

Registered number: **08674696 (England and Wales)**

**Hall Orchard Barrow CE Primary School**

**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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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 2020**

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**Members**

Ms Carolyn Lewis - Leicester Diocesan Board of Education  
Mr Paul Browning - Chair of Trustees  
Mrs Amy Earl - Chair of Finance Committee  
Mrs Claire Davenport - Chair of Curriculum and Strategy Committee

**Trustees**

Mr Paul Browning (Chair of Trustees and Co-opted Trustee)  
Ms Jane McKay (Headteacher, Accounting Officer and Ex-officio Trustee)  
Mrs Amy Earl (Chair of Finance Committee and Member Appointed)  
Mrs Pauline Ranson (Foundation Trustee)  
Mrs Victoria Bowman (Foundation Trustee)  
Mr Neil Titchmarsh (Member Appointed)  
Mrs Nadine Roodhouse (Staff Trustee and Member Appointed)  
Miss Kirstie Price (Staff Trustee and Member Appointed)  
Mrs Claire Davenport (Member Appointed)  
Mrs Sarah Boby (Parent Elected Trustee)  
Mrs Jennifer Summerton (Parent Elected Trustee)  
Mr Thomas Boldrin (Foundation Trustee) - Resigned 26 May 2020  
Rev'd Clive Watts (Ex-officio Foundation Trustee) - Appointed 26 September 2019

**Company Secretary**

Mr Martin Kennard

**Senior Leadership Team**

Ms Jane McKay (Headteacher)  
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 (Academy)

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

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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 St  
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 2020**

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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 2019 to 31 August 2020. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Academy 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 had a roll of 524 in the school census on 1 October 2020.

## **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 Academy.

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 page 1.

### **Members' Liability**

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

### **Trustees' Indemnities**

Since the conversion to Academy status on 1st 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 £444 (2019 - £391).

### **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 2020**

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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 and/or 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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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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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;
- Headteacher 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 Leadership Team which consists of a Deputy Headteacher, two Assistant Headteachers and the SENDCo and the Senior Leadership 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 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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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**Trade union facility time**

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, Hall Orchard Barrow CE Primary School has to report information included in Schedule 2 of the Regulations, as an employer with more than 49 full time employees.

**Relevant union officials**

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
4	3.23

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	3.23
1%-50%	0
51%-99%	0
100%	0

**Percentage of pay bill spent on facility time**

Provide the total cost of facility time	£Nil
Provide the total pay bill	£2,214,000
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	£Nil

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:  (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	N/A
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**Related Parties and other Connected Charities and Organisations**

Hall Orchard Barrow CE Primary (Academy) 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 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.



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**TRUSTEES' REPORT (continued)  
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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.

**STRATEGIC REPORT**

**Achievements and Performance**

Despite school lockdown in March 2020, most of the actions included in the 2019-20 School Development Plan (SDP) were completed. Prior to lockdown we were 'on track' to achieve all of the performance criteria, however due to COVID-19 external assessments did not take place and the majority of pupils were not attending school. During the period of school closure, we ran successful 'child care' for the vulnerable pupils and the children of Key Workers, whilst providing effective online learning for all pupils across the school. Pupils Premium pupils were provided with 2 separate packs of work, reading books, pencils and pens to ensure that they could maintain their learning at an appropriate standard if their access on line learning was limited. The children of vulnerable families and pupils with EHCPs were contacted weekly to carry out welfare checks. Safeguarding responsibilities continued to be maintained.

When school reopened, Safer Systems of work were developed, staff were trained and reassured. Preschool, reception and year 1 pupils started back successfully.

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

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The full reopening of school in August 2020 was a success with 95.8% of pupils attending in the first week back.

A priority during 2019-20 was the mental health and wellbeing of pupils and staff. Teachers reported improved work/life balance and greater job satisfaction prior to the school closure. Hall Orchard Barrow CE Primary School successfully obtained a School Mental Health Award from Leeds Beckett University.

**Key Performance Indicators**

As the Key Performance Indicators outlined in the School Development Plan were based on progress and attainment using the outcomes of statutory Key Stage tests and attendance data, we were unable to measure success against these at the end of the academic year due to COVID-19. However, assessments and data to March 2020 demonstrate that we were 'on track' to achieve these prior to lockdown.

The school site has continued to be developed with:

- The creation of a new amphitheatre area;
- Redesign and installation of new Foundation Stage outdoor learning environment;
- A new playground area with play equipment for KS1 and KS2 pupils;
- Improvements to the Victorian playground area;
- Incorporate old corridor spaces into the classroom area in KS1;
- Creation of additional carpark spaces off of the Melton Road entrance; and
- The installation of an electronic visitor and staff entry system.

The quality of teaching remained good to outstanding, including provision for the children of Key Workers and vulnerable pupils and our 'on-line' remote teaching provision.

The school has a healthy budget and investments made during the year (in line with our Investments and Reserves Policy) raised £2,383 in interest.

**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. The increasing costs associated with COVID-19 can be met within the Academy's reserves. Online learning platforms are robust, and the school would be able to continue to operate in the event of a local or National lockdown.

**FINANCIAL REVIEW**

**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.

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

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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.

At 31 August 2020 the total funds comprised:

	<b>£'000</b>
Unrestricted	205
Restricted:	
Fixed asset funds	3,856
Pension reserve	(1,158)
Other	139
	<hr/>
	<u>3,042</u>

#### **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. 2019-20 the Trust deposited £85,000 into a Nationwide deposit account and £85,000 into 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.

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

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**PLANS FOR FUTURE PERIODS**

The Academy has completed works to 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. 2020-21 funds will be allocated as the pupil numbers increase to ensure adequate staffing for the future. During 2020-21 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.

