

Registered number: 08674696 (England and Wales)

**Hall Orchard Barrow CE Primary School**

**(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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# Hall Orchard Barrow CE Primary School

(A Company Limited by Guarantee)

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

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**Members**

Ms Carolyn Lewis  
Mr Paul Browning – Chair of Trustees  
Mrs Amy Earl – Chair of Finance Committee  
Mr Darren Broadhead (Resigned 12 December 2018)  
Mr Dave Bull (Appointed 26 September 2018, Resigned 25 September 2019)  
Mrs Claire Davenport (Appointed as a Member from 25 September 2019)

**Trustees**

Mr Paul Browning – Chair of Trustees  
Ms Jane McKay – Headteacher and Accounting Officer  
Mrs Amy Earl – Chair of Finance Committee  
Mrs Pauline Ranson  
Mrs Victoria Bowman  
Mr Neil Titchmarsh  
Mrs Nadine Roodhouse – Staff Trustee  
Miss Kirstie Price – Staff Trustee  
Mr Thomas Boldrin  
Mrs Sarah Boby  
Mrs Claire Davenport  
Mrs Jennifer Summerton  
Rev'd Clive Watts (Appointed 26 September 2019)  
Mr Darren Broadhead (Resigned 12 December 2018)  
Mr David Bull (Resigned 25 September 2019)

**Company Secretary**

Mr Martin Kennard

**Senior Management Team**

Ms Jane McKay – Headteacher and Accounting Officer  
Mrs Nadine Roodhouse – Deputy Headteacher  
Mr George Burdett – Assistant Headteacher  
Mr Adam Thurgood – Assistant Headteacher  
Miss Kirstie Price – SENDCo

**Company Name**

Hall Orchard Barrow CE Primary School

**Principal and Registered Office**

Church Street,  
Barrow upon Soar,  
Loughborough,  
Leicestershire.  
LE12 8HP.

**Company Registered Number**

08674696 (England and Wales)

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**Hall Orchard Barrow CE Primary School**  
**(A Company Limited by Guarantee)**

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

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**Independent Auditor**

MHA MacIntyre Hudson  
11 Merus Court  
Meridian Business Park  
Leicester  
LE19 1RJ

**Bankers**

NatWest Bank  
Loughborough Branch  
Market Place  
Loughborough  
Leicestershire  
LE11 3NZ

**Solicitors**

Walker Morris LLP  
33 Wellington Street  
Leeds  
LS1 4DL

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**Hall Orchard Barrow CE Primary School  
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**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees present their Annual Report together with the financial statements and Auditor's Report of the charitable company for the year 1 September 2018 to 31 August 2019. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates an Academy for pupils aged 4 to 11, serving a catchment area in and around the village of Barrow upon Soar. It has a pupil capacity of 525 and a roll of 529, as reported in the school census 3 October 2019.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of Hall Orchard Barrow CE Primary School are also the Directors of the charitable company for the purposes of company law. The charitable company operates as Hall Orchard Barrow CE Primary.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on pages 1 and 2.

#### **Members' Liability**

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

#### **Trustees' Indemnities**

Since the conversion to Academy status on 1 October 2013, the Trustees have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. The limit of indemnity cover is £3,000,000 (three million pounds) in this respect.

Trustees benefit from indemnity insurance 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 Trust. The cost of this insurance in the year was £391 (2018 - £428).

#### **Method of Recruitment and Appointment or Election of Trustees**

The method of appointing Trustees is described in the Articles of Association, articles 45-65.

#### **Election of Parent Trustees**

When a vacancy occurs for a parent Trustee a letter is sent out to all parents asking for nominations, and providing information about the role, the specific skills, the responsibilities and the level of commitment that will be expected from the successful candidate. Should there be more interest in the vacancy than the number available then a ballot will be held. The interested party will be asked to write a short personal statement including the qualities, knowledge, skills and experience that makes them suitable for the role, and ballot papers will be circulated to all parents. These ballot papers will be returned to school in a sealed envelope. At least two individuals from the Board of Trustees and/or administration staff will then count the votes and the candidate with the highest number will be duly elected and join the Board of Trustees.

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**Hall Orchard Barrow CE Primary School  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**Recruitment of Other Trustees**

Individuals with a particular expertise may be invited to join the Board of Trustees, for example Health and Safety or Finance, or suggested for nomination to the Diocese. When a co-opted vacancy arises and Trustees need to identify candidates with the requisite skills and/or knowledge and experience for appointment, the vacancy will be advertised locally and/or suitable potential candidates will be invited to apply for the post, including attending an interview with at least two Trustees who will then propose to the Board of Trustees the appointment of the most suitable candidate(s).

**Policies and Procedures Adopted for the Induction and Training of Trustees**

New Trustees will undergo an induction procedure, including a welcome pack from Leicestershire Governor Development Services and they will also be directed to information and documents about the Academy. This includes the structure and organisation of the Academy, the School Development Plan, latest Ofsted report and minutes of previous meetings. The new Trustees will also be invited to visit the school to meet the Headteacher, staff and pupils. New Trustees are provided with access to the online governor portal which contains policies and important documents that are updated regularly. New Trustees are strongly encouraged to undergo appropriate induction training provided by the Governor Development Service.

Existing Trustees training needs are met through external and in-house training and, as part of an annual training programme agreed by the Board of Trustees and co-ordinated by a designated Trustee. All Trustees have access to the Leicestershire Governor Development Service website and training programme which provides support, advice and training information, as well as the 'NGA learning link' online training modules.

**Organisational Structure**

The Academy governance structure is as follows:

The Members of the Academy Trust shall comprise:

- The signatories to the Memorandum;
- the Diocese of Leicester Educational Trust (Company No. 07773846) as the corporate Foundation Member);
- the Chair of the Trustees;
- the Chair of the Curriculum and Strategy Committee; and
- the Chair of the Finance, Personnel and Premises Committee.

The following stipulates the structure of the Board of Trustees for the Academy

- The number of Trustees will be at least three (3) and not more than fourteen (14); and
- All Trustees shall upon their appointment give a written undertaking to the Foundation Members or/and the Trustees to uphold the Object of the Academy Trust.

Subject to Articles 48 and 49, the Academy Trust shall have the following Trustees:

- Up to 6 Trustees, appointed under Article 50;
- A minimum of 3 Foundation Trustees, appointed and/or holding office further to Article 51;
- Two Parent Trustees appointed under Articles 53-58;
- The Headteacher; and
- The Academy Trust may also have two Co-opted Trustees appointed under Article 59.

The term of office for the members and Trustees is four years.

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**Hall Orchard Barrow CE Primary School  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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The Board of Trustees agrees a Scheme of Delegation as well as a Decision Planner, reviewed annually, which details at what level and by whom each type of decision can be taken. The full Board of Trustees holds at least one meeting per term and has delegated authority to the following sub-committees and individual Trustees:

- Finance, Personnel, Pay and Premises Committee;
- Curriculum Development and Strategy Committee;
- Head Teacher Performance Review Committee;
- Health and Safety Trustee;
- Safeguarding Trustee;
- SEND Trustee;
- RE and Collective Worship Trustee; and
- Link Training Trustee.

Each sub-committee and Trustee responsibility have documented and agreed Terms of Reference which detail the level of devolved authority from the Board of Trustees. These, together with the membership of each sub-committee and other Trustee responsibilities, are reviewed and updated annually. The Chair of each sub-committee and designated Trustees report back to the Board of Trustees at the full Board of Trustees meeting following each sub-committee meeting or monitoring visit.

The Trustees are responsible for setting general policy, adopting an annual development plan, monitoring the Academy performance and making major decisions about the strategic direction of the Academy and its staffing. The Board of Trustees is responsible for budget monitoring and for final decisions on budget administration, allocation and capital expenditure.

The day-to-day management of the Academy is delegated to the Headteacher who takes responsibility for creation of the School Development Plan. The Headteacher directs the Senior Management Team which consists of a Deputy Headteacher, two Assistant Headteachers and the SENDCo and the Senior Management Team are responsible for the actions within the School Development Plan.

