
THE HARROWBY/NATIONAL ACADEMIES TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

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THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

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THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|--|---|
| Members | Mr D Thorpe Mrs J Sharp The Lincoln Diocesan Trust & Board of Finance Limited |
| Trustees | Mr D Thorpe, Chair of the Board to 9 September 2019 Mrs J Sharp Mrs A Comerford, Staff Trustee Father S Craddock, Ex-officio Mrs K Forster (resigned 13 July 2019) Mrs J Gardner (appointed 20 November 2018) Mr C Graves Mr S Jones, Chair of the Board from 10 September 2019 (appointed 20 November 2018) Miss S Leeson, Staff Trustee Ms K Little (resigned 10 September 2018) Mrs A Kozłowska, Staff Trustee Miss R McClory (appointed 20 November 2018) Mr A Mendham, Vice Chair Mrs A Platt, Executive Headteacher and Accounting Officer Mrs S Szulczewski Mrs E Woods |
| Company registered number | 08105941 |
| Company name | The Harrowby/National Academies Trust |
| Principal and registered office | The National Church of England Junior School Castlegate Grantham Lincs NG31 6SR |

THE HARROWBY/NATIONAL ACADEMIES TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Senior Leadership Team

Mrs A Platt, Executive Headteacher and Accounting Officer
Mrs J Watson, Deputy Headteacher, National School
Mrs E Jenkins, Assistant Headteacher, SENDCo
Mrs A Comerford, Assistant Headteacher
Mrs T Thomas, Assistant Headteacher
Mrs P Harris, Chief Finance Officer
Miss S Leeson, Deputy Headteacher, Harrowby School

Independent auditors

Streets Audit LLP
Windsor House
A1 Business Park at
Long Bennington
Newark
Notts
NG23 5JR

Bankers

Lloyds Bank Plc
42 St Peters Hill
Grantham
Lincs
NG31 6QF

Solicitors

Duncan Pickering LLB
4 Southfields
Bourne
Lincs
PE10 9TZ

Internal Auditor

Julia Raftery Consulting Limited
Suite 2
Concorde House
Kirmington Business Park
Kirmington
North Lincs, DN39 6YP

THE HARROWBY/NATIONAL ACADEMIES TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Harrowby/National Academies Trust (Trust) operates two Academies for pupils aged 4 to 11 serving a catchment area in two separate sites within Grantham town. The National Church of England Junior School is located within the town centre and takes pupils from the parish of St Wulfram's and Harrowby Church of England Infant School is located within the Harrowby and Londonthorpe parish of the town.

The total pupil capacity for the Trust is 692. At the October 2017 census, the National Church of England Junior School recorded 477 pupils and Harrowby Church of England Infant School 132 pupils. Pupils transfer from Harrowby Church of England Infant School to The National Church of England Junior School at the end of KS1 (7 year olds) and then move from The National Church of England Junior School at the end of Key Stage 2 (11 year olds) to join secondary schools within the town and surrounding area.

Aims of the Trust

As church schools we value every individual with their own distinctive character, gifts and abilities and have at the heart of our work the belief that all children are loved by God and are individually unique. Core Christian values of Friendship, Wisdom, Forgiveness, Trust, Peace and Endurance offers everyone a firm foundation in shaping relationships with one another across the schools' communities.

Our Christian Values are further supported by the UNICEF Rights Respecting Schools Award (RRSA) at both schools. The RRSA is based on principles of equality, dignity, respect, non discrimination and participation. The RRSA puts the UN Convention on the Rights of the Child at the heart of our school's ethos to improve well-being and develop every child's talents and abilities to their full potential. As 'Rights Respecting' schools our community is where children's rights are learned, taught, practised, respected, protected and promoted. The whole school community learn about children's rights by putting them into practice every day.

The Trust's mission is to help each pupil fulfil their potential in all aspects of their personhood: physically, academically, socially, morally and spiritually.

We aim to ensure all pupils enjoy a very rewarding experience as they grow and develop through the Trust and strive to enable all children to simply "be their best", reflecting on the wonder of creation, the amazing power and love of God as seen through the life of his son Jesus Christ.

We achieve our mission statement by:

- promoting a Christian ethos whilst respecting other people's faiths;
- developing a spiritual awareness through the opportunity to reflect in our worship time together in school, in church, through our interactions with one another and through the rich curriculum offered to all;
- promoting the highest standards of teaching and learning;
- providing a broad, rich and stimulating curriculum with further opportunities to develop skills within a wide extra curricular programme, encouraging all children to fully develop their potential academically, artistically, emotionally, physically, socially and spiritually;
- encouraging the development of self confidence, self discipline and healthy living;
- expecting everybody to value one another and understand their own rights and take responsibility to respect the rights of others;
- expecting everybody to make a positive contribution to our school, the local community, the wider world community and our planet;
- welcoming the involvement of parents and other members of the local community;
- providing an environment where all feel safe and cared for.

THE HARROWBY/NATIONAL ACADEMIES TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management

Constitution

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Academy.

The Trustees of The Harrowby/National Academies Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as The Harrowby/National Academies Trust.

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

The Trust has purchased insurance to protect Trustees from claims arising from negligent acts, errors or omissions occurring whilst on Trust business.

Method of recruitment and appointment or election of Trustees

The articles of association require the members of the Charitable Company to appoint at least three Members to be responsible for the statutory and constitutional affairs of the Charitable Company and the management of the Trust.

The articles of association require that the Members of the Trust shall comprise:

- a) the signatories to the Memorandum
- b) one person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose
- c) the Chair of the Board of Trustees

The Members may appoint additional Trustees. Trustees may be removed by the person or persons who appointed them.

No additional Trustees were appointed nor made by the Secretary of State in the period.

The Trustees who were in office at 31 August 2019, and served throughout the period, are listed on page 1. A number of vacancies arose during the period August 2018 to September 2019 and three new Trustees were appointed. Vacancies are still available which will be recruited to seek appropriately skilled persons who can support the Trust in future years.

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

Structure, governance and management (continued)

Policies adopted for the induction and training of Trustees

All Trustees are provided with copies of procedures, minutes, accounts, budget plans and other documents that they will need to undertake their role as Trustees. Special attention is given to the Academies Financial Handbook produced by the ESFA each September and the Trust's Financial Policy, including Roles and Responsibilities and Scheme of Delegation for the Trust.

All Trustees have access to a range of training programmes – both in house and via external providers, face to face group training and virtual training. The Trust has joined the National Governors Association which gives Trustees a wealth of information and opportunities to see 'best practice' in other Trusts.

Organisational structure

Effective September 2018 Darren Thorpe was voted Chair for the year (having been chair since December 2013) and Antony Mendham Vice Chair. Both were re-elected for the Academic Year 2018-2019. The Chair worked with the Executive Headteacher to re-evaluate the functionality and constitution of the Board of Trustees and introduce new processes and procedures to ensure legal compliance is met. The Chair has also worked at ensuring Trustees are effective and recruited new people to the Board who bring a variety of skills. This is an on-going process with current vacancies to be filled by Trustees with specific skills sets to strengthen the Board of Trustees operation within the Trust.

Arrangements for setting pay and remuneration of key management personnel

The Executive Headteacher's remuneration is conducted by the Vice Chair, and one other Trustee and in consultation with an outside provider. The Deputy Headteachers and Assistant Headteachers had their performance management conducted by the Chair and Executive Headteacher. Targets set the previous year are expected to have been achieved and documentary evidence with carried out actions and impact provided.