**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:

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

Date: 4 December 2020

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**Hall Orchard Barrow CE Primary School  
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**GOVERNANCE STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2020**

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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 6 times during the year. Meeting attendance includes virtual meetings as committee meetings were suspended due to COVID-19 pandemic from March 2020 onwards.

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	5	6
Ms Jane McKay – Headteacher and Accounting Officer	6	6
Mrs Pauline Ranson	5	6
Mrs Victoria Bowman	5	6
Mrs Amy Earl	4	6
Mrs Nadine Roodhouse	5	6
Miss Kirstie Price	6	6
Mr Thomas Boldrin (Resigned 26 May 2020)	1	4
Mrs Claire Davenport	5	6
Mrs Jennifer Summerton	4	6
Mrs Sarah Bobby	6	6
Mr Neil Titchmarsh	4	6
Rev'd Clive Watts (Appointed 26 September 2019)	2	6

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

Resignations

Mr Thomas Boldrin - 26 May 2020.

**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.

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**GOVERNANCE STATEMENT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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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 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 Board of Trustees is very strong and stable with many members having served for a number of years.

The Trustees maintained oversight of the Academies finances throughout the year. In addition to scrutiny in Full Governors meetings and Finance, Personnel, Pay and Premises meetings, monthly management reports are accessible to all Trustees on the Governor portal for inspection and challenge

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 twice during the year. Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
Mrs Amy Earl – Chair of Committee	2	2
Mr Tom Boldrin (Resigned 26 May 2020)	2	2
Mr Paul Browning	0	2
Mrs Jane McKay - Headteacher and Accounting Officer	2	2
Sarah Boby	2	2
Neil Titchmarsh	1	2

Members of the committee also considered budget monitoring paperwork in May and responded to the school by e-mail to ensure appropriate oversight and scrutiny. This was replicated in June alongside all of the paperwork for budget setting purposes.

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

#### **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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**GOVERNANCE STATEMENT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the 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;
- Making improvements to the school site to create an amphitheatre area and develop the outdoor play areas for Foundation Stage, Key Stage 1 and Key Stage 2 pupils;
- Reviewing the curriculum to ensure a broad, balanced relevant curriculum that motivates the pupils and maximises learning opportunities;
- Creating Safe Systems of working to ensure that pupils, staff, parents and the wider community are as safe from COVID-19 in school as we can possibly make it; and
- Developing safe, secure, high quality online learning during the period of school closure.

**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 year 1 September 2019 to 31 August 2020 and up to the date of approval of the Annual Report and Financial Statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Academy 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 year 1 September 2019 to 31 August 2020 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board of Trustees.

**THE RISK AND CONTROL FRAMEWORK**

The Academy 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 and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

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

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**GOVERNANCE STATEMENT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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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 auditor's role is to review the effectiveness of the internal control environment, and to make recommendations where it is felt necessary. Under the conventional "Three Lines of Defence" methodology, Internal Audit provides the third line of defence. It is important that academies understand that the prime responsibility for internal control (first line of defence) lies with each School's management. The engagement of an Internal Audit function does not take away the responsibility for management to effectively manage the day-to-day risks of the organisation and introduce and operate effective internal controls as part of this process. Internal Audit is not responsible for internal control within an organisation; it is responsible for reporting on the effectiveness of internal controls that management have put in place.

In line with the Public Sector Internal Audit Standards 2017, this audit engagement was 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. GOVERNANCE AND STATUTORY RESPONSIBILITIES**

To give assurances to management and Trustees that:

- i) The roles and responsibilities of Senior Leadership Team, finance staff, the Board of Trustees and its committees are set out in writing in a formal Finance Policy which is fit-for-purpose and is aligned to best practice, legislative requirements and the ESFA Academies' Financial Handbook;
- ii) A register of business interests is maintained for all members of the Board of Trustees and any staff with influence over purchasing (e.g. budget holders);
- iii) Trustees' meetings are properly constituted, business transacted is appropriate and minutes are prepared to an acceptable standard; and
- iv) The School's key systems and procedures are underpinned by written procedure notes to promote effective:
  - continuity of operation in the absence of key staff; and
  - Previous audit recommendations have been considered and implemented, where appropriate.

**2. RISK MANAGEMENT**

To give assurances to management and Trustees that:

- i) Effective risk management procedures are in place to identify and to manage business risk critical to the School's overall objectives;
- ii) Major risks are adequately insured against loss or misfortune;
- iii) There is adequate cash-flow management; and
- iv) The School utilises efficient working practices where exposure to risk is not considered to be significant as a result.

**3. FINANCIAL INFORMATION SYSTEM**

To give assurances to management and Trustees that:-

- v) Access to the FIS is password controlled and given only on a "need to do" basis;
- vi) Data is regularly backed-up, and a back-up retained securely, as part of a wider disaster recovery plan; and



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**Hall Orchard Barrow CE Primary School  
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**GOVERNANCE STATEMENT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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vii) Control Accounts are reviewed and cleared regularly.

**4. PAYROLL**

To give assurances to management and Trustees that:

- i) Adequate arrangements exist for the completion and authorisation of salaries documentation (starters, leavers, changes to contracts, supply, overtime);
- ii) Adequate arrangements exist for the reconciliation of the payroll each month / monitoring of salary costs to the budget;
- iii) Personnel records are maintained accurately and up-to-date and used proactively to predict future salary costs; and
- iv) There are effective recruitment practices (e.g. DBS clearance).