The Headteacher, who remains the responsible Accounting Officer, has delegated the management and administration of the budget to the School Bursar, who is also the Company Secretary. The Clerk to Trustees is managed by the Chair of Trustees. The Clerk has access to regular training.

**Arrangements for setting pay and remuneration of key management personnel**

The Board of Trustees agrees a pay policy on an annual basis including the pay of senior leaders and key management personnel. The policy is developed so that it complies with current legislation and the requirements of the current *School Teachers Pay and Conditions Document* and has been consulted on with the staff and recognised trade unions. The policy aims to maintain and improve the quality of teaching and learning at the school, support the school development plan, ensure that all staff are valued and appropriately rewarded for their work, ensure staff are well motivated, supported by positive recruitment and retention policies and staff development, demonstrate that decisions on pay are fair and equitable and recognise the principle of equal pay for like work and work of equal value. The policy aims to ensure that all pay decisions are linked to individual staff performance, based on pupil outcomes. Following an annual individual staff appraisal process, all pay recommendations are made to the Finance, Personnel, Pay and Premises committee and decisions are made in line with the School's pay policy. A panel of Trustees (supported by an external advisor) appraises the headteacher and makes any appropriate pay recommendations. There is a separate pay range for the Leadership group linked to pay levels recommended by the Local Authority.

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**Hall Orchard Barrow CE Primary School  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**Trade union facility time**

Two employees were a relevant union official during the year 1 September 2018 to 31 August 2019. No time has been spent on facility time and therefore there were no cost implications to the Academy Trust.

**Related Parties and other Connected Charities and Organisations**

Hall Orchard Barrow CE Primary School does not have any relevant related parties or other connected charities and organisations.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The Academy Trust's object is specifically restricted to the following: to advance for public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The Academy's vision, on which the School's five year Strategic Plan and the School Development Plan and associated spending decisions are based is 'For our children to be confident, ambitious learners who demonstrate the personal values and skills necessary to make a positive contribution to the global community. To be an excellent school where all children achieve their best.'

**Objectives, Strategies and Activities**

To support the aim of offering 'a broad and balanced curriculum' and the school's specific vision, the *School Development Plan* has identified the following areas of Priority and the strategies for achieving them for 2018-2021, together with specific success criteria for measuring these achievements:

- For all teaching to be at least 'good' with the majority to be 'outstanding';
- For pupil attainment and progress to be in the top quintile;
- Pupil attendance to be above the National average;
- Vision and values are explicit and implicit throughout the school;
- To ensure we maintain existing excellent standards with regard to provision of a broad curriculum and SMSC education;
- To ensure our governance and operational leadership structures and systems support our specific aims and enable the school to respond to change;
- To continue to develop our existing working partnerships with other schools and to explore options for future partnership arrangements; and
- To continue to develop the site to meet the growing needs of the school.

**Public Benefit**

Hall Orchard Barrow CE Primary School is approved by the Department for Education (DfE) and funded wholly by the Education and Skills Funding Agency (ESFA) to further the education of pupils admitted under the requirements set by the ESFA funding agreement with the admission of pupils without fee. Parents are able to apply for their children to be admitted.

The Trustees confirm that in exercising their powers or duties they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission (on their website at Charities and Public Benefit). Trustees are aware of the guidance, they have taken it into account when making any decision to which the guidance is relevant and if they decide to depart from the guidance, they have good reasons for doing so.

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

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**STRATEGIC REPORT**

**Achievements and Performance**

**Foundation Stage Outcomes**

The progress of pupils in the Foundation Stage is very good and many pupils made accelerated progress from very low starting points on entry. 75% of pupils achieved a Good Level of Development.

**Key Stage 1 Outcomes**

**Phonics development** at Hall Orchard Barrow CE Primary School remains above the National average with 86% of pupils passing the year 1 screening check.

**Year 2 Attainment 2018**

<b>Subject</b>	<b>% of pupils who achieved the required standard</b>	<b>% of pupils who achieved the Greater Depth standard</b>
Reading Teacher Assessment	72%	28%
Writing Teacher Assessment	69%	12%
Maths Teacher Assessment	75%	20%
Science Teacher Assessment	100%	N/A

**Key Stage 2 Outcomes**

Pupil progress at the end of KS2 is positive.

<b>Subject</b>	<b>% of pupils who achieved the required standard</b>	<b>National %</b>	<b>% of pupils who achieved the Greater Depth standard</b>	<b>National %</b>
Reading	80%	73%	28%	27%
Writing	87%	78%	38%	20%
GAPS	87%	78%	53%	36%
Maths	87%	79%	29%	27%
Reading, writing, maths combined	76%	65%	15%	11%

Attendance for 2018/9 was 96.51%.

The Trustees and staff remain committed to providing a broad and balanced curriculum to motivate and inspire our children so they can all be challenged to achieve the highest standards of attainment and make exceptional progress.

We continued to develop our Forest Schools Site which is now being used for regular Forest Schools' sessions by pupils in Key Stage 2.

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

Developments to the school site included the building of 2 additional classrooms, developing the interior of the school to incorporate unused corridor space into classroom areas. Externally additional car parking was created for our growing number of school staff and playground areas were developed to make playtime more enjoyable for the pupils with appropriate play equipment and an amphitheatre for outdoor learning.

**Key Performance Indicators**

Ofsted April 2019 – “This school continues to be good”.

<b>Strategic Goal</b>	<b>KPI</b>	<b>Evaluation</b>																																																			
For all teaching to be at least 'good' with the majority to be 'outstanding'.	90% of teaching to be in line with or exceeding career expectations.	By July 2019 95.7% of teachers were working in line with or exceeding career expectations.																																																			
For pupil attainment and progress to be in the top quintile.	For pupil attainment to be above national and progress to be in the top 40% of schools overall. For good level of development at the end of Foundation Stage to improve on 2017/18 data.	<table border="1" style="width: 100%;"> <thead> <tr> <th colspan="5"><b>Key Stage 2 SATs</b></th> </tr> <tr> <th><b>Subject</b></th> <th><b>% of pupils who achieved the required standard</b></th> <th><b>National %</b></th> <th><b>% of pupils who achieved a high standard</b></th> <th><b>National %</b></th> </tr> </thead> <tbody> <tr> <td>Reading Test</td> <td>80%</td> <td>73%</td> <td>28%</td> <td>27%</td> </tr> <tr> <td>Writing</td> <td>87%</td> <td>78%</td> <td>38%</td> <td>20%</td> </tr> <tr> <td>GAPS Test</td> <td>87%</td> <td>78%</td> <td>53%</td> <td>36%</td> </tr> <tr> <td>Maths Test</td> <td>87%</td> <td>79%</td> <td>29%</td> <td>27%</td> </tr> <tr> <td>Reading, writing and maths comb.</td> <td>76%</td> <td>65%</td> <td>15%</td> <td>11%</td> </tr> </tbody> </table> <table border="1" style="width: 100%;"> <thead> <tr> <th colspan="2"><b>Key Stage 2 Average Progress</b></th> </tr> </thead> <tbody> <tr> <td>Reading</td> <td style="text-align: right;">0.9</td> </tr> <tr> <td>Writing</td> <td style="text-align: right;">3.2</td> </tr> <tr> <td>Mathematics</td> <td style="text-align: right;">0.9</td> </tr> <tr> <th colspan="2"><b>Average Scaled Score</b></th> </tr> <tr> <td>Reading</td> <td style="text-align: right;">105</td> </tr> <tr> <td>GAPS</td> <td style="text-align: right;">109</td> </tr> <tr> <td>Mathematics</td> <td style="text-align: right;">106</td> </tr> </tbody> </table> <p>GLD improved from 68% in 2018 to 75% 2019.</p>	<b>Key Stage 2 SATs</b>					<b>Subject</b>	<b>% of pupils who achieved the required standard</b>	<b>National %</b>	<b>% of pupils who achieved a high standard</b>	<b>National %</b>	Reading Test	80%	73%	28%	27%	Writing	87%	78%	38%	20%	GAPS Test	87%	78%	53%	36%	Maths Test	87%	79%	29%	27%	Reading, writing and maths comb.	76%	65%	15%	11%	<b>Key Stage 2 Average Progress</b>		Reading	0.9	Writing	3.2	Mathematics	0.9	<b>Average Scaled Score</b>		Reading	105	GAPS	109	Mathematics	106
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Vision and Values are explicit and implicit throughout school.	Vision and Values are explicit throughout school.	Vision and Values are explicit throughout the learning environment.																																																			