THE HARROWBY/NATIONAL ACADEMIES TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

Related parties and other connected charities and organisations

The Trust works closely with Little Gonerby Church of England Infant School, a main feeder school for The National Junior School along with Harrowby Infant School.

The Trust continued to work with teaching schools (Kyra Teaching School Alliance and East Of England Training Centre) as part of Initial Teacher Training (ITT) programme by placing trainee teachers and participating in interview processes for prospective applicants. We also hosted open day events on behalf of these organisations to help recruit new people to the profession. We had committed to the training of two SCITT teachers in the next academic year and this year have been part of the quality assurance of trainee teachers in settings across Grantham and Lincoln.

The Trust continued to work the NCETM in training teachers in Maths Mastery. The Trust works with research provided through EEF (Education Endowment Foundation), we have been successful in securing a guided reading funded project for Y5 in the next academic year.

The Trust continues to be represented at the JUSCO Conferences and positive relationships were made with other junior schools resulting in visits to a junior school in Lincoln. The visits were focused on gaining a better understanding of the constraints and issues relating to junior schools and how we can best overcome these to give an 'outstanding' education to our pupils. The National Junior School is involved in cross moderation with other junior schools and benefits from collaborative knowledge and research undertaken by assessment specialists.

The trust has joined 'Challenge Partners' an education charity, led by practitioners, through which schools collaborate to improve each other and the education system as a whole, so all children benefit. Challenge Partners work with schools across the country, and focus on school improvement, leadership development and knowledge exchange. The programmes are grounded in evidence of what works, regular quality assurance, and sharing the collective wisdom in schools. The trust has accessed an annual review, curriculum review workshop and has joined the Lincoln hub of Challenge Partners. Through the hub, The Trust receives additional funding to access training specific to the hub.

The trust uses, 'No more Marking,' a non profit making organisation for Assessing Primary Writing. Taking part in six assessment windows over the year, one per year group, the staff judge the writing of our pupils alongside the writing of pupils from all over the country. Judging the work online, teachers will benefit from seeing their own pupils' work in the context of other pupils' writing. The Comparative Judgement engine ensures that the process is quick while the results received are reliable and nationally standardised with a scaled score, a writing age, and a grade.

Objectives and activities

THE HARROWBY/NATIONAL ACADEMIES TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

Objects and aims

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

The aim of the Trust is to provide quality education in a caring and disciplined community:

- By promoting our vision, 'Aim high believe, fly high achieve' to help procure good examination results;
- By offering a lively, rich curriculum providing memorable experiences;
- Providing before and after school clubs with a varied programme of activities and themed days/weeks to offer an additional service to our parents;
- By allowing pupils of all abilities to attain their full potential and develop their own special qualities;
- By offering a wide range of extra curricular activities and sports;
- By maintaining the high standards and expectations of the Trust;
- By developing a positive attitude towards equal opportunities for all, regardless of sex, religion or personal difficulties;
- By expecting pupils and staff to value all members of the Trust community and its environment;
- By allowing pupils to acquire attitudes and skills which enable them to give purpose to their lives and to make a contribution to the wider community.

Further information can be found in the Trust's prospectuses. The Trust has supported children identified as Pupil Premium across the Trust in numerous ways.

At The National Junior School we resource:

- Pupil Premium Coordinator
- Provided additional learning groups with Teaching Assistants
- Small Group work with Teaching staff
- A Pastoral Team working with vulnerable children
- Additional intervention from outside agencies and Counselling services for vulnerable pupils and families
- Breakfast Club
- Staff training
- Mini Police initiative
- Attendance Officer and incentives
- Peripatetic music lessons
- Educational visits and clubs
- 1-1 mentoring with staff and Trustees

At Harrowby Infant School we gave:

- TA support for Maths intervention, EAL and LAC
- TA support for Speech and Language and Social Development
- Lunchtime Nurture Groups
- Booster Sessions for Phonics
- Educational visits and transport
- Educational resources
- Staff training
- SENDCo Intervention and Support
- Free School Meals
- Pupil Premium Co-ordinator

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

Objectives and activities (continued)

Objectives, strategies and activities

The main objectives of the Trust during the period ended 31 August 2019 are summarised below:

1. Improve leadership, management and governance of the school by:
 - Ensuring there is sufficient capacity in the school's senior leadership to manage the important work to be done
 - Be clear in what improvements are planned, who is responsible for them, and how the improvements will be monitored and evaluated
 - Improve the consistency of leadership and management by ensuring that all senior leaders and curriculum leaders have equally high expectations of standards and quality in their areas of responsibility
 - Improving knowledge and skills of trustees, in order to enable them to challenge leaders more effectively, particularly in relation to the progress different groups of pupils are making across the curriculum and the impact additional funding, such as the pupil premium is having
 - Staff performance is measured against rigorous targets linked to the quality of teaching and rates of pupil progress, with swift action taken by leaders if progress is not good enough
2. Rapidly improve the quality of teaching and the progress made by all pupils, in particular by:
 - Ensuring the highest standards of presentations in all work
 - All teachers regularly checking throughout their lessons that different groups of pupils, including disadvantaged pupils and Higher ability pupils are making sufficient progress and, if necessary, adapting the tasks given
 - Providing pupils with focussed guidance on how to improve the quality of their work, giving time to act upon feedback, to improve their learning
 - Keep a careful check that learning activities and additional support for higher attaining pupils, are helping them make faster progress, especially in Reading, Writing and Maths
 - Assessing pupils work and learning accurately and plan work which meets their needs
 - Teachers expectations of what pupils should achieve is higher, especially of the more able
 - Using additional adults to support and challenge all pupils, including the most able effectively
 - Involving and engaging parents, taking account of their views and concerns about the vision of the school, ensuring confidence and trust is secured
3. Raise pupil attainment throughout the school by ensuring that:
 - More pupils reach and exceed national expectations by the end of Year 6
 - More pupils make better progress, particularly in Reading, Writing and Maths
 - Pupils are given challenging targets that are regularly reviewed and accurately assessed in all classes
 - Pupil progress is closely checked so that any risk of under achievement are quickly identified and appropriate action is taken to secure improvement
 - Improving pupils' grammar, punctuation, spelling and handwriting skills in all curriculum areas
 - Giving pupils regular opportunities to practise their basic skills in other subjects
4. Improve pupils personal development, behaviour and welfare by:
 - Agreed behaviours for learning are consistently embedded across the school
 - Managing pupils behaviour in lessons and around the school appropriately and in line with school policy
 - Increasing expectations of pupil behaviour in line with school policy and supporting those pupils who require help to develop better self management
 - Working closely with parents to develop and sustain strong relationships, as partners in learning, ensuring attendance and punctuality improves, especially those who are persistently absent

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

Objectives and activities (continued)

Aim high believe, fly high achieve

- To ensure that every pupil enjoys the same high quality education in terms of resourcing, tuition and care;
- To fully update the curriculum to reflect the new requirements of the National Curriculum, especially looking at the provision for English and Maths;
- To continue 1-1 tuition for Pupil Premium and Year 6 pupils;
- To raise the standard of educational achievement of all pupils;
- To improve the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements;
- To conduct the Trust's business in accordance with the highest standards of integrity, probity and openness;
- To promoting healthy eating and active lifestyles;
- To continue to provide a counselling service for pupils and their families;
- To continue providing specialist music teaching to all children in Key Stage 2;
- To ensure every child achieves to their full potential.
- To consider future developments of the multi academy trust in line with the diocese vision.

Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's objectives and aims and in planning future activities for the year. Given the activities of the Trust and the student population that it services, the Trustees consider that the Company's aims are demonstrably to the public benefit.

Strategic report

Achievements and performance

THE HARROWBY/NATIONAL ACADEMIES TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Key performance indicators

Attendance

Harrowby Infant School - Pupil Attendance 2018-2019

Pupils on roll: 87

Overall attendance 2018-2019: 94.45%

Authorised absence: 4.62%

Unauthorised absence: 0.93%

The National Junior School - Pupil Attendance 2018-2019

Pupils on roll: 463

Overall attendance 2018-2019: 96.15%

Authorised absence: 3.31%

Unauthorised absence: 0.54%

Attendance at both schools has risen in the academic year, reflecting the appointment of an attendance officer and improved processes and procedures.

SEN Support

79 pupils cross the Trust received SEN support during the year, 7 of these having EHC plans.

KS1 Outcomes Harrowby Infant School

| % | Pre Key Stage | Working towards expected | Working at expected | GDS |
|-------------|--------------------------|--------------------------|---------------------|------|
| Reading | | 36.4 | 63.6 | 15.2 |
| Writing | | 33.3 | 66.7 | 6.1 |
| Mathematics | | 30.3 | 69.7 | 12.1 |

31 pupils- 18 Boys 13 Girls

The percentage of pupils achieving expectations or higher has decreased in 2019 for all subjects. This is partly due to the SATS being used as main indicator for achievement. This year if the standardised score has been more than 2 points below the teacher assessment, unless there were exceptional circumstances, the SAT score has been submitted as the result.

Phonics Screening Results

Year 2 90.9% achieved the standard

Year 1 84.8% achieved the standard of phase 5 phonics.

Y1 Attainment shows that boys and girls attainment is broadly in line when comparing groups. This demonstrates accelerated progress for the boys from 2018 EYFS results where the gap was 16% for GLD. Although 10 pupils were below ARE expectations at the end of EYFS progress has been accelerated so that 5 additional pupils attained ARE at the end of year 1.

EYFS

72.7% of pupils achieved a good level of development. The average point score rose in rank from 60th in 17/18 to 25th position in 18/19. The overall percentage and the average point score are above 2018 outcomes. This could demonstrate an improvement in outcomes, however the cohort is smaller than the previous year. The cohort consists of 22 pupils, 12 Boys, 10 Girls.

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

Strategic report (continued)

Achievements and performance (continued)

KS2 SATs National Junior School

| % | Working towards expected | Working at expected | GDS |
|-------------|--------------------------|---------------------|------|
| Reading | 35 | 65 | 25.2 |
| Writing | 14 | 86 | 25.2 |
| Mathematics | 39 | 61 | 17.9 |
| SPAG | 32.5 | 67.5 | 28.5 |

Y6: 123 pupils- 62 Boys 61 Girls

The percentage of pupils achieving expectations is in line with 2017 outcomes for all subjects but below 2018. The percentage achieving greater depth has improved from 2018 for Reading and RWM. Outcomes against 2018 NA for expected standard are 10% below for Reading, 8% above for Writing, 5% below for GPS and 16% below for Maths.

The cohort contained 25 PPG pupils, 19 SEN, 17 EAL and 15 pupils who joined the school in year 5/6. Many of the pupils have multi-group labels.

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence whilst reduced funding and pupil numbers may impact on this in coming years. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

Reserves policy

Subject to ESFA's constraints on permitted balances, the Trust's policy is to carry forward a prudent level of resources. Due to anticipated future cuts in funding, the situation will be kept under regular review. The reserves of the Trust are monitored regularly, reviewed and are considered to be sufficient for the Trust's requirements.

At 31 August 2019, free reserves held amount to £105,855 and restricted general funds amount to £739,284. The Trust is aware of the surplus funds currently at its disposal and regularly discusses how best to address these. There is a drift towards falling numbers and the reserves will be used to safeguard reduced income. It should be noted that some of the reserves are from school based income generation as well as GAG funding.

The amount of funds which can only be realised by disposing of tangible fixed assets amounted to £122,431.

No funds are in deficit except the pension reserve of £1,354,000.

Total funds at 31 August 2019 amount to (£386,430) and the combined balance on restricted general funds plus unrestricted general funds at 31 August 2019 is £845,139.

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

Strategic report (continued)

Financial review (continued)

Investment policy

The Trust operates an investment policy that seeks to maximise returns, minimise risk and maintain flexibility and access to funds. Current funds are held on deposit. Subject to the ESFA's constraints on permitted balances, the Trust's policy is to carry forward a prudent level of resources. Due to anticipated future cuts in funding, the situation will be kept under review. The reserves of the Trust are reviewed regularly and are considered to be sufficient for the Trusts' requirements.

Financial review

The Trust held fund balances at 31 August 2019 comprising £739,284 of restricted funds, a pension reserve deficit of £1,354,000, restricted fixed asset funds of £122,431 and £105,855 of unrestricted general funds.

Most of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes.

The grants received from the ESFA during the period ended 31 August 2019 and the associated expenditure are shown as restricted funds (non fixed assets) in the statement of financial activities.

During the period ended 31 August 2019, the total expenditure of £2,498,129 was less than recurrent grant funding from the ESFA. The excess of income over expenditure for the period was £58,239.

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention as the amount of carry forward is monitored. In the period under review, £739,284 was carried forward representing 2.9% of GAG income for the year.

Another key financial performance indicator is staffing costs as a percentage of core funding. For 2019 this was 84% and this will be monitored in future periods.

The Trust's support staff members are entitled to membership of the Local Government Pension Scheme. The Trust's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently the Trust's balance sheet shows a net liability of £1,354,000.

Pupil numbers at The National School have started to decline whilst pupil numbers at Harrowby School show a concerning decrease and need to be monitored very carefully, especially as the reduced numbers will eventually filter through to The National School. From September 2019 Harrowby Infant School will be admitting 3 years olds into the Early Years Class. We expect 10 additional pupils to start in the pre-Reception class in September 19 and stay within the Trust until they leave for secondary school. Additional activities are planned to raise awareness in the local community of the schools within the Trust. The increase to staff costs, especially for teaching staff, will have a significant impact on the funds available to the Trust, especially if the grants received from the ESFA do not cover these costs.

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

Strategic report (continued)

Financial review (continued)

Principal risks and uncertainties

The principal risks and uncertainties are centred around changes in the level of funding from the ESFA/DfE as well as significant falls in pupil numbers. It is recognised that staffing costs within this year are high. Additional support has been given to the growing number of 'Team around the Child' (TAC) and 'Education Health Care Plan' (EHCP) pupils who receive no additional funding/statements. The Trust SENDCo supported by the Assistant SENDCo and Pastoral Team continue to work with children from challenging backgrounds to enable them to access school life successfully. This is proving successful for these vulnerable pupils, but funding the additional staff members will have to be carefully considered in the future.

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating specifically to teaching, provision of facilities and other operational areas of the Trust and its finances. The Trustees have implemented a number of systems to assess risks that each Academy faces, especially in the operational areas (eg in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The Trust has fully implemented the requirements of the Safer Recruitment procedures with Trustees, including the Executive Headteachers, having attended relevant courses. All staff have received training on Child Protection. All Trustees have been made aware of the DfE Document Keeping Children Safe in Education.