**5. BUDGETARY PLANNING, MONITORING & REPORTING**

To give assurances to management and Trustees that:

- i) Medium-term budgetary planning is sound (e.g. multi-year budget);
- ii) Adequate and effective procedures are in place for the preparation, approval, monitoring and control of the budget;
- iii) The Financial Information System agrees with the approved annual budget; and
- iv) Financial information given to governors, Senior Management and budget holders is accurate and timely.

**6. LOCAL CHEQUE ACCOUNT**

To give assurances to management and Trustees that:

- i) The local cheque account is being operated satisfactorily;
- ii) An adequate division of duties exists in the processing of financial transactions;
- iii) Cheque signatories are appropriate and approved by the Trustees; and
- iv) Regular bank reconciliations are being carried out.

**7. PAYMENT CARDS**

To give assurances to management and Trustees that:

- i) The School's payment card is used appropriately; and
- ii) Card transactions are promptly applied to the FIS.

**8. MAKING SUPPLIER PAYMENTS BY BACS**

To give assurances to management and Trustees that:

- i) Payments made by BACS are properly authorised beforehand;
- ii) BACS runs are effectively controlled and processed on a timely basis; and
- iii) Invoices paid (BACS) are valid and appropriately authorised.

**9. ORDERING PROCEDURES**

To give assurances to management and Trustees that:

- i) Adequate controls exist for the completion and authorisation of orders;
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**Hall Orchard Barrow CE Primary School  
(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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- ii) Internet ordering is in controlled situations (e.g. on-line discounts);
- iii) Payments are made only in respect of goods and services received, and have been properly certified as such; and
- iv) There is an adequate division of duties in the ordering and payment procedures.

**10. SECURITY**

To give assurances to management and Trustees that:

- i) Cash held on the premises is retained securely, and within established insurance limits; and
- ii) Adequate arrangements exist for the banking of income.

**11. PROCUREMENT OF LARGE VALUED GOODS AND SERVICES**

To give assurances to management and Trustees that:

- i) The School has a formal procurement policy which sets out tendering and quotation limits / requirements / procedures;
- ii) Quotations are routinely obtained in order to achieve value for money; and
- iii) The School is able to demonstrate that value-for-money is routinely sought.

The Local Authority Auditors prepare an Annual Report to the board of Trustees, through the Finance, Personnel, Pay and Premises Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

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 auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process; 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 and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

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

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

Date: 4 December 2020

Date: 4 December 2020

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

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
FOR THE YEAR ENDED 31 AUGUST 2020**

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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 2019.

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 2019.

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

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

Date: 4 December 2020

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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 2020**

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The Trustees (who are also the Governors of Hall Orchard Barrow CE Primary School and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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: 4 December 2020

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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 2020 which comprise the Statement of Financial Activities incorporating Income and Expenditure, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust 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 Trust'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 (CONTINUED)**

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**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report and Director's Report, the Governance Statement, 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 the financial year 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report and the Directors' 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 (CONTINUED)**

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**Responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the Academy Trust 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 Trust 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's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust'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.

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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 (CONTINUED)**

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**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: 17 December 2020



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**HALL ORCHARD BARROW CE PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HALL  
ORCHARD BARROW CE PRIMARY SCHOOL AND THE EDUCATION AND 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 and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hall Orchard Barrow CE Primary School during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Hall Orchard Barrow CE Primary School and 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 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 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 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust'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 ACCOUNTANT'S 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 Trust, with reference to the income streams and other information available to us as auditors of the Academy Trust;
- 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;
- evaluating the internal control procedures and reporting lines, and testing as appropriate;
- reviewing the Minutes of the meetings of the Board of Trustees and other evidence made available to us, relevant to our consideration of regularity; and
- consideration of governance issues.

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

11 Merus Court  
Meridian Business Park  
Leicester  
LE19 1RJ

Date: 17 December 2020

**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 2020**

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
<b>Income from:</b>						
Donations and capital grants	3	-	4	6	10	547
Funding for the Academy Trust's educational operations	4	20	2,282	10	2,312	2,116
Other trading activities	5	148	-	-	148	195
Investments	6	2	-	-	2	-
<b>Total income</b>		<u>170</u>	<u>2,286</u>	<u>16</u>	<u>2,472</u>	<u>2,858</u>
<b>Expenditure on:</b>						
Raising funds	7	173	-	-	173	183
Academy Trust educational operations	8	10	2,401	274	2,685	2,376
<b>Total expenditure</b>	9	<u>183</u>	<u>2,401</u>	<u>274</u>	<u>2,858</u>	<u>2,559</u>
<b>Net expenditure</b>		<u>(13)</u>	<u>(115)</u>	<u>(258)</u>	<u>(386)</u>	299
Transfers between funds	20	7	(72)	65	-	-
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension schemes	28	-	156	-	156	(378)
<b>Net movement in funds</b>		<u>(6)</u>	<u>(31)</u>	<u>(193)</u>	<u>(230)</u>	<u>(79)</u>
<b>Reconciliation of funds:</b>						
Total funds brought forward		211	(988)	4,049	3,272	3,351
Net movement in funds		(6)	(31)	(193)	(230)	(79)
<b>Total funds carried forward</b>		<u>205</u>	<u>(1,019)</u>	<u>3,856</u>	<u>3,042</u>	<u>3,272</u>

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

The notes on pages 29 to 61 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 2020**