**Hall Orchard Barrow CE Primary School (Academy)  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

To ensure we maintain existing excellent standards with regard to provision of a broad curriculum and SMSC education.	Curriculum is broad and balanced. SMSC is evident throughout the school	<ul style="list-style-type: none"> <li>• Broad and balanced curriculum – see Website for updated curriculum overview.</li> <li>• SMSC continues to be a strength of the school.</li> </ul>
To continue to develop our existing working partnerships with other schools and to explore options for future partnership arrangements.	Membership of FWTSA, LPH and PiXL has positive impact on outcomes for pupils.	<ul style="list-style-type: none"> <li>• Through FWTSA teachers have undertaken leadership training for senior and middle leaders in addition to subject leadership CPD. The FWTSA health check has impacted on school developments e.g. SEND and Mental Health.</li> <li>• HT is a member of LPH exec and through this we influence LA policies and practice. Through LPH staff have accessed training on SEND, Early years and curriculum development.</li> <li>• Partnership working has provided opportunities for strategic thinking, which have developed our strategies – e.g. Reading strategy.</li> <li>• PiXL has a direct impact on our assessment strategy and improving standards throughout school.</li> </ul>
2 additional classrooms created	Classrooms ready for occupation September 2019.	<ul style="list-style-type: none"> <li>• 2 new classrooms in place.</li> <li>• Existing classrooms enhanced with the addition of walls and doors for separation.</li> <li>• Outdoor amphitheatre environment created</li> <li>• Play spaces greatly improved, new Foundation Stage outdoor learning area and additional trim trail play area off of the main playground.</li> </ul>

**Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust 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**

A full financial statement is included with this report. The statement will confirm that the principal sources of funding were as follows:

**Restricted Income**

General Annual Grant;

Pupil Premium;

Devolved Formula Capital;

Other ESFA funding including:

Sports Grant;

Universal Infant Free School Meals Grant;

Teachers Pay Grant; and

Free School Meals Grant.

High Needs SEND funding from Leicestershire County Council;

Leicestershire County Council for Free Entitlement for Early Years Education;

Parental contributions to trips and clubs;

Donation for the PTFA towards playground improvements;

Capital Funding from Leicestershire County Council for the building of two new classrooms.

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**Hall Orchard Barrow CE Primary School (Academy)  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**Unrestricted Income**

Income generated by the Academy through:  
Before and After School Club parental payments;  
Preschool parental payments for attendance above funded hours; and  
Catering income.

The in-year surplus (before pension reserve and restricted fixed asset fund reserve movements) for 2018/2019 was £33,000 of which £26,000 was funding from Leicestershire County Council for a capital project that has not yet happened, so is carried forward for future action.

The reserves at 31 August 2019 consisted of:

Unrestricted funds: £211,000  
Restricted funds: £152,000 (of which £41,000 is capital funding).

Expenditure is focussed on providing high quality teaching and learning and catering for increased numbers as a result of the growth of the village. The number of teachers was increased to maintain class sizes below 30. A capital project of £500,000 provided 2 new classrooms for the continued growth of the school. This was completed on cost. The outdoor area was redesigned to support positive break time opportunities for the increased number of children.

**Reserves Policy**

The Trustees have agreed a Reserves policy which is reviewed at least annually and Trustees review the reserve levels of the Academy as part of their regular monitoring of Academy finances. The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects and the need to maintain sufficient reserves to cover any unexpected urgent expenditure requirements.

The total amount of funds (reserves) held at the balance sheet date is £363,000.

The current level of reserves is higher than the level aimed at in the policy however, we plan to reduce the level of reserves to £50,000 over the next 3 years.

Reserves are being set aside to allow for resources to be purchased for the expected increase in pupil numbers and to provide appropriate staffing levels as numbers increase. In addition money has been allocated for the continuing development of the school site, to support the National Curriculum and prepare for further school growth.

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**Hall Orchard Barrow CE Primary School (Academy)  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**Investment Policy**

The purpose of the policy is to ensure that any surplus funds are invested well so that they achieve the best financial returns with the minimum risk. The Academy aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation and to ensure there is no risk of loss in the capital value of any cash funds invested. If there is a surplus of funds after all financial commitments have been considered, this surplus will be invested. The Academy aims to invest surplus cash funds to optimise returns but ensuring the investment instruments are such that there is efficient management and the minimum risk to the loss of these cash funds. 2018-19 the Trust deposited £85,000 in a Nationwide deposit account and £85,000 in an Aldermore bank deposit account. Investments are made to a maximum of the FCS compensation scheme, currently £85,000.

**Principal Risks and Uncertainties**

The Risk Register forms part of the Business Continuity Plan which indicates risks and uncertainties. There are no high level risks at this present time. The most common risk is a fall in pupil numbers which would have a direct effect on the Academy's funding. We are in a fortunate position where we are full but with capacity to expand, and with an increasing number of pupils forecast for future years.

The Trustees have assessed the major risks to which the Academy is exposed, with guidance from the Academies Financial Handbook. Risks to the Academy fall into the following categories:

- Internal Risks – which we manage and work to reduce; and
- External Risks – of which we are aware.

**FUNDRAISING**

The Academy has no fundraising activities.

The Academy Trust does not use any external fundraisers.

**PLANS FOR FUTURE PERIODS**

The Academy has completed works to create 2 additional classrooms, develop the playground environments and provide additional parking to allow the school to expand to meet the growing need for primary school places within the village. 2019-20 funds will be allocated as the pupil numbers increase to ensure adequate staffing for the future. During 2019-20 we will begin to develop plans for the final stage of school growth to increase the school to a planned admission number of 90 as forecasts demonstrate that 630 school places will be required by 2023 without any additional housing in the village. Resources will continue to be allocated, as in the past, to meet the aims of the schools' *Strategic Plan* and *School Development Plan* as the best way of ensuring the Academy achieves its aims.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Academy holds no funds on behalf of others as a custodian Trustee.

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**Hall Orchard Barrow CE Primary School (Academy)  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**AUDITOR**

In so far as the Trustees are aware:

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

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

.....  
**Mr Paul Browning**  
Chair of Trustees

Date: 11 December 2019

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**Hall Orchard Barrow CE Primary School (Academy)  
(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**SCOPE OF RESPONSIBILITY**

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Hall Orchard Barrow CE Primary 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**

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 4 times during the year.

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

<b>Trustee</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
Mr Paul Browning – Chair of Trustees	4	4
Ms Jane McKay – Headteacher and Accounting Officer	4	4
Darren Broadhead (Resigned 12 December 2018)	2	2
Mrs Pauline Ranson	1	4
Mrs Victoria Bowman	4	4
Mrs Amy Earl	4	4
Mrs Nadine Roodhouse	3	4
Miss Kirstie Price	4	4
Mr Thomas Boldrin	4	4
Mr David Bull (Resigned 25 September 2019)	2	4
Mrs Claire Davenport	2	4
Mrs Jennifer Summerton	4	4
Mrs Sarah Boby	4	4
Mr Neil Titchmarsh	2	4

The changes to the membership of the Board of Trustees were as follows:

Resignations

Mr Darren Broadhead on 12 December 2018 and Mr David Bull on 25 September 2019.

Appointments

Rev'd Clive Watts from 26 September 2019.

Although the Trustees met less than 6 times during the year, effective oversight of funds was maintained through monthly meetings of the Senior Management Team.

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**Hall Orchard Barrow CE Primary School (Academy)  
(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**Action taken to review and improve Governance structure and composition of Board of Trustees**

Trustees are asked, before they are appointed or elected, to consider - in the light of the responsibilities of the role - their ability to take on the role and undertake the necessary commitment. They are asked to sign a declaration of commitment and code of conduct in advance of becoming Academy Trustees.