The Trust currently has falling numbers on roll. As a result a School Resource Management Adviser visit occurred in July 2019. The resulting report received in September has identified recommendations, Opportunities and associated costed savings. However, some savings will not be apparent until the protection of current salaries finishes in 3 years time.

Financial oversight is exercised by the Chair of the Finance Committee and the Accounting Officer who reports to the Board. The current internal audit, produced by an outside provider, highlighted a number of recommendations to improve processes of internal control throughout the Trust, which have been brought to the attention of the Board of Trustees and implemented. Internal Audits continue to be regularly performed.

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

Fundraising

The Trust raises funds both for its own internal use and for external charities both monetary and physically (eg tins of soup). This may be by having non-uniform days, fairs, discos, selling charity merchandise. Each school has a dedicated Parent Teachers Association (FONS and PTFA who are registered with the Charities Commission for regulating fundraising) and work throughout the year to raise funds for the pupils of the Trust. We do not employ a professional fundraiser or commercial participator for internal fundraising, there has been no non-compliance of schemes or standards cited and no complaints have been received

We do not give contact details out to external fundraisers. Donations to charity days are asked for but no child is penalised, for instance if they do not bring money when it is a non-uniform day.

Internal fundraising, some with our PTA, this year includes:

- Hoodies for Year 6
- Christmas decorations
- Cake Raffle
- Christmas and Summer Fairs
- Commission received for sale of pupils photographs and book fairs
- Raffle prizes
- Commission received on clothing collection scheme
- Fun and Games Evenings at Harrowby

External charities the Trust supported this year include:

- Children in Need
- Food Bank
- Comic Relief
- Save The Children
- The Rotary Swimathon (from which we might apply for a grant from)
- The Passage
- Children's education in Gambia
- Happy Shoeday

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

Plans for future periods

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The Trust will continue to work to raise both the aspirations and outcomes of all its pupils at whatever age, closing gaps between the performances of different groups where this is needed, and ensuring they are able to proceed successfully to the next stage of their education.

Staffing costs will be reviewed to ensure appropriate levels are met. Pastoral staff continue to be employed to assist pupils who need additional support and resources, but who are not in receipt of specific individual funding and/or Pupil Premium. There are a number of pupils who find it difficult to access the full curriculum available to them due to a variety of social and economic issues. This, as well as other staffing costs, will be monitored closely during the next period to ensure any deficit is at least reduced if not eradicated.

Teaching and Learning

- To embed 'Power Maths' to deliver Mastery Maths across the Trust;
- To continue the excellent provision of music to all pupils in KS2;
- To continue to work with the teaching school alliances to place trainee teachers, host open days for prospective candidates and take part in initial interviews;
- To strengthen Teaching and Learning through internal CPD, teaching schools Mentor Training for host classroom teachers;
- Work with the LA's Behaviour Outreach Support Service (BOSS) on their Restorative Approach Programme focusing on children at risk of exclusion;
- To work with Caring2Learn initiative to improve provision for LAC;
- To engage with 'Challenge partners' for SLT CPD and to enable an annual review of teaching and learning provision;
- To further embed the UNICEF 'Rights Respecting Schools' ethos across all aspects of school life by working towards Gold Award
- To continue to implement the RE Agreed Syllabus and develop pupils understanding of Christianity as a worldwide faith through 'Understanding Christianity';
- To build upon existing standards for all pupil groups in maths, reading and writing by embedding current research practice.

Leadership

- Continue regular meetings between Chair, Executive Headteacher, Deputy Headteachers and SBM to monitor and evaluate operations across the Trust;
- Continue regular meetings with Chair, Executive Headteacher, SBM and Finance Officer to interrogate the Trust's finances;
- The Board of Trustees to review its composition and skills sets annually to clearly define strengths and weaknesses;
- To continue the drive to recruit Trustees with necessary skills;
- Following the Trustees skills review, appropriate training will be sourced for Trustees to attend, eg from the Diocese and other professional providers;
- A review of Governance and impact of the Trustee Action Plan to be conducted by David Tingle Autumn term 2 Autumn 2019 .
- Continue to develop leadership across the Trust;
- Strengthen professional relationships with Lincolnshire's Pupil Reintegration Team;
- To further develop the role of subject leaders across the Trust
- EHT to obtain NPQEL in the academic year 2019/20.

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

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

Funds held as custodian on behalf of others

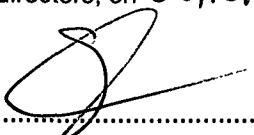
The properties the schools accommodate are owned by the Lincoln Diocese and includes 'Greenlawns' used by The National School for its playing fields. No rent is paid and all repairs and maintenance are fully met from the school's individual budgets or by obtaining Capital funding.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 02/12/19 and signed on its behalf by:


.....
Mr S Jones
(Chair of Trustees)

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the Executive 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 The Harrowby/National Academies Trust 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.

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 4 times during the year. Effective oversight has been maintained through a further 9 sub-committee meetings.

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

| Trustee | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| Mr D Thorpe, Chair of the Board to 9 September 2019 | 3 | 4 |
| Mrs J Sharp | 1 | 4 |
| Mrs A Comerford, Staff Trustee | 4 | 4 |
| Father S Craddock, Ex-officio | 4 | 4 |
| Mrs K Forster | 4 | 4 |
| Mrs J Gardner | 3 | 3 |
| Mr C Graves | 1 | 4 |
| Mr S Jones, Chair of the Board from 10 September 2019 | 3 | 3 |
| Miss S Leeson, Staff Trustee | 4 | 4 |
| Ms K Little (resigned 10 September 2018) | 0 | 0 |
| Mrs A Kozłowska, Staff Trustee | 4 | 4 |
| Miss R McClory | 3 | 3 |
| Mr A Mendham, Vice Chair | 3 | 4 |
| Mrs A Platt, Executive Headteacher and Accounting Officer | 4 | 4 |
| Mrs S Szulczewski | 2 | 4 |
| Mrs E Woods | 4 | 4 |

Trustees are appointed to the Board to add professional experience, energy and willingness to learn, in order to enhance both education provision and business operation of both Academies and the Trust.

A Skills Audit was last conducted in April 2019 having been regularly reviewed as Trustee vacancies have arisen.

Trustees are active participants in a range of Academy activities including attendance at open mornings, collective worship, themed curriculum events, learning walks at both schools and professional training sessions.

The Strategic Planning and Finance Committee is a sub-committee of the main board of Trustees. Its purpose is to consider and approve all expenditure for the Trust during the period, interrogate expenditure, and large expenditure items not originally budgeted for.

Attendance during the year at meetings was as follows:

| Trustee | Meetings attended | Out of a possible |
|-------------------|-------------------|-------------------|
| Mrs A Comerford | 3 | 3 |
| Father S Craddock | 0 | 3 |
| Mrs K Forster | 3 | 3 |
| Mr S Jones | 1 | 1 |
| Mrs A Kozłowska | 3 | 3 |
| Mr A Mendham | 3 | 3 |
| Mrs A Platt | 3 | 3 |
| Mrs J Sharp | 2 | 3 |

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

| | | |
|-------------|---|---|
| Mr D Thorpe | 3 | 3 |
| Mrs E Woods | 2 | 3 |

The Audit Committee is also a sub-committee of the main board of Trustees. Its purpose is to establish an effective risk management strategy, assess and manage key risks to the Trust and to ensure actions are in place to mitigate the risks identified.

The Audit Committee reformed during the course of the financial year to address potential conflicts of interest within the Trust. It is acknowledged that the Audit Committee did not meet as planned to ensure internal scrutiny. This will be addressed for the forthcoming year.

