

THE HARROW ALTERNATIVE PROVISION ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

THE HARROW ALTERNATIVE PROVISION ACADEMY TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Bentley Wood High School Canons High School Harrow High School Hatch End High School Nower Hill High School Park High School Tithe Academy H Freed
Trustees	H Freed, Chair J Reavley, Accounting Officer and Executive Headteacher S Hammond P Gamble R Cozens A Mordant J Beaumont D Artrey K Ford (resigned 2 December 2019) F Carey
Company registered number	07949213
Principal and registered office	The Harrow Alternative Provision Academy Trust 73-77 Lowlands Road Harrow Middlesex HA1 3AW
Senior Leadership Team	M Jarrett, Head of School J Reavley, Accounting Officer and Executive Headteacher Y Ibrahim, Business Manager S Cooper, Business Manager
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
Bankers	Lloyds Bank PLC 105-109 Station Road Edgware London HA8 7JL

THE HARROW ALTERNATIVE PROVISION ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Harrow Alternative Provision Academy Trust ("the Charitable Company" or "the Trust") for the year to 31 August 2020. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law. The Trust operates an academy for pupils aged 11 to 16 serving a catchment area in the London Borough of Harrow. It has a pupil capacity of 80 and had a roll of 67 in the school census on 16th January 2020.

Structure, Governance and Management

Constitution

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents.

The Trustees of The Harrow Alternative Provision Academy Trust are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company operates as The Jubilee Academy ("the Academy" or "the School").

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' and Officers' Indemnities

The Trust has opted to be covered under the Government's Risk Protection Arrangements (RPA) scheme to protect Trustees, Governors and Officers, from claims arising from negligent acts, omissions or errors whilst performing Trust business.

Method of Recruitment and Appointment or Election of Trustees

The arrangements are as set out in the Articles and Funding Agreement.

The Trust looks to ensure a mix of skills and selects new Trustees on the basis of background, experience and specialist skills. Trustees are recruited from Academy contacts including parents and staff. The Trust includes members with a range of skills and experience including legal, finance, education and business. The Articles of Association make provision for up to 10 Trustees (2 Parents, 2 Staff – 1 Teaching, 1 Staff non-teaching, and 1 Local Authority Trustee plus the Executive Headteacher).

Policies and Procedures Adopted for the Induction and Training of Trustees

The Trust is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Trust provides internal training led by School staff and also links with a number of local training providers.

All new Trustees have an induction programme, according to their need, which includes introductory sessions, mentoring, formal training courses, and a tour of the School. This process will involve a meeting with the Chair of Trustees, selected students and staff. All Trustees are provided with a handbook plus copies of policies and procedures documents that are appropriate to the role they undertake as Trustees with particular emphasis on the committee work that they will undertake.

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Organisational Structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Board of Trustees, which meets on at least 5 occasions per year, is responsible for the strategic direction of the Trust. The Board reviews progress towards educational objectives and results; approves major expenditure requests; sets the budget for the following year; sets the organisational staffing structure and agrees the performance objectives of the Head of School.

The Executive Headteacher is the designated Accounting Officer and has overall responsibility for the day to day financial management of the Trust. The Head of School has delegated responsibility for low values of expenditure to specific budget holders who are responsible for managing their own departments within their allocated budgets. A system of financial controls is in place to manage this process.

The Head of School manages the Trust on a daily basis supported by a Senior Leadership Team (SLT). The SLT meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Executive Headteacher and the Board of Trustees as required for approval. Each member of the SLT has specific responsibilities to assist the Head of School to manage certain aspects of the Trust.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the school group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration is approved by the Pay committee and ratified by the Board of Trustees.

Trade Union Facility Time

The Trust has no employees that are Trade Union Representatives.

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which a Trustee may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust did not cooperate with any related party during the academic year in pursuit of its charitable activities and does not have a formal sponsor.

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There are eight members of the Trust, seven of which are their own Academy Trust.

These are:

Harrow High School
Park High School
Canons High School
Tithe Academy
Bentley Wood High School
Hatch End High School
Nower Hill High School
Howard Freed

The Members utilise the alternative education provision of the Trust, when required for their students. As each of the Members have less than 20% control of the Trust the income the Trust receives from each of the Members does not meet the definition of a related party transaction and is therefore not disclosed.

Objectives and Activities

Objects and Aims

The principal object and aim of the Trust is the operation of the School to provide free education and care for pupils of different abilities between the ages of 11 and 16. Specifically to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values.