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Tangible assets	15	<b>3,866</b>	4,094
		<u>3,866</u>	<u>4,094</u>
<b>Current assets</b>			
Debtors	16	122	226
Investments	17	170	170
Cash at bank and in hand	25	263	285
		<u>555</u>	<u>681</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	18	(192)	(326)
<b>Net current assets</b>		<b>363</b>	355
<b>Total assets less current liabilities</b>		<u>4,229</u>	<u>4,449</u>
Creditors: amounts falling due after more than one year	19	(29)	(37)
<b>Net assets excluding pension liability</b>		<b>4,200</b>	4,412
Defined benefit pension scheme liability	28	(1,158)	(1,140)
<b>Total net assets</b>		<u><u>3,042</u></u>	<u><u>3,272</u></u>

**HALL ORCHARD BARROW CE PRIMARY SCHOOL**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08674696**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2020**

	Note	2020 £000	2019 £000
<b>Funds of the Academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	20	3,856	4,049
Restricted income funds	20	139	152
		3,995	4,201
Restricted funds excluding pension asset	20	3,995	4,201
Pension reserve	20	(1,158)	(1,140)
		2,837	3,061
<b>Total restricted funds</b>	20	<b>2,837</b>	<b>3,061</b>
<b>Unrestricted income funds</b>	20	<b>205</b>	<b>211</b>
		3,042	3,272
<b>Total funds</b>		<b>3,042</b>	<b>3,272</b>

The financial statements on pages 25 to 61 were approved and authorised for issue by the Board of Trustees and are signed on their behalf, by:

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

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

Date: 4 December 2020

Date: 4 December 2020

The notes on pages 29 to 61 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 2020**

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	<b>Note</b>	<b>2020</b> <b>£000</b>	<i>2019</i> <i>£000</i>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	22	<b>14</b>	542
<b>Cash flows from investing activities</b>	24	<b>(28)</b>	(739)
<b>Cash flows from financing activities</b>	23	<b>(8)</b>	(8)
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>		<b>(22)</b>	(205)
		<hr/>	<hr/>
Cash and cash equivalents at the beginning of the year		<b>285</b>	490
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	25	<b>263</b>	285
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 29 to 61 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 2020**

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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 historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Hall Orchard Barrow CE Primary School meets the definition of a public benefit entity under 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 and presentational 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 Trust 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.

This consideration has taken into account the expected impact of Covid-19 on the Academy Trust, as far as it can be determined, and the Trustees remain satisfied that the going concern principle remains appropriate.

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

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**1. Accounting policies (continued)**

**1.3 Income**

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

• **Grants**

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

• **Sponsorship income**

Sponsorship income provided to the Academy 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**

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

• **Other income**

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

**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**

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



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

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**1. Accounting policies (continued)**

**1.4 Expenditure (continued)**

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Tangible fixed assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Long-term leasehold property	- 2% straight-line per annum
Long-term leasehold land	- 0.8% straight-line per annum
Leasehold improvements	- 10% straight-line per annum
Computer equipment	- 33.3% straight-line per annum
Office equipment	- 25% 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.

**1.6 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.

**1.7 Operating leases**

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

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

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**1. Accounting policies (continued)**

**1.8 Taxation**

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

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.9 Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**1.10 Provisions**

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

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

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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 Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 28, TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy 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 net income/(expenditure) 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 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 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 cost 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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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.13 Fund accounting**

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

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

**2. Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

The Academy 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 1.5 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 28, 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 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The judgements that have had a significant effect on amounts recognised in the Financial Statements are those covering the choice of depreciation policies and asset lives.

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**3. Donations and capital grants**

	<b>Restricted funds 2020 £000</b>	<b>Restricted fixed asset funds 2020 £000</b>	<b>Total funds 2020 £000</b>
Donations	4	-	4
Capital grants	-	6	6
<b>Total 2020</b>	4	6	10
		<i>Restricted</i>	
		<i>fixed asset</i>	
		<i>funds</i>	
		<i>2019</i>	
		<i>£000</i>	
Donations	5	11	16
Capital grants	38	493	531
<i>Total 2019</i>	43	504	547

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

**4. Funding for the Academy Trust's educational operations**

	<b>Unrestricted funds 2020 £000</b>	<b>Restricted funds 2020 £000</b>	<b>Total funds 2020 £000</b>
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	-	1,827	1,827
Pupil Premium	-	84	84
Capital grants	-	10	10
Other DfE/ESFA grants	-	203	203
	-	2,124	2,124
<b>Other Government grants</b>			
Higher Needs funding	-	40	40
Pre-school funding	-	98	98
	-	138	138
<b>Other funding</b>			
Trips and parental contributions	-	17	17
Staff sickness insurance claims	10	-	10
Insurance claims	10	-	10
Other income	-	5	5
	20	22	42
<b>Exceptional Government funding</b>			
Coronavirus Job Retention Scheme grant	-	7	-
Coronavirus exceptional support	-	1	-
	-	8	-
<b>Total 2020</b>	<b>20</b>	<b>2,292</b>	<b>2,312</b>

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

**4. Funding for the Academy Trust's educational operations (continued)**

The Academy Trust has been eligible to claim additional funding in the year from Government support schemes in response to the Coronavirus outbreak. The funding received is shown above under "exceptional Government funding".

The funding received for coronavirus exceptional support covers £1,400 of FSM costs. These costs are included in notes 7 below as appropriate.

The Academy Trust furloughed some of its extended services staff under the Government's Coronavirus Job Retention Scheme. The funding received of £7,423 relates to staff costs in respect of four staff, which are included in note 7 and 8 below as appropriate.