Attendance during the year at meetings was as follows:

| Trustee | Meetings attended | Out of a possible |
|--------------|-------------------|-------------------|
| Mr A Mendham | 3 | 3 |
| Mrs J Sharp | 3 | 3 |
| Mrs E Woods | 3 | 3 |

Review of value for money

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

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

- Ensuring processes through the scheme of delegation are adhered to;
- Obtaining competitive quotations for large expenditure in line with the Finance Policy;
- Working with an outside project management team to apply to the ESFA for CIF Funding for repair and maintenance of the properties, securing funding and tendering appropriately;
- Delegating responsibility for curriculum areas to Budget Holders and ensuring expenditure is appropriate;
- School Resource Management Adviser procurement.

The purpose of the system of internal control

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

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

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

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Julia Raftery Consulting Limited as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:

- Governance Arrangements
- Risk Management Arrangements
- Budget Management and Financial Planning
- Cash Management and Banking Arrangements
- Asset Management
- Purchasing Procedures and Tendering Arrangements
- Debit Cards
- Payroll Procedures
- Income
- Recruitment processes

On an annual basis, the internal auditor reports to the board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned, and the key recommendations arising from the July 2019 visit which were classified as high risk were as follows:

- Declaration of Interest forms has been processed electronically and it was not easy for the Internal Auditors to check the information. The Trust will revert back to paper forms.
- Due to an oversight the Budget Forecast Outturn Report was not reported to Trustees until after the reporting date. The report has now been timetabled into the Trustee meeting timetable.
- Levels of Bacs payments are to be reviewed to reduce approval levels one one person.
- Personnel files were kept in a locked office but not a locked filing cabinet. A key is to be purchased.

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

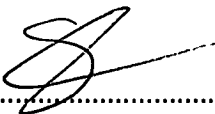
Review of effectiveness

As accounting officer, the Executive 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 auditors;
- the work of the executive managers within the Academy 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 audit 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 on 02/12/19 and signed on their behalf by:


.....
Mr S Jones
Chair of Trustees


.....
Mrs A Platt
Accounting Officer

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Harrowby/National Academies Trust I have considered my responsibility to notify the Academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

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

.....

Mrs A Platt

Accounting Officer

Date: 02/12/19

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

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

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

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

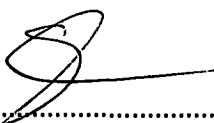
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the board of Trustees on 02/12/19 and signed on its behalf by:


.....
Mr S Jones
(Chair of Trustees)

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
HARROWBY/NATIONAL ACADEMIES TRUST**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
HARROWBY/NATIONAL ACADEMIES TRUST (CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
HARROWBY/NATIONAL ACADEMIES TRUST (CONTINUED)**

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
HARROWBY/NATIONAL ACADEMIES TRUST (CONTINUED)**



Mark Bradshaw (Senior statutory auditor)

for and on behalf of
Streets Audit LLP

Windsor House

A1 Business Park at

Long Bennington

Newark

Notts

NG23 5JR

Date: 6/12/2019

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
HARROWBY/NATIONAL ACADEMIES TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 27 March 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Harrowby/National Academies Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Harrowby/National Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Harrowby/National Academies Trust 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 The Harrowby/National Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Harrowby/National Academies Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Harrowby/National Academies Trust's funding agreement with the Secretary of State for Education dated 1 July 2012 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our audit work involved:

- a review of the Academy systems and controls and confirmation of their operation and effectiveness during the year;
- a detailed review of purchase transactions confirming the purpose, value for money and that appropriate tendering or quotation procedures had been followed in line with the Academy finance policy; and
- a review of the Internal Audit reports.

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
HARROWBY/NATIONAL ACADEMIES TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

Conclusion

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



Mark Bradshaw (Senior statutory auditor)

Streets Audit LLP

Windsor House
A1 Business Park at
Long Bennington
Newark
Notts
NG23 5JR

Date: 6/12/2019

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

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

| | Note | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Restricted fixed asset funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Income from: | | | | | | |
| Donations and capital grants | 3 | - | - | 45,255 | 45,255 | 19,453 |
| Charitable activities | | 155,409 | 2,556,368 | - | 2,711,777 | 2,710,223 |
| Investments | 5 | 436 | - | - | 436 | 520 |
| Total income | | 155,845 | 2,556,368 | 45,255 | 2,757,468 | 2,730,196 |
| Expenditure on: | | | | | | |
| Charitable activities | | 144,838 | 2,623,129 | 30,497 | 2,798,464 | 2,829,798 |
| Total expenditure | | 144,838 | 2,623,129 | 30,497 | 2,798,464 | 2,829,798 |
| Net income/(expenditure) | | 11,007 | (66,761) | 14,758 | (40,996) | (99,602) |
| Transfers between funds | 16 | - | 5,206 | (5,206) | - | - |
| Net movement in funds before other recognised gains/(losses) | | 11,007 | (61,555) | 9,552 | (40,996) | (99,602) |
| Other recognised gains/(losses): | | | | | | |
| Actuarial losses on defined benefit pension schemes | 21 | - | (388,000) | - | (388,000) | 232,000 |
| Net movement in funds | | 11,007 | (449,555) | 9,552 | (428,996) | 132,398 |

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

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

| Note | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Restricted fixed asset funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|------------------------------------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Reconciliation of funds: | | | | | |
| Total funds brought forward | 94,848 | (165,161) | 112,879 | 42,566 | (89,832) |
| Net movement in funds | 11,007 | (449,555) | 9,552 | (428,996) | 132,398 |
| Total funds carried forward | 105,855 | (614,716) | 122,431 | (386,430) | 42,566 |

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 36 to 59 form part of these financial statements.

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08105941

BALANCE SHEET
AS AT 31 AUGUST 2019

| | Note | 2019 £ | 2018 £ |
|--|------|-------------------------|----------------------|
| Fixed assets | | | |
| Tangible assets | 13 | 80,529 | 88,828 |
| | | <u>80,529</u> | <u>88,828</u> |
| Current assets | | | |
| Debtors | 14 | 67,437 | 107,379 |
| Cash at bank and in hand | | 863,632 | 828,109 |
| | | <u>931,069</u> | <u>935,488</u> |
| Creditors: amounts falling due within one year | 15 | (44,028) | (140,750) |
| Net current assets | | <u>887,041</u> | <u>794,738</u> |
| Total assets less current liabilities | | <u>967,570</u> | <u>883,566</u> |
| Net assets excluding pension liability | | <u>967,570</u> | <u>883,566</u> |
| Defined benefit pension scheme liability | 21 | (1,354,000) | (841,000) |
| Total net assets | | <u><u>(386,430)</u></u> | <u><u>42,566</u></u> |

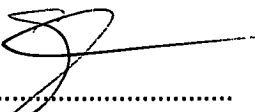
THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

| | Note | 2019 £ | 2018 £ |
|--|------|------------------|-----------------|
| Funds of the Academy | | | |
| Restricted funds: | | | |
| Fixed asset funds | 16 | 122,431 | 112,879 |
| Restricted income funds | 16 | 739,284 | 675,839 |
| | | | |
| Restricted funds excluding pension asset | 16 | 861,715 | 788,718 |
| Pension reserve | 16 | (1,354,000) | (841,000) |
| | | | |
| Total restricted funds | 16 | (492,285) | (52,282) |
| Unrestricted income funds | 16 | 105,855 | 94,848 |
| | | | |
| Total funds | | (386,430) | 42,566 |

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

The financial statements on pages 31 to 59 were approved by the Trustees, and authorised for issue on 02/12/19 and are signed on their behalf, by:


.....
Mr S Jones
(Chair of Trustees)

The notes on pages 36 to 59 form part of these financial statements.