The Board of Trustees has engaged and will continue to engage in a whole-body formal self-evaluation process to undertake an annual self-evaluation to identify contribution and impact during the year and areas for development. A discussion of the main areas is undertaken and followed up with an action plan. Actions are included in the school development plan where appropriate.

The Board of Trustees also undertakes an annual skills audit as part of the governor performance management process. The findings of this are discussed formally by the full Board of Trustees. The audit informs training needs and succession planning and it is used to identify any areas where the Board of Trustees would benefit from recruiting additional members with specific skills sets. The Finance, Personnel, Pay and Premises Committee also carries out a specific financial self assessment/audit which informs training and skills needs.

All Trustees are expected to join at least one committee or area of responsibility; most are members of more than one. A record is kept of all Trustee attendance at meetings, training and development and visits to school and the information is reported to the full Board of Trustees and used during the performance management discussions.

The School was inspected by Ofsted in March 2019 and the inspector found that, "Trustees have a clear understanding of the school's priorities and how these are being met through the school development plan. The Trustees have a detailed and accurate view of the school."

The Finance, Personnel, Pay and Premises Committee is a sub-committee of the main Board of Trustees. Its purpose is to propose the annual budget to the Board of Trustees, to monitor the financial activities of the Academy and make decisions relating to finance.

The committee met 3 times during the year. Attendance at meetings in the year was as follows:

	<b>Meetings Attended</b>	<b>Out of a possible</b>
Mrs Amy Earl – Chair of Committee	3	3
Mr Thomas Boldrin	3	3
Paul Browning	3	3
Mrs Jane McKay – Headteacher and Accounting Officer	3	3
Sarah Boby	3	3
Neil Titchmarsh	3	3

Mrs Amy Earl, who is a qualified accountant, is the Chair of the Committee. The internal monitoring role was contracted to the Local Authority.

**REVIEW OF VALUE FOR MONEY**

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

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**Hall Orchard Barrow CE Primary School (Academy)  
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**GOVERNANCE STATEMENT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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The Accounting Officer considers how the Academy Trust 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:

- PiXL membership and increased use of PiXL resources throughout the school have enabled gaps in learning to be identified and addressed resulting in improved progress;
- Embedding the school values throughout the school has further developed pupils' attitudes to learning resulting in improved outcomes for attendance, attainment and behaviour;
- Improved tracking systems and provision for pupils in the Foundation Stage have had a positive impact on the % of pupils achieving a Good Level of Development;
- Our new Feedback and Marking policy have improved staff workload and provided better information for pupils on how to improve their work, having a positive impact on the quality of work produced by pupils; and
- Improvements to the school environment ensure that the classrooms are effective learning spaces and the playgrounds promote good behaviour and a safe environment for pupils to play. The school is now safe, adequate for the numbers of pupils in school, welcoming and attractive.

#### **THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hall Orchard Barrow CE Primary School for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the Annual Report and financial statements.

#### **CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Academy Trust 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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

#### **THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance, Personnel, Pay and Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;

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**Hall Orchard Barrow CE Primary School (Academy)  
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**GOVERNANCE STATEMENT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint the Local Authority, Leicestershire County Council audit team as internal auditor.

The internal auditors role includes giving advice on financial matters and performing a number of checks on the Academies Trusts financial systems.

In particular the checks carried out by the Local Authority audit team in the current period included:

To provide independent assurance that:

In line with the Public Sector Internal Audit Standards 2013, this audit engagement has been completed using a risk-based approach, which seeks to provide independent assurance that:

- Key risks are identified and actively managed; and
- A sound framework of controls is in place that adequately and effectively reduces risks to an acceptable level.

The management of risk (including internal control arrangements) has been evaluated in the following areas:

### **1. COMPLIANCE**

To give assurances to management and Trustees that:

- i) The Trust has an appropriate designated, in writing, a named individual as the Accounting Officer;
- ii) The Trust has a designated Chief Financial Officer who leads suitably qualified/experienced staff within the finance department;
- iii) The Trust includes a statement on regularity, propriety and compliance within audited accounts and is signed by the Accounting Officer;
- iv) The Trust has submitted audited accounts to ESFA within agreed timescales;
- v) Submitted accounts have been certified as being a true and fair view of the Trust's financial performance and position;
- vi) Financial accounts are satisfactorily prepared, audited by the External Auditors, and filed with Companies' House in accordance with statutory deadlines;
- vii) The Trust has published and submitted audited accounts within agreed timescales; and
- viii) The Trust has produced and published a full register of members, Trustees and local Trustees within an Academy identifying all relevant material business and pecuniary interests.

### **2. GOVERNANCE**

To give assurances to management and Trustees that:

- i) The Trust's published governance statement within its website includes its scheme of delegation for governance functions';
- ii) The Board of Trustees meetings are properly constituted, business transacted is appropriate and in line with the Terms of Reference and minutes are prepared to an acceptable standard;
- iii) The Trust has appointed an appropriate clerk to the Board of Trustees;
- iv) The Board of Trustees has approved a balanced budget;
- v) The Trust has submitted the budget forecast to ESFA within the agreed timescale:

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**Hall Orchard Barrow CE Primary School (Academy)  
(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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- vi) Financial information is provided, reviewed and actioned as required, at least three times per year by the Board of Trustees and committee(s) responsible for finance;
- vii) The Trusts financial management is underpinned by an up-to-date Finance Policy;
- viii) The Trust maintain and make readily available to all staff relevant policies including:
  - Whistleblowing policy;
  - Policy on Gifts and Hospitality;
- ix) The Trust maintains a register on gifts and hospitality which should include received and offered items & services;
- x) The Trust manages its cash position effectively;
- xi) Independent reviews of cash/bank reconciliations are carried out and evidenced; and
- xii) The Trust has adequately insured in line with its legal obligations.

### **3. RESPONSIBLE COMMITTEES**

To give assurances to management and Trustees that:

- i) The Trust has delegated financial scrutiny and oversight to a Finance Committee;
- ii) The Finance, Personnel, Pay and Premises Committee meetings are properly constituted, business transacted is appropriate and in line with the Terms of Reference (regularity of meetings, quorate, robust etc.);
- iii) Effective risk management procedures are in place to identify and to manage business risk critical to the trust's overall objectives; and
- iv) Audit related issues are considered by an Audit Committee or another committee independent of the Finance Committee.

### **4. SPECIFIC FINANCIAL CONCERNS**

To give assurances to management and Trustees that:

- i) The Trust has complied with all terms detailed within any ESFA issued Financial Notice to Improve (FNTI) (if issued);
- ii) The Trust maintains a robust cash flow management;
- iii) The Trust is aware of fraud, theft and irregularity issues that may occur and take appropriate action where suspected or identified; and
- iv) Academies in a deficit budget position have adequate plans agreed with the EFA for the recovery of any overspends.

### **5. TRANSACTION TESTING**

To give assurances to management and Trustees that:

- i) Invoices are promptly raised for relevant debts;
- ii) Outstanding debts are routinely identified and followed-up;
- iii) Receipted income is banked and posted on a timely basis;
- iv) Cheque payments are all dual signed;
- v) Invoices paid (Cheque and BACS) are valid and appropriately authorised;
- vi) Adequate controls exist for the completion and authorisation of orders;
- vii) Charge card transactions are valid and properly authorised;
- viii) Payroll charges to budget are valid and properly authorised;
- ix) Climate change levy exemption is claimed on fuel bills; and
- x) VAT is recovered in appropriate circumstances.

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**Hall Orchard Barrow CE Primary School (Academy)  
(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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As a result of the work of the Local Authority audit team, the following actions have been taken, and impact achieved:

- Risk register is to be presented at each Full Board of Trustees meeting by the School Business Manager who keeps the Risk Register up to date. This will be formally minuted at each meeting; and
- All staff with influence over purchasing decisions have completed business interest declarations. These will be added to the business register.

The structures of the Trustee's committees enable a cycle of planning and action to be validated and reported to the full Board of Trustees on a regular basis. The full Board of Trustees has access to minutes of decisions and actions taken by the Finance, Personnel, Pay and Premises Committee. The Chair of the Finance, Personnel, Pay and Premises Committee is answerable to the full Board of Trustees on at least a termly basis – in the year 2018 to 2019, this was four times. The finance, Personnel, Pay and Premises committee undertake a self review on a biannual basis and a review will next take place during 2019-20.