Objectives, Strategies and Activities

The objectives of the Trust are to sustain and increase the pace of improvement so taking The Harrow Alternative Provision Academy Trust from 'Outstanding' to becoming a genuinely 'Great' school. The School's success will be based on us being:

- Challenging - That we continually innovate and believe that even excellence can be improved;
- Consistent - That we are all outstanding with as little variation within School as possible; and
- Sustainable - That we inspire new leaders and enable them to keep developing the School.

Academy Improvement Plan Priorities: The School Improvement Plan (SIP) identified four key whole school priorities for the sustained improvement of The Harrow Alternative Provision Academy Trust:

- To significantly enhance the attainment, progress and overall achievement of students;
- To significantly enhance the quality of leadership and management;
- To significantly enhance behaviour and attitudes for learning in KS3 and KS4; and
- To significantly enhance the quality of teaching and learning.

These priorities reflected the vision for The Harrow Alternative Provision Academy Trust to be:

- an outstanding and inclusive high performing school, in which every individual is valued & is given every opportunity to excel;
- one of the most highly respected learning institutions in the country, providing a first class learning experience for every student;

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- a reflective centre of excellence, with strong leadership at every level;
- committed to forging local, national and global partnerships enrich opportunities, in order to help radically improve the life chances of our students, by ensuring all make progress to employment and make a positive contribution in School and beyond;
- developing learners to have an understanding & appreciation of our environment, diversity & their place in the global community;
- committed to our core values, namely that all students can achieve, succeed and thrive; and
- valuing people, learning, diversity and partnerships - children come first.

Public Benefit

In setting our objectives and planning our activities the Trustees have carefully considered the Charity Commission's general guidance on public benefit'.

Strategic Report

Achievements and Performance

The Trust continued its mission to ensure that students achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left the School.

During the last 12-month period the Academy educated approximately 93 students between the ages of 11 and 16. This number is considerably reduced on previous years due to non referrals from schools after covid restrictions on 23rd March 2020. It provided a satisfactory and improving standard of education and this was confirmed by the academic results and measurements of added value.

The proportion of students gaining at least one GCSE's 9-1 was 100% compared to (100% in 2019) and 100% gaining five A*-G/9-1 compared to (88% in 2019). 95% students made good progress across all subjects when compared to their baseline entry levels.

This was an unusual year in which due to the Covid pandemic and the consequential disruption to the education of students, this year's results were based on centre assessed grades submitted by the School to exam boards. The School followed Ofqual guidance to triangulate key assessment data that was subject to internal moderation and checking before final agreement by the Head of School before submission.

Subjects with the best outcomes included: BTEC Tech Award Health and Social Care and Citizenship which secured results above/inline the National average.

The Academy offers a broad curriculum and educates children with a wide range of ability to support young people in reaching their potential in areas of School life. This included the introduction of the last cohort of new (9-1) grading system in all GCSE's. All KS4 students take GSCE's in the core subjects, GCSE History, a BTEC option, and a modern/home language as part of their option choices. This enables the School to enter students for the English Baccalaureate (EBacc) as an additional school performance measure and continue to produce 'well rounded' individuals who are able to make a positive contribution to society.

Key Performance Indicators (KPI)

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

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Financial

As funding is based on pupil numbers this is a KPI. Pupil numbers for 2019/20 were 115.

A further KPI is staffing costs as a percentage of total recurring income. For 2019/20 this was 79% against set parameters of 80%. The Board of Trustees is confident that staffing levels are closely monitored to agreed Full Time Equivalent and staffing structures all approved by them.

Non-Financial

The Academy was rated 'Good' in all categories by Ofsted who inspected in June 2015. Exam results as explained have been very pleasing and reflect the achievements of students. Student attendance improved from 76.74% to 78.9% through the academic year.

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 for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

In making this statement the Board of Trustees have taken into due consideration the effects upon the Trust of the COVID-19 pandemic, the partial closure of the School during the period and the changes in practices introduced from the 2020 Autumn term.

Further consideration on the Trust's ability to continue as a going concern as a result of the COVID-19 pandemic can be found in Note 1.2.

Financial Review

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2020 the Trust received £1,748,918 of GAG and other income. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent a total of £1,600,074 including capital projects. The Trust brought forward from 18/19, £692,591 of restricted funds and £14,663 of unrestricted. The carry forward for 19/20 is £838,651 of restricted funds and £17,447 of unrestricted.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £560,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Business Manager. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £17,447. This has been built up from a mixture of locally raised income, grants and GAG funding.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2020 was £856,098.