THE HARROWBY/NATIONAL ACADEMIES TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

| | Note | 2019 £ | 2018 £ |
|---|------|----------------|----------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 18 | 12,030 | 49,540 |
| Cash flows from investing activities | 19 | 23,493 | (44,197) |
| Change in cash and cash equivalents in the year | | 35,523 | 5,343 |
| Cash and cash equivalents at the beginning of the year | | 828,109 | 822,766 |
| Cash and cash equivalents at the end of the year | 20 | <u>863,632</u> | <u>828,109</u> |

The notes on pages 36 to 59 form part of these financial statements

THE HARROWBY/NATIONAL ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

The Harrowby/National Academies Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Income

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

- **Grants**

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

- **Donations**

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

- **Other income**

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

THE HARROWBY/NATIONAL ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 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:

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

1. Accounting policies (continued)

1.6 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

| | |
|-------------------------|---------------------|
| Furniture and equipment | - 10% straight-line |
| Computer equipment | - 25% straight-line |

Land and buildings are owned by the Lincoln Diocesan Trust and Board of Finance Ltd and used under the terms of a supplemental agreement. The terms of the agreement do not transfer the benefits of ownership to the Trust and, consequently, the value of these assets has not been recognised in the financial statements.

Improvements to these properties, where incurred, are treated as a donation to the Lincoln Diocesan Trust and Board of Finance Ltd, and these costs are shown separately on the face of the SOFA.

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.

1.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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 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.

THE HARROWBY/NATIONAL ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.11 Pensions

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.12 Fund accounting

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

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

Estimates and judgments 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 present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

As explained in note 1.6 above, land and buildings are owned by the Lincoln Diocesan Trust and Board of Finance Ltd and used under the terms of a supplemental agreement. The terms of the agreement do not transfer the benefits of ownership to the Academies Trust and, consequently, the value of these assets has not been recognised in the financial statements.

THE HARROWBY/NATIONAL ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

3. Income from donations and capital grants

| | Unrestricted funds 2019 £ | Restricted fixed asset funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|-------------------|------------------------------------|---|-----------------------------|-----------------------------|
| Donations | - | - | - | 4,309 |
| Capital Grants | - | 45,255 | 45,255 | 15,144 |
| | - | 45,255 | 45,255 | 19,453 |
| <i>Total 2018</i> | 4,309 | 15,144 | 19,453 | |

4. Funding for the Academy's harrowby infant school

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ |
|----------------------------|------------------------------------|----------------------------------|-----------------------------|
| General Annual Grant (GAG) | - | 2,210,852 | 2,210,852 |
| Other DfE/ESFA grants | - | 289,217 | 289,217 |
| Local authority grants | - | 38,143 | 38,143 |
| Other income | 155,409 | 18,156 | 173,565 |
| | 155,409 | 2,556,368 | 2,711,777 |

| | Unrestricted funds 2018 £ | Restricted funds 2018 £ | Total funds 2018 £ |
|----------------------------|------------------------------------|----------------------------------|-----------------------------|
| DfE/ESFA grants | | | |
| General Annual Grant (GAG) | - | 2,237,782 | 2,237,782 |
| Other DfE/ESFA grants | - | 309,131 | 309,131 |
| Local authority grants | - | 47,752 | 47,752 |
| Other income | 106,866 | 8,692 | 115,558 |
| | 106,866 | 2,603,357 | 2,710,223 |

THE HARROWBY/NATIONAL ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

5. Investment income

| | Unrestricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|---------------|------------------------------------|-----------------------------|-----------------------------|
| Bank interest | 436 | 436 | 520 |

6. Expenditure

| | Staff Costs 2019 £ | Premises 2019 £ | Other 2019 £ | Total 2019 £ |
|----------------------------------|--------------------------|-----------------------|--------------------|--------------------|
| Academy's educational operations | | | | |
| Direct costs | 1,639,617 | - | 274,520 | 1,914,137 |
| Allocated support costs | 553,693 | 116,873 | 213,761 | 884,327 |
| | <u>2,193,310</u> | <u>116,873</u> | <u>488,281</u> | <u>2,798,464</u> |

| | Other 2018 £ | Total 2018 £ |
|-------------------------|--------------------|--------------------|
| Harrowby Infant School: | | |
| Direct costs | 1,976,658 | 1,976,658 |
| Allocated support costs | <u>853,140</u> | <u>853,140</u> |

7. Analysis of expenditure by activities

| | Activities undertaken directly 2019 £ | Support costs 2019 £ | Total funds 2019 £ |
|------------------------|---|-------------------------------|-----------------------------|
| Educational operations | <u>1,914,137</u> | <u>884,327</u> | <u>2,798,464</u> |

THE HARROWBY/NATIONAL ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

7. Analysis of expenditure by activities (continued)

| | <i>Activities undertaken directly 2018 £</i> | <i>Support costs 2018 £</i> | <i>Total funds 2018 £</i> |
|------------------------|--|---|---------------------------------------|
| Harrowby Infant School | 1,976,658 | 853,140 | 2,829,798 |

Analysis of support costs

| | Harrowby Infant School 2019 £ | Total funds 2019 £ | <i>Total funds 2018 £</i> |
|------------------|--|---------------------------------------|---------------------------------------|
| Staff costs | 553,693 | 553,693 | 504,243 |
| Depreciation | 9,373 | 9,373 | 6,919 |
| Technology costs | 40,501 | 40,501 | 33,797 |
| Premises costs | 116,873 | 116,873 | 129,957 |
| Other costs | 151,207 | 151,207 | 164,224 |
| Governance costs | 12,680 | 12,680 | 14,000 |
| | <u>884,327</u> | <u>884,327</u> | <u>853,140</u> |

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

| | 2019 £ | 2018 £ |
|---------------------------------------|-------------------|-------------------|
| Operating lease rentals | 13,692 | 16,622 |
| Depreciation of tangible fixed assets | 30,497 | 24,947 |
| Loss on disposal of fixed assets | - | 859 |
| Fees paid to auditors for: | | |
| - audit | 7,000 | 7,000 |
| - other services | 1,600 | 1,600 |

THE HARROWBY/NATIONAL ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

9. Staff costs

a. Staff costs

Staff costs during the year were as follows:

| | 2019 £ | 2018 £ |
|-----------------------|-------------------------|-------------------------|
| Wages and salaries | 1,643,963 | 1,567,245 |
| Social security costs | 147,017 | 129,009 |
| Pension costs | 368,624 | 376,023 |
| | <u>2,159,604</u> | <u>2,072,277</u> |
| Agency staff costs | 33,706 | 106,166 |
| | <u><u>2,193,310</u></u> | <u><u>2,178,443</u></u> |

b. Staff numbers

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

| | 2019 No. | 2018 No. |
|-------------------|-------------|-------------|
| Teachers | 29 | 28 |
| Admin and Support | 64 | 64 |
| Management | 1 | 1 |
| | <u>94</u> | <u>93</u> |

The average headcount expressed as full-time equivalents was:

| | 2019 No. | 2018 No. |
|-------------------|-------------|-------------|
| Teachers | 27 | 25 |
| Admin and Support | 36 | 31 |
| Management | 1 | 1 |
| | <u>64</u> | <u>57</u> |

THE HARROWBY/NATIONAL ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

9. Staff costs (continued)

c. Higher paid staff

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

| | 2019 | 2018 |
|-------------------------------|-------------|-------------|
| | No. | No. |
| In the band £60,001 - £70,000 | <u>1</u> | <u>1</u> |

d. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £420,650 (2018 - £413,818).