On a termly basis, the Accounting Officer reports to the Board of Trustees, through the Finance, Personnel, Pay and Premises Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

#### **REVIEW OF EFFECTIVENESS**

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

- the work of the internal audit;
- the work of the external auditor; and
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Personnel, Pay and Premises Committee.

Approved by order of the members of the Board of Trustees and signed on its behalf by:

.....  
**Mr Paul Browning**  
Chair of Trustees

Date: 11 December 2019

.....  
**Mrs Jane McKay**  
Accounting Officer

Date: 11 December 2019

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**Hall Orchard Barrow CE Primary School (Academy)  
(A Company Limited by Guarantee)**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
FOR THE YEAR ENDED 31 AUGUST 2019**

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As Accounting Officer of Hall Orchard Barrow CE Primary School I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

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

.....  
**Jane McKay**  
Accounting Officer

Date: 11 December 2019

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**HALL ORCHARD BARROW CE PRIMARY SCHOOL**

**(A Company Limited by Guarantee)**

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

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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 Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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:

.....  
**Mr P Browning**  
Chair of Trustees

Date: 11 December 2019

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## HALL ORCHARD BARROW CE PRIMARY SCHOOL

(A Company Limited by Guarantee)

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### INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HALL ORCHARD BARROW CE PRIMARY SCHOOL

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#### OPINION

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

In our opinion the financial statements:

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

#### BASIS FOR OPINION

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

#### CONCLUSIONS RELATING TO GOING CONCERN

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

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

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**HALL ORCHARD BARROW CE PRIMARY SCHOOL**

**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HALL  
ORCHARD BARROW CE PRIMARY SCHOOL**

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**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 Trustees' Report incorporating the Strategic Report and Directors' Report, the Governance Statement the Statement on Regularity, Propriety and Compliance and the Trustees Responsibilities 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 (incorporating the Strategic Report and the Directors' Report) for which the financial statements are prepared is consistent with the financial statements and.
- the Strategic Report and the Directors Report have been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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

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## HALL ORCHARD BARROW CE PRIMARY SCHOOL

(A Company Limited by Guarantee)

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### INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HALL ORCHARD BARROW CE PRIMARY SCHOOL

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#### RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, 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 Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

#### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 Trust Members, 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 Trust and its Members, as a body, for our audit work, for this report, or for the opinions we have formed.

Helen Blundell LLB FCA FCIE DChA (Senior Statutory Auditor)

for and on behalf of

#### **MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

11 Merus Court  
Meridian Business Park  
Leicester  
LE19 1RJ

Date: 19 December 2019

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## HALL ORCHARD BARROW CE PRIMARY SCHOOL

(A Company Limited by Guarantee)

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### **INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HALL ORCHARD BARROW CE PRIMARY SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 24 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hall Orchard Barrow CE Primary School during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Hall Orchard Barrow CE Primary School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Hall Orchard Barrow CE Primary School and the 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 Hall Orchard Barrow CE Primary School and the ESFA, for our work, for this report, or for the conclusion we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF HALL ORCHARD BARROW CE PRIMARY SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Hall Orchard Barrow CE Primary School's funding agreement with the Secretary of State for Education dated 1 October 2013, and the Academies Financial Handbook extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by the 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.

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**HALL ORCHARD BARROW CE PRIMARY SCHOOL**

**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HALL  
ORCHARD BARROW CE PRIMARY SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY  
(continued)**

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The work undertaken to draw our conclusions includes:

- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing of a sample of grants received and other income streams;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of payroll payments to staff;
- consideration of governance issues;
- evaluating the internal control procedures and reporting lines, and testing as appropriate; and
- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity.

**CONCLUSION**

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

Reporting Accountant

**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

11 Merus Court  
Meridian Business Park  
Leicester  
LE19 1RJ

Date: 19 December 2019

**HALL ORCHARD BARROW CE PRIMARY SCHOOL**

(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
<b>INCOME FROM:</b>						
Donations and capital grants	2	-	43	504	547	71
Funding for Academy Trust's educational operations	3	7	2,109	-	2,116	1,992
Other trading activities	4	195	-	-	195	193
<b>TOTAL INCOME</b>		<b>202</b>	<b>2,152</b>	<b>504</b>	<b>2,858</b>	<b>2,256</b>
<b>EXPENDITURE ON:</b>						
Raising funds	5	183	-	-	183	173
Academy Trust's educational operations	6	-	2,170	206	2,376	2,180
<b>TOTAL EXPENDITURE</b>	9	<b>183</b>	<b>2,170</b>	<b>206</b>	<b>2,559</b>	<b>2,353</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	20	19	(18)	298	299	(97)
		-	(102)	102	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		19	(120)	400	299	(97)
Actuarial gains/(losses) on defined benefit pension schemes	27	-	(378)	-	(378)	236
<b>NET MOVEMENT IN FUNDS</b>		<b>19</b>	<b>(498)</b>	<b>400</b>	<b>(79)</b>	<b>139</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		192	(490)	3,649	3,351	3,212
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>211</b>	<b>(988)</b>	<b>4,049</b>	<b>3,272</b>	<b>3,351</b>

The notes on pages 30 to 55 form part of these financial statements.

**HALL ORCHARD BARROW CE PRIMARY SCHOOL**

(A Company Limited by Guarantee)  
REGISTERED NUMBER: 08674696

**BALANCE SHEET  
AS AT 31 AUGUST 2019**

	Note	£000	2019 £000	£000	2018 £000
<b>FIXED ASSETS</b>					
Tangible assets	15		4,094		3,702
<b>CURRENT ASSETS</b>					
Debtors	16	226		56	
Investments	17	170		-	
Cash at bank and in hand	23	285		490	
		<u>681</u>		<u>546</u>	
<b>LIABILITIES</b>					
Creditors: amounts falling due within one year	18	(326)		(224)	
<b>NET CURRENT ASSETS</b>					
			<u>355</u>		<u>322</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			<u>4,449</u>		<u>4,024</u>
<b>CREDITORS: amounts falling due after more than one year</b>					
	19		<u>(37)</u>		<u>(45)</u>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>					
Defined benefit pension scheme liability	27		<u>(1,140)</u>		<u>(628)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>					
			<u><u>3,272</u></u>		<u><u>3,351</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	20	152		138	
Restricted fixed asset funds	20	4,049		3,649	
			<u>4,201</u>	<u>3,787</u>	
Restricted income funds excluding pension liability					
Pension reserve	20	(1,140)		(628)	
			<u>3,061</u>	<u>3,159</u>	
Total restricted income funds					
Unrestricted income funds	20		<u>211</u>		<u>192</u>
<b>TOTAL FUNDS</b>					
			<u><u>3,272</u></u>		<u><u>3,351</u></u>

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**HALL ORCHARD BARROW CE PRIMARY SCHOOL**

**(A Company Limited by Guarantee)**

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**BALANCE SHEET (continued)  
AS AT 31 AUGUST 2019**

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The financial statements on pages 26 to 55 were approved by the Trustees and authorised for issue and are signed on their behalf, by:

.....  
**Mr P Browning**  
Chair of Trustees

.....  
**Mrs J McKay**  
Accounting Officer

Date: 11 December 2019

The notes on pages 30 to 55 form part of these financial statements.

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HALL ORCHARD BARROW CE PRIMARY SCHOOL

(A Company Limited by Guarantee)

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STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2019

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	Note	2019 £000	2018 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	22	<u>542</u>	<u>310</u>
<b>Cash flows from investing activities:</b>			
Invested in short term investments		(170)	-
Purchase of tangible fixed assets		(598)	(146)
Capital grants from DfE Group		29	10
<b>Net cash used in investing activities</b>	24	<u>(739)</u>	<u>(136)</u>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings	25	(8)	(6)
<b>Net cash used in financing activities</b>		<u>(8)</u>	<u>(6)</u>
<b>Change in cash and cash equivalents in the year</b>		(205)	168
Cash and cash equivalents brought forward		<u>490</u>	<u>322</u>
<b>Cash and cash equivalents carried forward</b>	23	<u><u>285</u></u>	<u><u>490</u></u>

The notes on pages 30 to 55 form part of these financial statements.