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

	<i>Unrestricted funds 2019 £000</i>	<i>Restricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	-	1,688	1,688
Pupil Premium	-	64	64
Capital Grants	-	29	29
Other DfE/ESFA grants	-	129	129
	-	1,910	1,910
<b>Other government grants</b>			
Higher Needs funding	-	26	26
Pre-school funding	-	109	109
	-	135	135
<b>Other funding</b>			
Trips and parental contributions	-	57	57
Staff sickness insurance claims	7	-	7
Other income	-	7	7
	7	64	71
<b>Total 2019</b>	7	2,109	2,116

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

**5. Other trading activities**

	<b>Unrestricted funds 2020 £000</b>	<b>Total funds 2020 £000</b>
Catering income	38	<b>38</b>
Entended Services income	103	<b>103</b>
PiXL club income	5	<b>5</b>
Other income	2	<b>2</b>
<b>Total 2020</b>	<b>148</b>	<b>148</b>

	<i>Unrestricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Catering income	50	50
Extended Services income	138	138
PiXL club income	6	6
Other income	1	1
<i>Total 2019</i>	<i>195</i>	<i>195</i>

**6. Investment income**

	<b>Unrestricted funds 2020 £000</b>	<b>Total funds 2020 £000</b>
Investment income	2	<b>2</b>

No investment income was received in 2019.



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

**7. Expenditure on raising funds**

	<b>Unrestricted funds 2020 £000</b>	<b>Total funds 2020 £000</b>
Catering costs	38	<b>38</b>
Extended Services wages and salaries	106	<b>106</b>
Extended Services national insurance	4	<b>4</b>
Extended Services pension costs	25	<b>25</b>
<b>Total 2020</b>	<b>173</b>	<b>173</b>
	<i>Unrestricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Catering costs	50	50
Extended Services wages and salaries	105	105
Extended Services national insurance	4	4
Extended Services pension costs	24	24
<i>Total 2019</i>	<i>183</i>	<i>183</i>

**8. Analysis of expenditure by activities**

	<b>Direct costs 2020 £000</b>	<b>Support costs 2020 £000</b>	<b>Total funds 2020 £000</b>
Educational operations	1,786	899	<b>2,685</b>
	1,786	899	<b>2,685</b>

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**FOR THE YEAR ENDED 31 AUGUST 2020**

**8. Analysis of expenditure by activities (continued)**

	<i>Direct costs</i>	<i>Support costs</i>	<i>Total funds</i>
	<i>2019</i>	<i>2019</i>	<i>2019</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Educational operations	1,539	837	2,376

**Analysis of direct costs**

	<b>Educational operations</b>	<b>Total funds</b>
	<b>2020</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Educational supplies	95	95
Technology costs	30	30
Educational consultancy	18	18
Legal costs	3	3
Staff development	7	7
Staff costs	1,359	1,359
Depreciation	274	274
<b>Total 2020</b>	<b>1,786</b>	<b>1,786</b>

	<i>Educational operations</i>	<i>Total funds</i>
	<i>2019</i>	<i>2019</i>
	<i>£000</i>	<i>£000</i>
Educational supplies	97	97
Technology costs	18	18
Educational consultancy	25	25
Staff development	17	17
Staff costs	1,176	1,176
Depreciation	206	206
<i>Total 2019</i>	<i>1,539</i>	<i>1,539</i>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Educational operations 2020 £000</b>	<b>Total funds 2020 £000</b>
Pension finance costs (note 14)	23	23
Rent, rates and water	(6)	(6)
Energy costs	24	24
Cleaning	20	20
Insurance	32	32
Other support costs	41	41
Maintenance of premises and equipment	43	43
Travel and subsistence	2	2
Recruitment and support	1	1
Non recoverable VAT	4	4
Governance costs	18	18
Staff costs	697	697
<b>Total 2020</b>	<b>899</b>	<b>899</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs (continued)**

	<i>Educational operations 2019 £000</i>	<i>Total funds 2019 £000</i>
Pension finance costs (note 14)	19	19
Rent, rates and water	27	27
Energy costs	21	21
Maintenance of equipment	1	1
Cleaning	11	11
Insurance	35	35
Maintenance of premises	39	39
Other support costs	31	31
Travel and subsistence	3	3
Recruitment and support	1	1
Non recoverable VAT	3	3
Governance costs	14	14
Staff costs	632	632
<i>Total 2019</i>	<u>837</u>	<u>837</u>

**9. Expenditure**

	<b>Staff Costs 2020 £000</b>	<b>Premises 2020 £000</b>	<b>Other 2020 £000</b>	<b>Total 2020 £000</b>
Expenditure on raising funds				
Direct costs	135	-	38	<b>173</b>
Academy Trust's educational operations				
Direct costs	1,359	237	190	<b>1,786</b>
Allocated support costs	720	103	76	<b>899</b>
<b>Total 2020</b>	<u>2,214</u>	<u>340</u>	<u>304</u>	<u><b>2,858</b></u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**9. Expenditure (continued)**

	<i>Staff Costs</i> 2019 £000	<i>Premises</i> 2019 £000	<i>Other</i> 2019 £000	<i>Total</i> 2019 £000
Expenditure on raising funds				
Direct costs	133	-	50	183
Academy Trust's educational operations				
Direct costs	1,177	178	184	1,539
Allocated support costs	649	100	88	837
<i>Total 2019</i>	<u>1,959</u>	<u>278</u>	<u>322</u>	<u>2,559</u>

**10. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2020</b> <b>£000</b>	<i>2019</i> <i>£000</i>
Operating lease rentals	<b>3</b>	3
Depreciation of tangible fixed assets	<b>274</b>	206
Fees paid to auditors for:		
- audit	<b>14</b>	12
- other services	<b>2</b>	2
Internal audit costs	<b>1</b>	1