10. Central services

No central services were provided by the Trust to its academies during the year and no central charges arose. Costs relating to the trust are shared between the two schools equally, apart from some staffing costs which are apportioned based on the time spent working at each school.

THE HARROWBY/NATIONAL ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

11. Trustees' remuneration and expenses

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

| | | 2019 | 2018 |
|---|----------------------------|-----------------|-----------------|
| | | £ | £ |
| Mrs A Platt, Executive Headteacher and Accounting Officer | Remuneration | 65,000 - 70,000 | 65,000 - 70,000 |
| | Pension contributions paid | 10,000 - 15,000 | 10,000 - 15,000 |
| | | | |
| Miss S Leeson, Staff Trustee | Remuneration | 50,000 - 55,000 | 50,000 - 55,000 |
| | Pension contributions paid | 5,000 - 10,000 | 5,000 - 10,000 |
| | | | |
| Mrs A Comerford, Staff Trustee | Remuneration | 45,000 - 50,000 | 40,000 - 45,000 |
| | Pension contributions paid | 5,000 - 10,000 | 5,000 - 10,000 |
| | | | |
| Mrs A Kozlowska, Staff Trustee | Remuneration | 0 - 5,000 | 0 - 5,000 |
| | Pension contributions paid | 0 - 5,000 | 0 - 5,000 |
| Mrs L Short, Staff Trustee (resigned 19 September 2017) | Remuneration | nil | 0 - 5,000 |
| | Pension contributions paid | nil | 0 - 5,000 |

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

12. Trustees' and Officers' insurance

The Academy has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

THE HARROWBY/NATIONAL ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

13. Tangible fixed assets

| | Furniture and equipment £ | Computer equipment £ | Total £ |
|--------------------------|------------------------------------|----------------------------|------------|
| Cost or valuation | | | |
| At 1 September 2018 | 39,498 | 125,919 | 165,417 |
| Additions | - | 22,198 | 22,198 |
| At 31 August 2019 | 39,498 | 148,117 | 187,615 |
| Depreciation | | | |
| At 1 September 2018 | 3,850 | 72,739 | 76,589 |
| Charge for the year | 2,214 | 28,283 | 30,497 |
| At 31 August 2019 | 6,064 | 101,022 | 107,086 |
| Net book value | | | |
| At 31 August 2019 | 33,434 | 47,095 | 80,529 |
| At 31 August 2018 | 35,648 | 53,180 | 88,828 |

14. Debtors

| | 2019 £ | 2018 £ |
|--------------------------------|-----------|-----------|
| Due within one year | | |
| Other debtors | 12,858 | 32,135 |
| Prepayments and accrued income | 54,579 | 75,244 |
| | 67,437 | 107,379 |

THE HARROWBY/NATIONAL ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

15. Creditors: Amounts falling due within one year

| | 2019 | 2018 |
|------------------------------|---------------------------|----------------------------|
| | £ | £ |
| Trade creditors | - | 85,030 |
| Other creditors | 168 | - |
| Accruals and deferred income | 43,860 | 55,720 |
| | <hr/> 44,028 <hr/> | <hr/> 140,750 <hr/> |

THE HARROWBY/NATIONAL ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

16. Statement of funds

| | Balance at 1 September 2018 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2019 £ |
|---|--|-------------|------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General Funds | 94,848 | 155,845 | (144,838) | - | - | 105,855 |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG0 | 675,839 | 2,210,852 | (2,152,613) | 5,206 | - | 739,284 |
| Other ESFA grants | - | 289,217 | (289,217) | - | - | - |
| Other activities | - | 56,299 | (56,299) | - | - | - |
| Pension reserve | (841,000) | - | (125,000) | - | (388,000) | (1,354,000) |
| | (165,161) | 2,556,368 | (2,623,129) | 5,206 | (388,000) | (614,716) |
| Restricted fixed asset funds | | | | | | |
| Capital expenditure from GAG | 27,445 | - | (26,823) | - | - | 622 |
| ESFA capital grants | 85,434 | 45,255 | (3,674) | (5,206) | - | 121,809 |
| | 112,879 | 45,255 | (30,497) | (5,206) | - | 122,431 |
| Total Restricted funds | (52,282) | 2,601,623 | (2,653,626) | - | (388,000) | (492,285) |
| Total funds | 42,566 | 2,757,468 | (2,798,464) | - | (388,000) | (386,430) |

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

Unrestricted funds

Unrestricted funds represent both those resources, as well as funds transferred to the Academy from the Local Authority upon conversion, which may be used towards meeting any of the objects of the Academy at the discretion of the Trustees. These are not currently designated for particular purposes.

THE HARROWBY/NATIONAL ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

16. Statement of funds (continued)

Restricted Fixed Asset funds

Capital expenditure from GAG represents fixed asset expenditure transferred from other restricted income.

ESFA Grants represent funding received for specific capital purposes.

Restricted Revenue funds

General Annual Grant (GAG) is made up of a number of different funding streams, all of which are used to cover the running costs of the Academy.

Other ESFA Grants, other government grants and other restricted funds represent monies received for specific purposes.

Pension Reserve represents the current deficit balance of the Local Government Pension Scheme (LGPS).

Transfers between funds represent the use of recurrent income being used to fund capital expenditure.

Summary

The balance on restricted general funds plus unrestricted general funds at 31 August 2019 results in a net surplus of £845,139.

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

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

| | 2019 | 2018 |
|--|--------------------|------------------|
| | £ | £ |
| Harrowby Infant School | 405,672 | 404,548 |
| The National Junior School | 439,467 | 366,139 |
| | <hr/> | <hr/> |
| Total before fixed asset funds and pension reserve | 845,139 | 770,687 |
| Restricted fixed asset fund | 122,431 | 112,879 |
| Pension reserve | (1,354,000) | (841,000) |
| | <hr/> | <hr/> |
| Total | (386,430) | 42,566 |
| | <hr/> <hr/> | <hr/> <hr/> |

THE HARROWBY/NATIONAL ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

16. Statement of funds (continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs excluding depreciation £ | Total 2019 £ |
|----------------------------|---|--------------------------------------|------------------------------|---|-------------------------|
| Harrowby Infant School | 406,207 | 128,339 | 25,101 | 171,955 | 731,602 |
| The National Junior School | 1,333,410 | 325,354 | 45,176 | 332,425 | 2,036,365 |
| Academy | <u>1,739,617</u> | <u>453,693</u> | <u>70,277</u> | <u>504,380</u> | <u>2,767,967</u> |