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## HALL ORCHARD BARROW CE PRIMARY SCHOOL

(A Company Limited by Guarantee)

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

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#### 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 Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Hall Orchard Barrow CE Primary School constitutes a public benefit entity as defined by FRS 102.

Hall Orchard Barrow CE Primary School is a company limited by guarantee incorporated in England and Wales. The address of the registered office, principal place of operation and registered number are detailed on page 1. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees Report.

The financial statements are prepared in British Pound Sterling (£), the functional currency, rounded to the nearest £1,000.

##### 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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**HALL ORCHARD BARROW CE PRIMARY SCHOOL**

**(A Company Limited by Guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

All income is recognised once the Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 period 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 grant are reflected in the Balance Sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

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

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

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

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## HALL ORCHARD BARROW CE PRIMARY SCHOOL

(A Company Limited by Guarantee)

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

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#### 1. ACCOUNTING POLICIES (continued)

##### 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.

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

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

All expenditure is inclusive of irrecoverable VAT.

##### 1.5 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

##### 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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

##### 1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised 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 incorporating Income and Expenditure Account; 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 incorporating Income and Expenditure Account.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

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HALL ORCHARD BARROW CE PRIMARY SCHOOL

(A Company Limited by Guarantee)

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

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1. ACCOUNTING POLICIES (continued)

Long-term leasehold property	-	2% straight line per annum
Long-term leasehold land	-	0.8% straight line per annum
Assets under construction	-	Not depreciated until brought into use
Office equipment	-	25% straight line per annum
Computer equipment	-	33.3% straight line per annum

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 incorporating Income and Expenditure Account.

**1.8 Investments**

Investments include cash and mid to long term investments with a maturity of more than three months from the date of acquisition or opening of the deposit or similar account.

**1.9 Liabilities and provisions**

Liabilities and provisions 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.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.10 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 basis 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 16. 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 costs as detailed in notes 18 and 19. 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.

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**HALL ORCHARD BARROW CE PRIMARY SCHOOL**

**(A Company Limited by Guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.11 Pensions**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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. As stated in note 27, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore 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 Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

**1.12 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.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

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HALL ORCHARD BARROW CE PRIMARY SCHOOL

(A Company Limited by Guarantee)

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

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1. ACCOUNTING POLICIES (continued)

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

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. See note 15 for the carrying amount of tangible fixed assets, and note 1.7 for the useful economic lives for each class of assets.

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Donations	-	5	11	16	26
Capital grants	-	38	493	531	45
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	43	504	547	71
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total 2018	-	2	69	71	
	<hr/>	<hr/>	<hr/>	<hr/>	

**HALL ORCHARD BARROW CE PRIMARY SCHOOL**

(A Company Limited by Guarantee)

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

**3. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	1,688	1,688	1,632
Pupil Premium	-	64	64	59
Devolved Formula Capital	-	29	29	10
Other ESFA/DfE Grants	-	129	129	108
	<u>-</u>	<u>1,910</u>	<u>1,910</u>	<u>1,809</u>
<b>Other government grants</b>				
Higher Needs funding	-	26	26	26
Pre-school funding	-	109	109	104
	<u>-</u>	<u>135</u>	<u>135</u>	<u>130</u>
<b>Other funding</b>				
Trips and parental contributions	-	57	57	47
Insurance claims	-	-	-	1
Staff sickness insurance claims	7	-	7	1
Other income	-	7	7	4
	<u>7</u>	<u>64</u>	<u>71</u>	<u>53</u>
	<u>7</u>	<u>2,109</u>	<u>2,116</u>	<u>1,992</u>
Total 2018	<u>2</u>	<u>1,990</u>	<u>1,992</u>	

There are no unfulfilled conditions or other contingencies attached to the government grants above.

**HALL ORCHARD BARROW CE PRIMARY SCHOOL**

(A Company Limited by Guarantee)

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

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Catering income	50	-	50	49
Extended Services income	138	-	138	128
PiXL club income	6	-	6	11
Other income	1	-	1	5
	<u>195</u>	<u>-</u>	<u>195</u>	<u>193</u>
Total 2018	<u>193</u>	<u>-</u>	<u>193</u>	

**5. RAISING FUNDS**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Catering costs	50	-	50	49
Extended Services staff costs	133	-	133	124
	<u>183</u>	<u>-</u>	<u>183</u>	<u>173</u>
Total 2018	<u>173</u>	<u>-</u>	<u>173</u>	

**6. EXPENDITURE ON CHARITABLE ACTIVITY**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Direct costs	-	1,539	1,539	1,437
Support costs	-	837	837	743
	<u>-</u>	<u>2,376</u>	<u>2,376</u>	<u>2,180</u>
Total 2018	<u>-</u>	<u>2,180</u>	<u>2,180</u>	

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HALL ORCHARD BARROW CE PRIMARY SCHOOL

(A Company Limited by Guarantee)

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

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7. DIRECT COSTS

	Educational operations £000	Total 2019 £000	Total 2018 £000
Educational supplies	97	97	85
Technology costs	18	18	25
Staff development	17	17	14
Educational consultancy	25	25	26
Wages and salaries	837	837	787
National insurance	83	83	77
Pension cost	256	256	230
Depreciation	206	206	193
	<u>1,539</u>	<u>1,539</u>	<u>1,437</u>

8. SUPPORT COSTS

	Educational operations £000	Total 2019 £000	Total 2018 £000
Pension finance costs (note 14)	19	19	20
Rent, rates and water	27	27	20
Light and heat	21	21	20
Maintenance of equipment	1	1	5
Cleaning	11	11	11
Insurance	35	35	22
Other support costs	31	31	34
Maintenance of premises	39	39	71
Travel and subsistence	3	3	3
Recruitment and support	1	1	1
Non recoverable VAT	3	3	4
Governance costs	14	14	16
Wages and salaries	495	495	406
National insurance	21	21	17
Pension cost	116	116	93
	<u>837</u>	<u>837</u>	<u>743</u>

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HALL ORCHARD BARROW CE PRIMARY SCHOOL

(A Company Limited by Guarantee)

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

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9. EXPENDITURE ON RAISING FUNDS

	Staff costs 2019 £000	Premises 2019 £000	Other costs 2019 £000	Total 2019 £000	Total 2018 £000
Expenditure on raising voluntary income	133	-	50	183	173
Direct costs	1,177	178	184	1,539	1,437
Support costs	649	100	88	837	743
	<u>1,959</u>	<u>278</u>	<u>322</u>	<u>2,559</u>	<u>2,353</u>
Total 2018	<u>1,754</u>	<u>337</u>	<u>262</u>	<u>2,353</u>	

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2019 £000	2018 £000
Depreciation of tangible fixed assets: - owned by the charity	206	193
Auditor's remuneration - audit	11	12
Auditor's remuneration - other services	2	3
Operating lease payments	3	5
Internal audit costs	1	1
	<u>223</u>	<u>214</u>

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HALL ORCHARD BARROW CE PRIMARY SCHOOL

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

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11. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2019 £000	2018 £000
Wages and salaries	1,438	1,289
Social security costs	107	97
Pension costs	395	345
	<hr/>	<hr/>
	1,940	1,731
Supply teacher costs	-	3
Pension finance cost (note 14)	19	20
	<hr/>	<hr/>
	1,959	1,754
	<hr/> <hr/>	<hr/> <hr/>

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	24	21
Administration and support	57	53
Management	6	6
	<hr/>	<hr/>
	87	80
	<hr/> <hr/>	<hr/> <hr/>

Average headcount expressed as a full time equivalent:

	2019 No.	2018 No.
Teachers	19	18
Administration and support	30	28
Management	6	6
	<hr/>	<hr/>
	55	52
	<hr/> <hr/>	<hr/> <hr/>

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**HALL ORCHARD BARROW CE PRIMARY SCHOOL**

**(A Company Limited by Guarantee)**

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

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**11. STAFF COSTS (continued)**

**c. Higher paid staff**

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

	<b>2019</b>	2018
	<b>No.</b>	No.
In the band £70,001 - £80,000	<b>1</b>	1

The above employee participates in the Teachers' Pension Scheme. During the year ended 31 August 2019, pension contributions for this staff member amounted to £12,050 (2018: £11,709).