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

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**11. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Wages and salaries	<b>1,554</b>	<i>1,438</i>
Social security costs	<b>116</b>	<i>107</i>
Pension costs	<b>521</b>	<i>395</i>
	<hr/> <b>2,191</b>	<hr/> <i>1,940</i>
Pension finance cost (note 14)	<b>23</b>	<i>19</i>
	<hr/> <b>2,214</b> <hr/>	<hr/> <i>1,959</i> <hr/>

**b. Staff numbers**

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

	<b>2020</b>	<i>2019</i>
	<b>No.</b>	<i>No.</i>
Teachers	<b>28</b>	<i>24</i>
Administration and support	<b>62</b>	<i>57</i>
Management	<b>2</b>	<i>6</i>
	<hr/> <b>92</b> <hr/>	<hr/> <i>87</i> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. Staff (continued)**

**c. Higher paid staff**

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

	<b>2020</b>	<i>2019</i>
	<b>No.</b>	<i>No.</i>
In the band £70,001 - £80,000	<b>1</b>	<i>1</i>

The above employee participates in the Teachers' Pension Scheme. During the year ended 31 August 2020, pension contributions for this staff member amounted to £17,982 (2019: £12,050).

**d. Key management personnel**

The Key Management Personnel of the Academy Trust comprise the Staff Trustees and the Senior Leadership Team team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by Key Management Personnel for their services to the Academy Trust was £467,432 (2019: £419,679).

**12. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Headteacher and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of Trustees' remuneration and other benefits was as follows:

		<b>2020</b>	<i>2019</i>
		<b>£000</b>	<i>£000</i>
Mrs J McKay, Headteacher	Remuneration	<b>75 - 80</b>	<i>70 - 75</i>
	Pension contributions paid	<b>15 - 20</b>	<i>10 - 15</i>
Mrs N Roodhouse, Staff Trustee	Remuneration	<b>55 - 60</b>	<i>50 - 55</i>
	Pension contributions paid	<b>10 - 15</b>	<i>5 - 10</i>
Miss K Price, Staff Trustee	Remuneration	<b>40 - 45</b>	<i>35 - 40</i>
	Pension contributions paid	<b>5 - 10</b>	<i>5 - 10</i>

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

Other related party transactions involving the Trustees are set out in note 30.

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

**13. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2020 was £444 (2019: £391). The cost of this insurance is included in the total insurance cost.

**14. Pension finance cost**

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Expected return on pension scheme assets	<b>31</b>	<i>38</i>
Interest on pension scheme liabilities	<b>(54)</b>	<i>(57)</i>
	<b>(23)</b>	<i>(19)</i>
	<b>(23)</b>	<i>(19)</i>

**15. Tangible fixed assets**

	Long-term leasehold property £000	Office equipment £000	Computer equipment £000	Total £000
<b>Cost or valuation</b>				
At 1 September 2019	<b>4,641</b>	<b>50</b>	<b>152</b>	<b>4,843</b>
Additions	<b>18</b>	<b>-</b>	<b>28</b>	<b>46</b>
At 31 August 2020	<b>4,659</b>	<b>50</b>	<b>180</b>	<b>4,889</b>
<b>Depreciation</b>				
At 1 September 2019	<b>630</b>	<b>23</b>	<b>96</b>	<b>749</b>
Charge for the year	<b>237</b>	<b>9</b>	<b>28</b>	<b>274</b>
At 31 August 2020	<b>867</b>	<b>32</b>	<b>124</b>	<b>1,023</b>
<b>Net book value</b>				
At 31 August 2020	<b>3,792</b>	<b>18</b>	<b>56</b>	<b>3,866</b>
<i>At 31 August 2019</i>	<i>4,011</i>	<i>27</i>	<i>56</i>	<i>4,094</i>



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**15. Tangible fixed assets (continued)**

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**

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Trade debtors	-	1
VAT recoverable	7	24
Prepayments and accrued income	115	201
	<u>122</u>	<u>226</u>

**17. Current asset investments**

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Cash investments	170	170
	<u>170</u>	<u>170</u>

The market value of the investments at 31 August 2020 was £170,000 (2019: £170,000).

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**18. Creditors: Amounts falling due within one year**

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Other loans	8	8
Other taxation and social security	27	27
Other creditors	40	33
Accruals and deferred income	117	258
	<b>192</b>	<i>326</i>
	<b>192</b>	<i>326</i>
	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Deferred income at 1 September 2019	107	110
Resources deferred during the year	74	107
Amounts released from previous years	(107)	(110)
<b>Deferred income at 31 August 2020</b>	<b>74</b>	<i>107</i>
	<b>74</b>	<i>107</i>

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals, afterschool club, pre-school funding and a SEN Covid-19 top-up funding for the 2020/21 academic year.

Included within other loans falling due within one year are four loans amounting to £8,044 (2019: £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 (2019: £1,204) is repayable at an amount of £602 six monthly.

The second loan, the value of which is £2,792 (2019: £2,792) is repayable at an amount of £1,396 six monthly.

The third loan, the value of which is £1,130 (2019: £1,130) is repayable at an amount of £565 six monthly.

The fourth loan, the value of which is £2,918 (2019: £2,918) is repayable at an amount of £1,459 six monthly.

