual Grant	-	465,237	465,237
Other DfE Group grants	-	92,110	92,110
	<u>-</u>	<u>557,347</u>	<u>557,347</u>
Other Government Grants			
High Needs	-	18,562	18,562
Other Government grants non capital	-	2,284	2,284
	<u>-</u>	<u>20,846</u>	<u>20,846</u>
Other			
Internal catering income	8,498	-	8,498
Sales to students	1,476	-	1,476
Other curriculum income	-	6,423	6,423
	<u>9,974</u>	<u>584,616</u>	<u>594,590</u>

HARROWBARROW SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. FUNDING FOR THE ACADEMY'S EDUCATION (CONTINUED)

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
DFE/ESFA GRANTS			
General Annual Grant	-	466,087	466,087
Other DfE/ESFA grants	-	72,023	72,023
	-	538,110	538,110
Other Government Grants			
High Needs	-	2,803	2,803
Other Government grants non capital	-	2,165	2,165
	-	4,968	4,968
Other			
Internal catering income	14,334	-	14,334
Income for hosting trainee teachers	200	-	200
Sales to students	1,035	-	1,035
Other curriculum income	-	8,038	8,038
	15,569	551,116	566,685

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Lettings	2,412	2,412	2,360
Fees received	8,915	8,915	6,681
	11,327	11,327	9,041

All prior year balances relate to unrestricted funds.

HARROWBARROW SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

6. INVESTMENT INCOME

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	51	51	67

All prior year balances relate to unrestricted funds.

7. EXPENDITURE

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Education:				
Direct costs	391,639	35,634	45,303	472,576
Support costs	103,766	25,126	62,399	191,291
	<u>495,405</u>	<u>60,760</u>	<u>107,702</u>	<u>663,867</u>

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Education:				
Direct costs	400,535	29,624	53,128	483,287
Support costs	96,699	26,511	69,946	193,156
	<u>497,234</u>	<u>56,135</u>	<u>123,074</u>	<u>676,443</u>

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Direct costs 2020 £	Support costs 2020 £	Total funds 2020 £
Education	472,576	191,291	663,867

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

	Direct costs 2019 £	Support costs 2019 £	Total funds 2019 £
Education	483,287	193,156	676,443

Analysis of support costs

	Total funds 2020 £	Total funds 2019 £
Pension finance costs	2,000	2,000
Staff costs	103,766	96,699
Depreciation	5,617	4,552
Other costs	2,548	3,810
Recruitment and support	632	425
Maintenance of premises and equipment	5,745	7,765
Cleaning	2,091	1,382
Rent and rates	4,285	4,591
Energy costs	8,595	8,946
Insurance	2,846	3,099
Security and transport	2,118	5,085
Catering	7,907	12,836
Technology costs	10,275	8,698
Office overheads	3,948	5,302
Legal and professional	8,995	7,953
Bank interest and charges	129	125
Educational consultancy	-	25
Governance costs	19,794	19,863
	191,291	193,156

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	149	510
Depreciation of tangible fixed assets	56,165	46,163
Fees paid to auditors for:		
- audit	5,610	5,500
- other services	3,265	3,880
	<u>56,924</u>	<u>55,953</u>

10. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	358,028	370,197
Social security costs	25,872	29,216
Pension costs	111,505	87,814
	<u>495,405</u>	<u>487,227</u>
Agency staff costs	-	155
Staff restructuring costs	-	9,852
	<u>495,405</u>	<u>497,234</u>

b. STAFF NUMBERS

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

	2020 No.	2019 No.
Teachers	7	7
Educational Support	11	11
Administration and Clerical	3	4
Management	1	1
	<u>22</u>	<u>23</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. STAFF (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 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 £118,761 (2019: £111,679).

As Staff Trustees are not remunerated in respect of their role as a Trustee, where Staff Trustees do not form part of the key management personnel other than in their role as 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

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: Remuneration £55,000 - £60,000 (2019: £55,000 - £60,000), Employer's Pension Contributions £10,000 - £15,000 (2019: £5,000 - £10,000), M Pinfield: Remuneration £45,000 - £50,000 (2019: £40,000 - £45,000), Employer's Pension Contributions £10,000 - £15,000 (2019: £5,000 - £10,000), T Taylor: Remuneration £30,000 - £35,000 (2019: £35,000 - £40,000), Employer's Pension Contributions £5,000 - £10,000 (2019: £5,000 - £10,000).

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

Other related party transactions involving the Trustees are set out in note 26.