**Key management personnel**

The Key Management Personnel of the Academy Trust comprises the Staff Trustees and the Senior Leadership Team as listed on page 1. The total amount of the employee benefits (including employer pension contributions and employers national insurance contributions) received by Key Management Personnel for their services to the Academy Trust was £419,679 (2018: £396,793).

**12. TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		<b>2019</b>	2018
		<b>£000</b>	£000
Mrs J McKay, Headteacher	Remuneration	<b>70-75</b>	70-75
	Pension contributions paid	<b>10-15</b>	10-15
Mrs N Roodhouse, Staff Trustee	Remuneration	<b>50-55</b>	50-55
	Pension contributions paid	<b>5-10</b>	5-10
Miss K Price, Staff Trustee	Remuneration	<b>35-40</b>	30-35
	Pension contributions paid	<b>5-10</b>	5-10

During the year ended 31 August 2019, expenses totalling £2,172 (2018: £2,476) were reimbursed to 3 Trustees (2018: 3).

Other related party transactions involving the Trustees are set out in note 29.

**13. 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 £3,000,000 on any one claim and the cost for the year ended 31 August 2019 was £391 (2018: £391).

**HALL ORCHARD BARROW CE PRIMARY SCHOOL**

(A Company Limited by Guarantee)

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

**14. PENSION FINANCE COST**

	2019 £000	2018 £000
Interest income on pension scheme assets	38	29
Interest on pension scheme liabilities	(57)	(49)
	(19)	(20)
	(19)	(20)

**15. TANGIBLE FIXED ASSETS**

	Long term leasehold property £000	Assets under construction £000	Office equipment £000	Computer equipment £000	Total £000
<b>Cost</b>					
At 1 September 2018	4,022	72	24	127	4,245
Additions	547	-	26	25	598
Transfer between classes	72	(72)	-	-	-
	4,641	-	50	152	4,843
<b>Depreciation</b>					
At 1 September 2018	452	-	20	71	543
Charge for the year	178	-	3	25	206
	630	-	23	96	749
<b>Net book value</b>					
At 31 August 2019	4,011	-	27	56	4,094
At 31 August 2018	3,570	72	4	56	3,702

Included in the cost of long term leasehold property is long leasehold land valued at £886,000 on conversion in 2013 by Leicestershire County Council, a RICS registered valuer, using the depreciated replacement cost method.

The freehold of the land and buildings is owned by Leicestershire County Council. The Academy Trust holds a 125 year leasehold over the land and buildings.

**16. DEBTORS**

	2019 £000	2018 £000
Trade debtors	1	-
Prepayments and accrued income	201	39
VAT recoverable	24	17
	226	56
	226	56

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NOTES TO THE FINANCIAL STATEMENTS  
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17. CURRENT ASSET INVESTMENTS

	2019 £000	2018 £000
Cash investment	170	-

**Investments**

The market value of the investments at 31 August 2019 was £170,000 (2018: £NIL).

18. CREDITORS: Amounts falling due within one year

	2019 £000	2018 £000
Other loans	8	8
Other taxation and social security	27	21
Other creditors	33	28
Accruals and deferred income	258	167
	<u>326</u>	<u>224</u>

	2019 £000	2018 £000
<b>Deferred income</b>		
Deferred income at 1 September 2018	110	90
Resources deferred during the year	107	110
Amounts released from previous years	(110)	(90)
Deferred income at 31 August 2019	<u>107</u>	<u>110</u>

At the balance sheet date the Academy Trust was holding funds received in advance for trips, Universal Infant Free School Meals, afterschool club and pre-school funding in relation to the next academic year.

Included within other loans falling due within one year are four loans amounting to £8,044 (2018: £8,044) from the Education and Skills Funding Agency under the Condition Improvement Fund. All loans are interest free.

The first loan, the value of which is £1,204 (2018: £1,204) is repayable at an amount of £602 six monthly.

The second loan, the value of which is £2,792 (2018: £2,792) is repayable at an amount of £1,396 six monthly.

The third loan, the value of which is £1,130 (2018: £1,130) is repayable at an amount of £565 six monthly.

The fourth loan, the value of which is £2,918 (2018: £2,918) is repayable at an amount of £1,459 six monthly.

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NOTES TO THE FINANCIAL STATEMENTS  
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19. CREDITORS: Amounts falling due after more than one year

	2019 £000	2018 £000
Other loans	37	45

Included within the above are amounts falling due as follows:

	2019 £000	2018 £000
<b>Between two and five years</b>		
Other loans	32	32
<b>Over five years</b>		
Other loans	5	13

Creditors include amounts not wholly repayable within 5 years as follows:

	2019 £000	2018 £000
Repayable by instalments	5	13

Included within other loans falling due after more than one year are four loans amounting to £36,514 (2018: £44,557) from the Education and Skills Funding Agency under the Condition Improvement Fund. All loans are interest free.

The first loan, the value of which is £4,215 (2018: £5,419) is repayable at an amount of £602 six monthly. The loan will be fully repaid by September 2023.

The second loan, the value of which is £11,170 (2018: £13,962) is repayable at an amount of £1,396 six monthly. The loan will be fully repaid by March 2024.

The third loan, the value of which is £5,085 (2018: £6,215) is repayable at an amount of £565 six monthly. The loan will be fully repaid by September 2024.

The fourth loan, the value of which is £16,044 (2018: £18,961) is repayable at an amount of £1,459 six monthly. The loan will be fully repaid by September 2025.

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**20. STATEMENT OF FUNDS**

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
<b>Unrestricted funds</b>						
Extended Services	72	137	(133)	-	-	76
Catering funds	-	50	(50)	-	-	-
Other unrestricted income	120	15	-	-	-	135
	<u>192</u>	<u>202</u>	<u>(183)</u>	<u>-</u>	<u>-</u>	<u>211</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	123	1,688	(1,632)	(68)	-	111
Pupil premium	-	64	(64)	-	-	-
Other DfE/ESFA grants	15	117	(86)	(31)	-	15
Other Government grants	-	135	(135)	-	-	-
Other income	-	107	(107)	-	-	-
Other Capital Grants	-	41	(12)	(3)	-	26
Pension reserve	(628)	-	(134)	-	(378)	(1,140)
	<u>(490)</u>	<u>2,152</u>	<u>(2,170)</u>	<u>(102)</u>	<u>(378)</u>	<u>(988)</u>
<b>Restricted fixed asset fund</b>						
Net book value of fixed assets	3,702	504	(206)	94	-	4,094
SALIX Loans	(53)	-	-	8	-	(45)
	<u>3,649</u>	<u>504</u>	<u>(206)</u>	<u>102</u>	<u>-</u>	<u>4,049</u>
Total restricted funds	<u>3,159</u>	<u>2,656</u>	<u>(2,376)</u>	<u>-</u>	<u>(378)</u>	<u>3,061</u>
Total of funds	<u><u>3,351</u></u>	<u><u>2,858</u></u>	<u><u>(2,559)</u></u>	<u><u>-</u></u>	<u><u>(378)</u></u>	<u><u>3,272</u></u>

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

**Unrestricted funds**

Unrestricted funds are to be used towards meeting any of the charitable objectives of the Academy at the discretion of the Trustees.

**General Annual Grant (GAG)**

Funds from the Education and Skills Funding Agency for the provision of education, in line with the funding agreement.

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20. STATEMENT OF FUNDS (continued)

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019. Transfers of £68,000 from GAG funding to the restricted fixed asset fund represents contributions towards refurbishments, computer equipment and office equipment.

**Other DfE/ESFA grants**

Other funds provided by the DfE/ESFA for particular purposes within the Academy's educational operations. Transfers of £31,000 from DFC grant to the restricted fixed asset fund represents contributions towards refurbishments, computer equipment and office equipment.