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The cash balance of the Trust has been very healthy all year, ending the year with a balance of £948,882.

The Trustees are also aware of upcoming cost pressures, for example, staff pay rises, pension and national insurance contributions, as well as non staff costs. The Trust is vulnerable to changes in commitment decisions of the commissioning schools and ESFA funding. The Trust, therefore, regards the level of reserves held as reasonable.

Investment Policy

An Investment Policy was approved by the Board of Trustees in March 2019.

The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise the Trust's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

Principal Risks and Uncertainties

The Trustees maintain a risk register identifying the major risks to which the Trust is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on a quarterly basis and the internal control systems and the exposure to said risks are monitored. The principal risks facing the Trust are outlined below; those facing the Trust at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an academy school, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- the Trust has considerable reliance on continued Government funding through the ESFA and whilst there is an injection of additional Commissioning income, this will not be enough to counteract the rise of the minimum wage, teachers pensions contribution rise and any other additional costs that the Government may choose to introduce;
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the School is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed;
- safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;

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- staffing - the success of the School is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - the Trustees have appointed Price Bailey to carry out a programme of internal scrutiny which includes independent and external checks on financial systems and records as required by the Academy Financial Handbook. With effect from 1 September 2020, The Trustees have appointed Alliotts to undertake the Trust's Internal Scrutiny as division is required by the Academies Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low;
- COVID-19 – the disruption to the School during the 2019/20 academic year brought a reduction in external income and a number of additional costs, not all of which were recoverable from Government. Autumn term 2020 opened with new restrictions around class sizes and social distancing among other things. The risk of the School having to close due to localised infections has been mitigated by extensive risk assessment planning and amended working practices; and an extensive programme of blended learning.
- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Trust is the annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

Fundraising

The Trust did not hold any fundraising events during the year.

Plans for Future Periods

The Trust's key objectives for 2019/20 are to continue the development and progress of the Academy, taking it from outstanding to great. The Academy Improvement Plan includes:

- Strengthen leadership and management further by ensuring that middle leaders' targets and success measures are as precise as those in the Academy's overall improvement plan.
- Increase the proportion of outstanding teaching so that most students make exceptional progress by ensuring that all lessons provide a secure, structured framework in which students can make progress.
- Ensuring that the target student numbers on roll is achieved.
- To improve students' literacy skills significantly by embedding key literacy strategies within teaching and learning in all learning areas.
- Continuing to embrace new technology to improve the quality of teaching and learning.

Provision 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 the Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

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TRUSTEES' REPORT (CONTINUED)
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Auditors

The Auditors, Price Bailey LLP, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 7 December 2020 and signed on its behalf by:

H Freed
Chair

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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Harrow Alternative Academy 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 Harrow Alternative Provision Academy 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.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year.

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

Trustee	Meetings attended	Out of a possible
H Freed, Chair	4	4
J Reavley, Accounting Officer and Executive Headteacher	4	4
S Hammond	3	4
P Gamble	2	4
R Cozens	4	4
A Mordant	4	4
J Beaumont	0	4
D Artrey	4	4
F Carey	1	1

Governance reviews:

A self-review of governance skills took place in June 2020.

Trustees have a sharp, detailed understanding of the Academy's work. They take an active role in monitoring the progress of students and are confident and accurate in their use of internal and national performance information. However, they do not always focus so sharply upon the progress of students in all subjects, because some parts of the Academy's planning lack precise success measures.

While the Trust does not specifically attract pupil premium funding, Trustees have a comprehensive picture of the progress of this key group of young people. Their close monitoring of this group is partly why the academic progress and attendance rates of these students have risen sharply.

While the vast majority of Trustees are rooted in the education sector, the Chair of Trustees continues to widen the experience and skills of his Trustee team. He has ensured that the education professionals on the Board of Trustees have wide experience in working with other agencies, in financial and personnel management, and in strategic development. Inspectors agree that this should remain a focus to ensure sustained challenge to the Trust's leaders and staff.

Trustees undertake their statutory duties diligently. They have a clear programme of policies review, and they systematically probe into the Academy's financial and safeguarding arrangements. They are fully involved in making decisions about pay for both teachers and support staff.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Board met fewer than six times during the year. The Board is satisfied that it maintains effective oversight given the size of the school. Management Accounts are presented to the Chair of Trustees on a monthly basis.

Committees

Due to the size of the School and Board, the Trustees have taken the decision to not have separate committees. All matters are brought to the full Board meetings.