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 2020 was £50 (2019 - £50). The cost of this insurance is included in the total insurance cost.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

13. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
COST					
At 1 September 2019	1,205,989	95,262	37,964	29,340	1,368,555
Additions	-	-	1,500	-	1,500
At 31 August 2020	1,205,989	95,262	39,464	29,340	1,370,055
DEPRECIATION					
At 1 September 2019	230,051	75,972	14,839	11,814	332,676
Charge for the year	39,593	5,574	7,493	3,505	56,165
At 31 August 2020	269,644	81,546	22,332	15,319	388,841
NET BOOK VALUE					
At 31 August 2020	936,345	13,716	17,132	14,021	981,214
At 31 August 2019	975,938	19,290	23,125	17,526	1,035,879

14. DEBTORS

	2020 £	2019 £
DUE WITHIN ONE YEAR		
Prepayments and accrued income	40,794	95,029
VAT recoverable	1,836	2,769
	42,630	97,798

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15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	606	10,134
Other taxation and social security	15,141	15,124
Accruals and deferred income	19,946	88,231
	<u>35,693</u>	<u>113,489</u>
	2020 £	2019 £
DEFERRED INCOME		
Deferred income at 1 September 2019	13,915	16,656
Resources deferred during the year	13,707	13,915
Amounts released from previous periods	(13,915)	(16,656)
	<u>13,707</u>	<u>13,915</u>

At the Balance Sheet date the Academy was holding funds received in advance of £10,707 for UIFSM and £3,000 for Kernow English Hub relating to the 2020/21 academic year.

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NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Minibus maintenance	3,000	-	-	-	-	3,000
Unrestricted fixed assets	15,412	-	(1,443)	-	-	13,969
Catering funds	15,000	-	-	-	-	15,000
Falling NOR	-	-	-	40,000	-	40,000
	<u>33,412</u>	<u>-</u>	<u>(1,443)</u>	<u>40,000</u>	<u>-</u>	<u>71,969</u>
GENERAL FUNDS						
General funds	<u>44,783</u>	<u>21,769</u>	<u>(17,177)</u>	<u>(40,000)</u>	<u>-</u>	<u>9,375</u>
TOTAL UNRESTRICTED FUNDS	<u>78,195</u>	<u>21,769</u>	<u>(18,620)</u>	<u>-</u>	<u>-</u>	<u>81,344</u>
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	-	465,237	(439,991)	(627)	-	24,619
Pupil Premium	-	36,930	(36,930)	-	-	-
UIFSM	-	17,324	(17,324)	-	-	-
PE and Sports grant	2,409	16,990	(8,912)	-	-	10,487
Donations	-	1,947	(1,947)	-	-	-
Other curriculum income	-	6,423	(7,709)	1,286	-	-
ERASMUS Plus	-	2,115	(2,115)	-	-	-
High Needs	-	18,731	(18,731)	-	-	-
Other DfE/ESFA grants	-	20,866	(20,866)	-	-	-
Pension reserve	(216,000)	-	(36,000)	-	(44,000)	(296,000)
	<u>(213,591)</u>	<u>586,563</u>	<u>(590,525)</u>	<u>659</u>	<u>(44,000)</u>	<u>(260,894)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

16. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	774,476	-	(13,661)	-	-	760,815
Devolved Formula Capital	28,080	5,283	(3,845)	(659)	-	28,859
Fixed assets purchased from GAG and other restricted funds	991	-	(495)	-	-	496
Academy Capital Maintenance Fund	13,366	-	(10,745)	-	-	2,621
CIF funding	98,510	-	(4,691)	-	-	93,819
Other capital income	111,116	-	(21,202)	-	-	89,914
DfE donation	-	1,500	(83)	-	-	1,417
	<u>1,026,539</u>	<u>6,783</u>	<u>(54,722)</u>	<u>(659)</u>	<u>-</u>	<u>977,941</u>
TOTAL RESTRICTED FUNDS	<u>812,948</u>	<u>593,346</u>	<u>(645,247)</u>	<u>-</u>	<u>(44,000)</u>	<u>717,047</u>
TOTAL FUNDS	<u>891,143</u>	<u>615,115</u>	<u>(663,867)</u>	<u>-</u>	<u>(44,000)</u>	<u>798,391</u>

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

Designated Funds

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

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

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

Falling NOR - this represents a separate designated fund set aside for the falling number on roll.

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.

16. STATEMENT OF FUNDS (CONTINUED)

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.

UIFSM - 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.

Donations - This represents restricted donations received.

Other curriculum income - This represents other sources of restricted curriculum income.

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

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

Other DfE/ ESFA grants - Other restricted grant funding received from the DfE/ ESFA.

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. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

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.