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**19. Creditors: Amounts falling due after more than one year**

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Other loans	<b>29</b>	<i>37</i>

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

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Repayable by instalments	<b>1</b>	<i>5</i>
	<b>1</b>	<i>5</i>

Included within other loans falling due after more than one year are four loans amounting to £28,470 (2019: £36,514) 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 £3,010 (2019: £4,215) 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 £8,378 (2019: £11,170) 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 £3,955 (2019: £5,085) 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 £13,127 (2019: £16,044) 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 2019 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
<b>Unrestricted funds</b>						
Extended Services	76	103	(135)	7	-	51
Catering income	-	38	(38)	-	-	-
Other unrestricted income	135	29	(10)	-	-	154
	<u>211</u>	<u>170</u>	<u>(183)</u>	<u>7</u>	<u>-</u>	<u>205</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	111	1,827	(1,775)	(24)	-	139
Pupil Premium	-	84	(84)	-	-	-
Other DfE/ESFA grants	15	203	(203)	(15)	-	-
Other Government Grants	-	138	(138)	-	-	-
Other income	-	26	(26)	-	-	-
Other Capital Grants	26	-	-	(26)	-	-
Exceptional Government funding	-	8	(1)	(7)	-	-
Pension reserve	(1,140)	-	(174)	-	156	(1,158)
	<u>(988)</u>	<u>2,286</u>	<u>(2,401)</u>	<u>(72)</u>	<u>156</u>	<u>(1,019)</u>
<b>Restricted fixed asset funds</b>						
Net book value of fixed assets	4,094	-	(274)	46	-	3,866
SALIX Loans	(45)	-	-	8	-	(37)
Capital Grant (DFC)	-	10	-	(9)	-	1
Capital Grants (LA)	-	6	-	20	-	26
	<u>4,049</u>	<u>16</u>	<u>(274)</u>	<u>65</u>	<u>-</u>	<u>3,856</u>
<b>Total Restricted funds</b>	<u>3,061</u>	<u>2,302</u>	<u>(2,675)</u>	<u>(7)</u>	<u>156</u>	<u>2,837</u>
<b>Total funds</b>	<u>3,272</u>	<u>2,472</u>	<u>(2,858)</u>	<u>-</u>	<u>156</u>	<u>3,042</u>

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

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**20. Statement of funds (continued)**

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 Trust 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.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020. Transfers of £16,257 from GAG funding to the restricted fixed asset fund represents contributions towards long term leasehold property improvements and computer equipment. Transfers of £8,044 from GAG funding to the restricted fixed asset fund represents the repayments of SALIX loans to the restricted fixed asset fund.

**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.

**Other DfE/ESFA grants**

Other funds provided by the DfE/ESFA for particular purposes within the Academy Trust's educational operations. Transfers of £14,454 from CIF grant to the restricted fixed asset fund represents contributions towards represents contributions towards long term leasehold property improvements.

**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 Trust's educational operations.

**Capital grants**

This consists of Devolved Formula Capital (DFC) and other capital funding from the Local Authority. 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. Transfers of £25,973 from capital grants in restricted funds to capital grants in the restricted fixed asset fund represents funding to be spent on capital projects.

**Exceptional Government funding**

These consist funding from Local Authorities to cover the additional costs incurred due to Covid-19. Transfers of £6,688 from restricted funds to unrestricted funds represents funding claimed in respect of unrestricted costs.

**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. Plans are in place to address the deficit.

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

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**20. Statement of funds (continued)**

**Restricted fixed asset fund**

The restricted fixed asset fund was funded predominately by the funds inherited on conversion to an Academy Trust from Local Authority following the transfer of assets. It includes further amounts invested in fixed assets.

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)**

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

	<i>Balance at 1 September 2018 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/(out) £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2019 £000</i>
<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 general 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 funds</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>
<b>Total Restricted funds</b>	<u>3,159</u>	<u>2,656</u>	<u>(2,376)</u>	<u>-</u>	<u>(378)</u>	<u>3,061</u>
<b>Total funds</b>	<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>

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**21. Analysis of net assets between funds**

	<b>Unrestricted funds 2020 £000</b>	<b>Restricted funds 2020 £000</b>	<b>Restricted fixed asset funds 2020 £000</b>	<b>Total funds 2020 £000</b>
Tangible fixed assets	-	-	3,866	<b>3,866</b>
Current assets	205	323	27	<b>555</b>
Current liabilities	-	(184)	(8)	<b>(192)</b>
Non-current liabilities	-	-	(29)	<b>(29)</b>
Pension scheme liability	-	(1,158)	-	<b>(1,158)</b>
<b>Total 2020</b>	<b>205</b>	<b>(1,019)</b>	<b>3,856</b>	<b>3,042</b>

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



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**22. Reconciliation of net (expenditure)/income to net cash flow from operating activities**

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Net (expenditure)/income for the year (as per Statement of Financial Activities)	<b>(386)</b>	<i>299</i>
<b>Adjustments for:</b>		
Depreciation (note 15)	<b>274</b>	<i>206</i>
Capital grants from DfE and other capital income (notes 3 and 4)	<b>(16)</b>	<i>(29)</i>
Interest receivable (note 6)	<b>(2)</b>	<i>-</i>
Defined benefit pension scheme cost less contributions payable (note 28)	<b>151</b>	<i>115</i>
Defined benefit pension scheme finance cost (note 14)	<b>23</b>	<i>19</i>
Decrease/(increase) in debtors (note 16)	<b>104</b>	<i>(170)</i>
(Decrease)/increase in creditors (note 18)	<b>(134)</b>	<i>102</i>
<b>Net cash provided by operating activities</b>	<b>14</b>	<i>542</i>

**23. Cash flows from financing activities**

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Repayments of borrowing (note 19)	<b>(8)</b>	<i>(8)</i>
<b>Net cash used in financing activities</b>	<b>(8)</b>	<i>(8)</i>