Review of value for money

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

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

- using funding sources to deliver a range of interventions to improve the outcome of the most disadvantaged students;
- monitoring the Schools effectiveness using key indicators such as the percentage of students gaining 5 GCSEs 9-1 including English & Maths;
- having good procurement practices, including collaboration with frameworks and other schools. This covers a range of services including catering, cleaning, financial software, audit, energy, property management, banking and HR and payroll services;
- using shared services including project management and financial advice;
- having robust staffing – performance related pay & job evaluation;
- benchmarking with other Harrow secondary schools and other families of schools; and
- benefiting from an extensive programme of CPD delivered across Harrow secondary schools.

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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Harrow Alternative Academy Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the Annual Report and financial statements.

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GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- 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.

Internal Scrutiny/Audit

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Price Bailey as Internal Auditor.

With effect from 1 September 2020, The Trustees have appointed Alliotts to undertake the School's Internal Scrutiny as division is required in the FRC Ethical Standard for auditors.

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

- Key Financial Controls
- Payroll

On a termly basis, the Internal Auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an annual summary report to the Board outlining the areas reviewed, key findings, recommendations and conclusions to help the Board consider actions and assess year on year progress.

The Internal Auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of their work.

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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:

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the Internal Auditor;
- the work of the external Auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Board of Trustees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

H Freed
Chair
Date: 7 December 2020

J Reavley
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Harrow Alternative Provision Academy Trust I have considered my responsibility to notify the Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2019.

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

J Reavley
Accounting Officer

Date: 15 December 2020

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make 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 7 December 2020 and signed on its behalf by:

H Freed
Chair

THE HARROW ALTERNATIVE PROVISION ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
HARROW ALTERNATIVE PROVISION ACADEMY TRUST**

Opinion

We have audited the financial statements of The Harrow Alternative Provision Academy Trust (the 'Trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

THE HARROW ALTERNATIVE PROVISION ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
HARROW ALTERNATIVE PROVISION ACADEMY 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 Trustees' Report including the Strategic Report, the Governance Statement and the Accounting Officer's 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 Trust 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 HARROW ALTERNATIVE PROVISION ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
HARROW ALTERNATIVE PROVISION ACADEMY TRUST (CONTINUED)**

Responsibilities of Trustees

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

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. 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 Trust's Members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and its Members, as a body, for our audit work, for this Report, or for the opinions we have formed.

Gary Miller (Senior Statutory Auditor)
for and on behalf of
Price Bailey LLP
Chartered Accountants
Statutory Auditors
Causeway House

1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

16 December 2020

THE HARROW ALTERNATIVE PROVISION ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
HARROW ALTERNATIVE PROVISION ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING
AGENCY**

In accordance with the terms of our engagement letter dated 6 April 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Harrow Alternative Provision Academy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This Report is made solely to The Harrow Alternative Provision Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Harrow Alternative Provision Academy 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 Harrow Alternative Provision Academy Trust and ESFA, for our work, for this Report, or for the conclusion we have formed.

Respective responsibilities of The Harrow Alternative Provision Academy Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of The Harrow Alternative Provision Academy Trust's funding agreement with the Secretary of State for Education dated 1 July 2013 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

THE HARROW ALTERNATIVE PROVISION ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
HARROW ALTERNATIVE PROVISION ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING
AGENCY (CONTINUED)**

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance.
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity, propriety and compliance.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

Conclusion

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

Reporting Accountant

Price Bailey LLP

Date: 16 December 2020

THE HARROW ALTERNATIVE PROVISION ACADEMY TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	As restated Total funds 2019 £
Income from:						
Donations and capital grants	3	-	-	4,000	4,000	8,034
Charitable activities	4	1,713	1,338,884	-	1,340,597	1,274,990
Other trading activities	5	-	401,537	-	401,537	397,440
Investments	6	2,784	-	-	2,784	2,570
Total income		4,497	1,740,421	4,000	1,748,918	1,683,034
Expenditure on:						
Charitable activities	7	1,713	1,677,361	120,292	1,799,366	1,720,707
Total expenditure		1,713	1,677,361	120,292	1,799,366	1,720,707
Net movement in funds before other recognised gains/(losses)		2,784	63,060	(116,292)	(50,448)	(37,673)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(61,000)	-	(61,000)	(197,000)
Net movement in funds		2,784	2,060	(116,292)	(111,448)	(234,673)
Reconciliation of funds:						
Total funds brought forward		14,663	276,591	2,103,933	2,395,187	2,629,860
Net movement in funds		2,784	2,060	(116,292)	(111,448)	(234,673)
Total funds carried forward		17,447	278,651	1,987,641	2,283,739	2,395,187

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

The notes on pages 24 to 45 form part of these financial statements.