Academy Capital Maintenance Fund - These funds were received for direct expenditure on fixed asset projects.

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.

DfE donation - This represents the value of assets that were gifted to the Academy.

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 2020.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

16. STATEMENT OF FUNDS (CONTINUED)

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

	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)	-	-	-
UFSM	-	18,001	(18,001)	-	-	-
PE and Sports grant	3,822	16,990	(14,079)	(4,324)	-	2,409
Other curriculum income	-	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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

16. 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 Fund	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><u>956,382</u></u>	<u><u>676,204</u></u>	<u><u>(676,443)</u></u>	<u><u>-</u></u>	<u><u>(65,000)</u></u>	<u><u>891,143</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	13,968	-	967,246	981,214
Current assets	67,376	70,799	10,695	148,870
Creditors due within one year	-	(35,693)	-	(35,693)
Pension liability	-	(296,000)	-	(296,000)
TOTAL	81,344	(260,894)	977,941	798,391

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	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	78,195	(213,591)	1,026,539	891,143

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(48,752)	(239)
ADJUSTMENTS FOR:		
Depreciation	56,165	46,163
Capital grants from DfE and other capital income	(5,283)	(98,231)
Interest received	(51)	(67)
Defined benefit pension scheme cost less contributions payable	32,000	21,000
Defined benefit pension scheme finance cost	4,000	4,000
Decrease/(increase) in debtors	55,168	(8,719)
(Decrease)/increase in creditors	(79,296)	8,251
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	13,951	(27,842)

19. CASH FLOWS FROM INVESTING ACTIVITIES

	2020 £	2019 £
Purchase of tangible fixed assets	-	(34,997)
Capital grants from DfE Group and other parties	5,283	30,387
Interest received	51	67
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	5,334	(4,543)

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash at bank and in hand	106,240	86,955

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FOR THE YEAR ENDED 31 AUGUST 2020

21. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	86,955	19,285	106,240
	<u>86,955</u>	<u>19,285</u>	<u>106,240</u>

22. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cornwall 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 2019.

Contributions amounting to £8,745 were payable to the schemes at 31 August 2020 (2019 - £7,675) 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. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

NOTES TO THE FINANCIAL STATEMENTS
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22. PENSION COMMITMENTS (CONTINUED)

VALUATION OF THE TEACHERS' PENSION SCHEME

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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. 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% administration levy)
- 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
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, 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 including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £53,417 (2019 - £41,647).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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 2020 was £33,000 (2019 - £28,000), of which employer's contributions totalled £26,000 (2019 - £21,000) and employees' contributions totalled £ 7,000 (2019 - £7,000). 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

	2020 %	2019 %
Rate of increase in salaries	2.2	2.4
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9

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22. 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:

	2020 Years	2019 Years
<i>RETIRING TODAY</i>		
Males	21.4	21.1
Females	23.6	23.6
<i>RETIRING IN 20 YEARS</i>		
Males	22.3	22.3
Females	25.1	25.0

Sensitivity analysis

	2020 £000	2019 £000
Discount rate -0.1%	18	17
CPI rate +0.1%	15	13

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

	2020 £	2019 £
Equities	222,880	204,050
Corporate Bonds	143,280	150,150
Property	23,880	26,950
Cash and other liquid assets	7,960	3,850
Total market value of assets	398,000	385,000

The actual return on scheme assets was £(19,000) (2019 - £42,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2020 £	2019 £
Current service cost	(58,000)	(45,000)
Past service cost	-	(1,000)
Interest income	8,000	9,000
Interest cost	(12,000)	(13,000)
Total amount recognised in the Statement of Financial Activities	(62,000)	(50,000)

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22. PENSION COMMITMENTS (CONTINUED)

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

	2020 £	2019 £
At 1 September	601,000	439,000
Current service cost	58,000	45,000
Interest cost	12,000	13,000
Employee contributions	7,000	7,000
Actuarial losses	17,000	98,000
Benefits paid	(1,000)	(2,000)
Past service cost	-	1,000
At 31 August	694,000	601,000

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

	2020 £	2019 £
At 1 September	385,000	313,000
Interest income	8,000	9,000
Returns on assets less interest income	(27,000)	33,000
Employer contributions	26,000	25,000
Employee contributions	7,000	7,000
Benefits paid	(1,000)	(2,000)
At 31 August	398,000	385,000

23. OPERATING LEASE COMMITMENTS

At 31 August 2020 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Amounts payable		
Not later than 1 year	595	382
Later than 1 year and not later than 5 years	1,040	-
	1,635	382

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24. MEMBERS' LIABILITY

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

25. 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.

26. 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 at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

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