**24. Cash flows from investing activities**

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Interest from investments (note 6)	<b>2</b>	<i>-</i>
Purchase of tangible fixed assets (note 15)	<b>(46)</b>	<i>(598)</i>
Capital grants from DfE Group (notes 3 and 4)	<b>16</b>	<i>29</i>
Invested in short term investments (note 17)	<b>-</b>	<i>(170)</i>
<b>Net cash used in investing activities</b>	<b>(28)</b>	<i>(739)</i>

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**25. Analysis of cash and cash equivalents**

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Cash in hand	<b>263</b>	<i>285</i>
<b>Total cash and cash equivalents</b>	<b>263</b>	<i>285</i>

**26. Analysis of changes in net debt**

	<b>At 1</b>	<b>Cash flows</b>	<b>At 31</b>
	<b>September</b>	<b>£000</b>	<b>August 2020</b>
	<b>2019</b>	<b>£000</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	<b>285</b>	<b>(22)</b>	<b>263</b>
Debt due within 1 year	<b>(8)</b>	<b>-</b>	<b>(8)</b>
Debt due after 1 year	<b>(37)</b>	<b>8</b>	<b>(29)</b>
Cash investments	<b>170</b>	<b>-</b>	<b>170</b>
	<b>410</b>	<b>(14)</b>	<b>396</b>

**27. Capital commitments**

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	<b>10</b>	<i>-</i>

**28. Pension commitments**

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

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

Contributions amounting to £40,000 were payable to the schemes at 31 August 2020 (2019: £33,000) and are included within creditors.

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**28. Pension commitments (continued)**

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in Academies. All teachers have the option to opt-out of the TPS following enrolment.

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

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £216,000 (2019: £138,000).

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

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

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**28. Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £188,000 (2019: £174,000), of which employer's contributions totalled £152,000 (2019: £141,000) and employees' contributions totalled £36,000 (2019: £33,000). The agreed contribution rates for future years are 23.5% for employers and 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 Trust 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**

	<b>2020</b>	<i>2019</i>
	%	%
Rate of increase in salaries	<b>2.70</b>	3.30
Rate of increase for pensions in payment/inflation	<b>2.20</b>	2.30
Discount rate for scheme liabilities	<b>1.70</b>	1.90
Inflation assumption (CPI)	<b>2.20</b>	2.30
Commutation of pensions to lump sums	<b>50.00</b>	50.00

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

	<b>2020</b>	<i>2019</i>
	Years	Years
<i>Retiring today</i>		
Males	<b>21.5</b>	21.2
Females	<b>23.8</b>	23.4
<i>Retiring in 20 years</i>		
Males	<b>22.2</b>	22.2
Females	<b>25.2</b>	24.7

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**28. Pension commitments (continued)**

**Sensitivity analysis**

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Discount rate +0.1%	<b>(70)</b>	<i>(74)</i>
Discount rate -0.1%	<b>70</b>	<i>74</i>
Mortality assumption - 1 year increase	<b>111</b>	<i>107</i>
Mortality assumption - 1 year decrease	<b>(111)</b>	<i>(107)</i>
CPI rate +0.1%	<b>63</b>	<i>59</i>
CPI rate -0.1%	<b>(63)</b>	<i>(59)</i>

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

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Equities	<b>948</b>	<i>889</i>
Bonds	<b>466</b>	<i>475</i>
Property	<b>129</b>	<i>122</i>
Cash	<b>64</b>	<i>46</i>
<b>Total market value of assets</b>	<b>1,607</b>	<i>1,532</i>

The actual return on scheme assets was £31,000 (2019: £88,000).

The Academy Trust expects to contribute £151,000 to its defined benefit pension scheme in 2021.

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

	<b>2020</b>	<i>Restated</i>
	<b>£000</b>	<i>2019</i>
		<i>£000</i>
Current service cost	<b>(303)</b>	<i>(219)</i>
Past service cost	<b>-</b>	<i>(37)</i>
Interest income	<b>31</b>	<i>38</i>
Interest cost	<b>(54)</b>	<i>(57)</i>
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(326)</b>	<i>(275)</i>

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**28. Pension commitments (continued)**

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

	<b>2020</b>	<i>Restated</i>
	<b>£000</b>	<i>2019</i>
		<i>£000</i>
<b>At 1 September</b>	<b>2,672</b>	<i>1,908</i>
Current service costs	<b>303</b>	<i>219</i>
Interest cost	<b>54</b>	<i>57</i>
Employee contributions	<b>36</b>	<i>33</i>
Actuarial (gains)/losses	<b>(285)</b>	<i>428</i>
Benefits paid	<b>(15)</b>	<i>(10)</i>
Past service costs	<b>-</b>	<i>37</i>
	<hr/>	<hr/>
<b>At 31 August</b>	<b>2,765</b>	<i>2,672</i>
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
<b>At 1 September</b>	<b>1,532</b>	<i>1,280</i>
Interest income	<b>31</b>	<i>38</i>
Actuarial (losses)/gains	<b>(129)</b>	<i>50</i>
Employer contributions	<b>152</b>	<i>141</i>
Employee contributions	<b>36</b>	<i>33</i>
Benefits paid	<b>(15)</b>	<i>(10)</i>
	<hr/>	<hr/>
<b>At 31 August</b>	<b>1,607</b>	<i>1,532</i>
	<hr/> <hr/>	<hr/> <hr/>

**29. Operating lease commitments**

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

	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<i>£000</i>
Not later than 1 year	<b>3</b>	<i>3</i>
Later than 1 year and not later than 5 years	<b>2</b>	<i>5</i>
	<hr/>	<hr/>
	<b>5</b>	<i>8</i>
	<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 2020**

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**30. 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 Trustees 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 Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the year ended 31 August 2020, other than certain Trustees' remuneration and expenses already disclosed in note 12.

**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.