THE HARROW ALTERNATIVE PROVISION ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07949213

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	1,987,641	2,103,933
Current assets			
Debtors	14	17,535	23,153
Cash at bank and in hand		948,882	756,656
		966,417	779,809
Creditors due within one year	15	(83,019)	(43,855)
Net current assets		883,398	735,954
Total assets less current liabilities		2,871,039	2,839,887
Creditors due after more than one year	16	(27,300)	(28,700)
Net assets excluding pension liability		2,843,739	2,811,187
Defined benefit pension scheme liability	23	(560,000)	(416,000)
Total net assets		2,283,739	2,395,187
Funds of the Trust			
Restricted funds:			
Fixed asset funds	17	1,987,641	2,103,933
Restricted income funds	17	838,651	692,591
Pension reserve	17	(560,000)	(416,000)
Total restricted funds		2,266,292	2,380,524
Unrestricted income funds	17	17,447	14,663
Total funds		2,283,739	2,395,187

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 21 to 45 were approved by the Trustees, and authorised for issue on 07 December 2020 and are signed on their behalf, by:

H Freed
Chair

The notes on pages 24 to 45 form part of these financial statements.

THE HARROW ALTERNATIVE PROVISION ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	19	185,442	105,620
Cash flows from investing activities	20	6,784	(10,456)
Change in cash and cash equivalents in the year		192,226	95,164
Cash and cash equivalents at the beginning of the year		756,656	661,492
Cash and cash equivalents at the end of the year	21, 22	<u>948,882</u>	<u>756,656</u>

The notes on pages 24 to 45 form part of these financial statements

THE HARROW ALTERNATIVE PROVISION ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies

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

The Trust is a company limited by guarantee. The Members of the Company are named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member. The Trust's registered office is The Harrow Alternative Provision Academy Trust, 73-77 Lowlands Road, Harrow, Middlesex, HA1 3AW.

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Harrow Alternative Provision Academy Trust meets the definition of a public benefit entity under FRS 102.

The Trust's functional and presentational currency is Pounds Sterling.

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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Following the year end the Trust has been affected to a limited extent by restrictions imposed by the UK Government in response to the COVID-19 pandemic.

The Trust derives the majority of its income from local and national government grant funding which is secured for a number of years, under the terms of the Academy Funding Agreement with the Secretary of State for Education. This will ensure that the Trust can continue operating for a period of at least 12 months following the date of this report. The financial statements do not contain any adjustments that would be required if the Trust were not able to continue as a going concern.

THE HARROW ALTERNATIVE PROVISION ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.3 Income

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

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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.

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

1.6 Interest receivable

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

THE HARROW ALTERNATIVE PROVISION ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.7 Taxation

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

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

1.8 Tangible fixed assets

Assets costing £3,000 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:

Depreciation is provided on the following bases:

Land and buildings	- 25 Years
Furniture and equipment	- 7 Years
Computer equipment	- 5 Years

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.

1.9 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.

1.10 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.

THE HARROW ALTERNATIVE PROVISION ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.11 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.12 Financial instruments

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

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

THE HARROW ALTERNATIVE PROVISION ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.14 Fund accounting

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

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

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

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Capital grants	4,000	4,000	8,034
Total 2019	8,034	8,034	

In 2019, income receivable from capital grants was £8,034, all of which related to restricted fixed assets.

THE HARROW ALTERNATIVE PROVISION ACADEMY TRUST
(A Company Limited by Guarantee)

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

4. Funding for the Trust's Educational Operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	As restated Total funds 2019 £
DfE/ESFA grants				
General Annual grant	-	1,150,000	1,150,000	1,150,000
Other ESFA/DfE grants	-	105,358	105,358	108,421
	-	1,255,358	1,255,358	1,258,421
Other Government grants				
Local Authority grants	-	83,526	83,526	14,292
	-	83,526	83,526	14,292
Other funding				
Catering income	1,713	-	1,713	2,277
Total 2020	1,713	1,338,884	1,340,597	1,274,990
Total 2019 as restated	2,277	1,272,713	1,274,990	

In 2019, income from DfE / ESFA grants was £1,258,421, all of which was restricted.

In 2019, income from Other Government grants was £14,292, all of which was restricted.