**Pupil premium**

Additional funds from the Education and Skills Funding Agency to support disadvantaged pupils and close the attainment gap between them and their peers. This is allocated for every pupil who receives free school meals.

**Capital grants**

This consists of Devolved Formula Capital (DFC) and other capital funding from the Education and Skills Funding Agency. The DFC is to be used for ICT items, improvements to building and other facilities or capital repairs and refurbishments and minor works. Other capital grants are to be used as per the individual terms of the agreement and for the specific capital projects as applied for.

**Other Government grants**

These consist of grants from Local Authorities and relate to higher needs grants and nursery grants for the 30 hours free provision.

**Other income**

These consist of restricted income from all other sources to be used primarily for the Academy's educational operations.

**Pension reserve**

Being the fund in relation to the defined benefit pension scheme liability included in the Balance Sheet. The fund is in deficit given the nature of the liability, however, this is not payable immediately.

**Restricted fixed asset fund**

The net book value of fixed asset fund has been set up to recognise the tangible assets held by the Academy Trust and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund.

The SALIX loan balance represents the loan liability which was received as part of the CIF funding received for the purchase of tangible fixed assets. As repayments are made against this liability, a transfer will be made from restricted funds against the SALIX loan fund.

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**20. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
<b>Unrestricted funds</b>						
Extended Services	68	128	(124)	-	-	72
Catering funds	-	49	(49)	-	-	-
Other unrestricted income	102	18	-	-	-	120
	<u>170</u>	<u>195</u>	<u>(173)</u>	<u>-</u>	<u>-</u>	<u>192</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	61	1,632	(1,516)	(54)	-	123
Pupil premium	-	59	(59)	-	-	-
Other DfE/ESFA grants	34	108	(108)	(19)	-	15
Other Government grants	-	130	(130)	-	-	-
Other income	-	53	(53)	-	-	-
Pension reserve	(743)	-	(121)	-	236	(628)
	<u>(648)</u>	<u>1,982</u>	<u>(1,987)</u>	<u>(73)</u>	<u>236</u>	<u>(490)</u>
<b>Restricted fixed asset fund</b>						
Net book value of fixed assets	3,749	79	(193)	67	-	3,702
SALIX loans	(59)	-	-	6	-	(53)
Total restricted funds	<u>3,042</u>	<u>2,061</u>	<u>(2,180)</u>	<u>-</u>	<u>236</u>	<u>3,159</u>
Total of funds	<u><u>3,212</u></u>	<u><u>2,256</u></u>	<u><u>(2,353)</u></u>	<u><u>-</u></u>	<u><u>236</u></u>	<u><u>3,351</u></u>

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

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	4,094	4,094
Current assets	211	470	-	681
Current liabilities	-	(318)	(8)	(326)
Non-current liabilities	-	-	(37)	(37)
Pension scheme liability	-	(1,140)	-	(1,140)
	<u>211</u>	<u>(988)</u>	<u>4,049</u>	<u>3,272</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	3,702	3,702
Current assets	192	354	-	546
Current liabilities	-	(216)	(8)	(224)
Non-current liabilities	-	-	(45)	(45)
Pension scheme liability	-	(628)	-	(628)
	<u>192</u>	<u>(490)</u>	<u>3,649</u>	<u>3,351</u>

**22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2019 £000	2018 £000
Net income/(expenditure) for the year	299	(97)
<b>Adjustment for:</b>		
Depreciation of tangible fixed assets	206	193
(Increase)/decrease in debtors	(170)	144
Increase/(decrease) in creditors	102	(38)
Capital grants from DfE	(29)	(10)
Defined benefit pension scheme cost less contributions payable	115	98
Defined benefit pension scheme finance cost (note 14)	19	20
<b>Net cash provided by operating activities</b>	<u>542</u>	<u>310</u>

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23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £000	2018 £000
Cash in hand	285	490
Total	<u>285</u>	<u>490</u>

24. CASH FLOWS FROM INVESTING ACTIVITIES

	2019 £000	2018 £000
Purchase of tangible fixed assets	(598)	(146)
Capital grants from DfE Group	29	10
Invested in short term investments	(170)	-
	<u>(739)</u>	<u>(136)</u>

25. CASH FLOWS FROM FINANCING ACTIVITIES

	2019 £000	2018 £000
Repayments of borrowings	<u>(8)</u>	<u>(6)</u>

26. CAPITAL COMMITMENTS

At 31 August 2019 the academy had capital commitments as follows:

	2019 £000	2018 £000
Contracted for but not provided in these financial statements	<u>-</u>	<u>511</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**27. PENSION COMMITMENTS**

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Leicestershire County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £33,000 were payable to the schemes at 31 August 2019 (2018 - £28,000) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

**The Teachers' Pension budgeting and valuation account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

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**27. PENSION COMMITMENTS (continued)**

**Valuation of the Teachers' Pension Scheme**

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website - <https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

**Scheme changes**

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

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27. PENSION COMMITMENTS (continued)

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £174,000 (2018 - £146,000), of which employer's contributions totalled £141,000 (2018 - £117,000) and employees' contributions totalled £33,000 (2018 - £29,000). The agreed contribution rates for future years are 23.8% for employers and 5.5% - 12.5% for employees.

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

Principal actuarial assumptions:

	2019	2018
Discount rate for scheme liabilities	1.90 %	2.80 %
Rate of increase in salaries	3.30 %	3.30 %
Rate of increase for pensions in payment/inflation	2.30 %	2.30 %
Inflation assumption (CPI)	2.30 %	2.30 %

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

	2019	2018
Retiring today		
Males	21.2	22.1
Females	23.4	24.3
Retiring in 20 years		
Males	22.2	23.8
Females	24.7	26.2

	At 31 August 2019 £000	At 31 August 2018 £000
<b>Sensitivity analysis</b>		
Discount rate +0.1%	(74)	(52)
Discount rate -0.1%	74	52
Mortality assumption - 1 year increase	107	76
Mortality assumption - 1 year decrease	(107)	(76)
CPI rate +0.1%	59	40
CPI rate -0.1%	(59)	(40)

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27. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2019 £000	Fair value at 31 August 2018 £000
Equities	889	794
Gilts	475	346
Property	122	115
Cash	46	25
Total market value of assets	<u>1,532</u>	<u>1,280</u>

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

	2019 £000	2018 £000
Interest income	38	29
Interest cost	(57)	(49)
Current service costs	(256)	(218)
Total	<u>(275)</u>	<u>(238)</u>
Actual return on scheme assets	<u>88</u>	<u>55</u>

Movements in the present value of the defined benefit obligation were as follows:

	2019 £000	2018 £000
Opening defined benefit obligation	1,908	1,833
Interest cost	57	49
Employee contributions	33	29
Actuarial losses/(gains)	428	(210)
Benefits paid	(10)	(11)
Current service costs	256	218
Closing defined benefit obligation	<u>2,672</u>	<u>1,908</u>

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27. PENSION COMMITMENTS (continued)

Movements in the fair value of the Academy's share of scheme assets:

	2019 £000	2018 £000
Opening fair value of scheme assets	1,280	1,090
Interest income	38	29
Actuarial gains	50	26
Employer contributions	141	117
Employee contributions	33	29
Benefits paid	(10)	(11)
	<hr/>	<hr/>
Closing fair value of scheme assets	1,532	1,280
	<hr/> <hr/>	<hr/> <hr/>

28. OPERATING LEASE COMMITMENTS

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £000	2018 £000
<b>Amounts payable:</b>		
Within 1 year	3	3
Between 1 and 5 years	5	7
	<hr/>	<hr/>
Total	8	10
	<hr/> <hr/>	<hr/> <hr/>

29. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust 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 the Trust have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

No related party transactions took place in the year ended 31 August 2019, other than certain Trustees' remuneration and expenses already disclosed in note 12.

30. CONTROLLING PARTY

The Academy is ultimately controlled by the Board of Trustees, which includes the Headteacher.

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**31. COMPANY LIMITED BY GUARANTEE**

The Academy Trust is a company limited by guarantee and does not have share capital.

**32. 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.