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

16. Statement of funds (continued)

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

| | <i>Balance at 1 September 2017 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Transfers in/out £</i> | <i>Gains/ (Losses) £</i> | <i>Balance at 31 August 2018 £</i> |
|-------------------------------------|--|---------------------|--------------------------|-----------------------------------|----------------------------------|--|
| Unrestricted funds | | | | | | |
| General Funds | 78,578 | 111,695 | (95,425) | - | - | 94,848 |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG0 | 659,001 | 2,237,782 | (2,202,995) | (17,949) | - | 675,839 |
| Other ESFA grants | 28,638 | 309,131 | (309,128) | (28,641) | - | - |
| Other activities | - | 56,444 | (56,444) | - | - | - |
| Pension reserve | (933,000) | - | (140,000) | - | 232,000 | (841,000) |
| | (245,361) | 2,603,357 | (2,708,567) | (46,590) | 232,000 | (165,161) |
| Restricted fixed asset funds | | | | | | |
| Capital expenditure from GAG | 29,612 | - | (20,116) | 17,949 | - | 27,445 |
| ESFA capital grants | 47,339 | 15,144 | (5,690) | 28,641 | - | 85,434 |
| | 76,951 | 15,144 | (25,806) | 46,590 | - | 112,879 |
| Total Restricted funds | (168,410) | 2,618,501 | (2,734,373) | - | 232,000 | (52,282) |
| Total funds | (89,832) | 2,730,196 | (2,829,798) | - | 232,000 | 42,566 |

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17. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Restricted fixed asset funds 2019 £ | Total funds 2019 £ |
|--|--|--|--|---------------------------------------|
| Tangible fixed assets | - | - | 80,529 | 80,529 |
| Current assets | 105,855 | 783,312 | 41,902 | 931,069 |
| Creditors due within one year | - | (44,028) | - | (44,028) |
| Provisions for liabilities and charges | - | (1,354,000) | - | (1,354,000) |
| Total | 105,855 | (614,716) | 122,431 | (386,430) |

Analysis of net assets between funds - prior year

| | <i>Unrestricted funds 2018 £</i> | <i>Restricted funds 2018 £</i> | <i>Restricted fixed asset funds 2018 £</i> | <i>Total funds 2018 £</i> |
|--|--|--|--|---------------------------------------|
| Tangible fixed assets | - | - | 88,828 | 88,828 |
| Current assets | 94,848 | 816,589 | 24,051 | 935,488 |
| Creditors due within one year | - | (140,750) | - | (140,750) |
| Provisions for liabilities and charges | - | (841,000) | - | (841,000) |
| Total | 94,848 | (165,161) | 112,879 | 42,566 |

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18. Reconciliation of net expenditure to net cash flow from operating activities

| | 2019 £ | 2018 £ |
|---|---------------|---------------|
| Net expenditure for the year (as per Statement of financial activities) | (40,996) | (99,602) |
| Adjustments for: | | |
| Depreciation | 30,497 | 24,947 |
| Capital grants from DfE and other capital income | (45,255) | (15,144) |
| Interest receivable | (436) | (520) |
| Defined benefit pension scheme cost less contributions payable | 100,000 | 115,000 |
| Defined benefit pension scheme finance cost | 25,000 | 25,000 |
| Decrease/(increase) in debtors | 39,942 | (1,207) |
| (Decrease)/increase in creditors | (96,722) | 207 |
| Loss/(profit) on the sale of fixed assets | - | 859 |
| Net cash provided by operating activities | 12,030 | 49,540 |

19. Cash flows from investing activities

| | 2019 £ | 2018 £ |
|--|---------------|-----------------|
| Dividends, interest and rents from investments | 436 | 520 |
| Purchase of tangible fixed assets | (22,198) | (59,861) |
| Capital grants from DfE Group | 45,255 | 15,144 |
| Net cash provided by/(used in) investing activities | 23,493 | (44,197) |

20. Analysis of cash and cash equivalents

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Cash in hand | 863,632 | 828,109 |
| Total cash and cash equivalents | 863,632 | 828,109 |

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21. Pension commitments

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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21. Pension commitments (continued)

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £171,087 (2018 - £158,077).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £153,000 (2018 - £158,000), of which employer's contributions totalled £119,000 (2018 - £125,000) and employees' contributions totalled £ 34,000 (2018 - £33,000). The agreed contribution rates for future years are 18.6 per cent to 19.2 per cent for employers and various per cent for employees.

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

Principal actuarial assumptions

| | 2019 % | 2018 % |
|--|-----------|-----------|
| Rate of increase in salaries | 2.7 | 2.8 |
| Rate of increase for pensions in payment/inflation | 2.3 | 2.4 |
| Discount rate for scheme liabilities | 1.8 | 2.8 |
| Inflation assumption (CPI) | 2.3 | 2.4 |
| Commutation of pensions to lump sums | 50 | 50 |

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

| | 2019 Years | 2018 Years |
|-----------------------------|---------------|---------------|
| <i>Retiring today</i> | | |
| Males | 21.2 | 22.1 |
| Females | 23.5 | 24.4 |
| <i>Retiring in 20 years</i> | | |
| Males | 22.5 | 24.1 |
| Females | 25.2 | 26.6 |

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21. Pension commitments (continued)

Sensitivity analysis

| | 2019 | 2018 |
|--|-------------|-------------|
| | £000 | £000 |
| Discount rate +0.1% | 76 | 56 |
| Mortality assumption - 1 year increase | 120 | 68 |

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

| | At 31 August 2019 | At 31 August 2018 |
|-------------------------------------|------------------------------|------------------------------|
| | £ | £ |
| Equities | 1,202,310 | 1,033,680 |
| Corporate bonds | 263,520 | 212,400 |
| Property | 164,700 | 155,760 |
| Cash and other liquid assets | 16,470 | 14,160 |
| Total market value of assets | 1,647,000 | 1,416,000 |

The actual return on scheme assets was £41,000 (2018 - £31,000).

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

| | 2019 | 2018 |
|---|------------------|------------------|
| | £ | £ |
| Current service cost | (202,000) | (240,000) |
| Past service cost | (17,000) | - |
| Interest income | 41,000 | 31,000 |
| Interest cost | (66,000) | (56,000) |
| Total amount recognised in the Statement of financial activities | (244,000) | (265,000) |

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21. Pension commitments (continued)

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

| | 2019 £ | 2018 £ |
|--------------------------|------------------|------------------|
| At 1 September | 2,257,000 | 2,106,000 |
| Current service cost | 202,000 | 240,000 |
| Interest cost | 66,000 | 56,000 |
| Employee contributions | 34,000 | 33,000 |
| Actuarial losses/(gains) | 438,000 | (165,000) |
| Benefits paid | (13,000) | (13,000) |
| Past service costs | 17,000 | - |
| At 31 August | 3,001,000 | 2,257,000 |

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

| | 2019 £ | 2018 £ |
|------------------------|------------------|------------------|
| At 1 September | 1,416,000 | 1,173,000 |
| Interest income | 41,000 | 31,000 |
| Actuarial gains | 50,000 | 67,000 |
| Employer contributions | 119,000 | 125,000 |
| Employee contributions | 34,000 | 33,000 |
| Benefits paid | (13,000) | (13,000) |
| At 31 August | 1,647,000 | 1,416,000 |

22. Operating lease commitments

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

| | 2019 £ | 2018 £ |
|--|---------------|---------------|
| Not later than 1 year | 13,692 | 13,692 |
| Later than 1 year and not later than 5 years | 30,891 | 45,518 |
| | 44,583 | 59,210 |

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23. 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.

24. Related party transactions

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

Mr C Graves, Trustee, works for a company that delivers PE lessons at both schools. During the period the company invoiced the Trust £24,658 (2018 - £21,235) for these services, and there were no amounts outstanding at the year end. All such transactions were undertaken at arm's length and in accordance with the Trust's procurement policies.

The Trustees believe that the company Mr Graves is employed by provides the best value for money services in the local area, regardless of any connections to Trustees.

There are no other related party transactions other than certain trustees' remuneration and expenses already disclosed in note 11.