In 2019, income from other incoming resources was £2,277, all of which was unrestricted.

In 2019, the Trust received income of £394,800 which was previously classified as a DfE/ESFA grant, this has been reclassified to income from other trading activities to show its true form.

5. Income from other trading activities

	Restricted funds 2020 £	Total funds 2020 £	As restated Total funds 2019 £
Other income	401,537	401,537	397,440
Total 2019 as restated	397,440	397,440	

In 2019, other income was £397,440 all of which was restricted.

THE HARROW ALTERNATIVE PROVISION ACADEMY TRUST
(A Company Limited by Guarantee)

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

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Short term deposits	2,784	2,784	2,570
	<u>2,784</u>	<u>2,784</u>	<u>2,570</u>
Total 2019	2,570	2,570	
	<u>2,570</u>	<u>2,570</u>	

In 2019, investment income was £2,570, all of which was unrestricted.

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Provision for Education					
Direct costs	979,265	-	19,345	998,610	917,018
Support costs	388,951	280,698	131,107	800,756	803,689
Total 2020	<u>1,368,216</u>	<u>280,698</u>	<u>150,452</u>	<u>1,799,366</u>	<u>1,720,707</u>
Total 2019	<u>1,230,692</u>	<u>284,024</u>	<u>205,991</u>	<u>1,720,707</u>	

In 2019, of total expenditure £NIL was on unrestricted funds, £1,596,035 was on restricted funds and £124,672 was on restricted fixed asset funds.

In 2019 direct costs consisted of £857,235 staff costs and £59,783 other costs.

In 2019 support costs consisted of £373,457 staff costs, £284,024 premises costs and £146,208 other costs.

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8. Charitable activities

	2020 £	2019 £
Direct costs	998,610	917,018
Support costs	800,756	803,689
	1,799,366	1,720,707
	1,799,366	1,720,707

	2020 £	2019 £
Analysis of support costs		
Support staff costs	388,951	373,457
Premises costs (excluding depreciation)	164,406	159,352
Depreciation	116,292	124,672
Technology costs	44,574	41,757
Legal costs	419	4,464
Governance costs	15,974	14,087
Other support costs	70,140	85,900
	800,756	803,689
	800,756	803,689

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	109,567	91,169
Depreciation of tangible fixed assets	116,292	124,672
Fees paid to Auditors for:		
- audit	4,175	5,440
- other services	4,435	3,855
	4,435	3,855
	4,435	3,855

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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	1,005,732	941,867
Social security costs	90,830	83,380
Pension costs	271,654	192,939
	<u>1,368,216</u>	<u>1,218,186</u>
Agency staff costs	-	12,506
	<u><u>1,368,216</u></u>	<u><u>1,230,692</u></u>

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	15	13
Administration and support	16	15
Management	3	3
	<u>34</u>	<u>31</u>

The average headcount expressed as full-time equivalents was:

	2020 No.	2019 No.
Teachers	11	12
Administration and support	12	13
Management	3	3
	<u>26</u>	<u>28</u>

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10. Staff (continued)

c. Higher paid staff

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

	2020	2019
	No.	No.
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-
	1	-

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 and employer national insurance contributions) received by key management personnel for their services to the Trust was £350,789 (2019 - £309,250). Costs of seconded key management personnel staff from other schools totalled £43,550 (2019 - £56,988).

Employer National Insurance contributions included within key management personnel remuneration was £31,775 (2019 - £27,568).

Employer pension contributions included within key management personnel remuneration was £51,803 (2019 - £41,324).

11. Trustees' remuneration and expenses

One or more Trustees have been paid remuneration or has received other benefits from an employment with the Trust. 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:

		2020	2019
		£	£
D Artrey	Remuneration	40,000 - 45,000	35,000 - 40,000
	Pension contributions paid	0 - 5,000	5,000 - 10,000
A Mordant	Remuneration	45,000 - 50,000	35,000 - 40,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000

During the year ended 31 August 2020, expenses totalling £436 were reimbursed or paid directly to 1 Trustee (2019 - £706 to 2 Trustees). Expenses related to travel and subsistence payments incurred in the year.

J Reavley is also Executive Headteacher of Tithe Academy, one of the Members of the Trust from where he is seconded. Tithe Academy charged the Trust £43,550 (2019 - £56,988) for his services.

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12. Trustees' and Officers' insurance

The Trust has opted into the Department for 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.

13. Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2019	2,414,904	87,654	198,001	2,700,559
At 31 August 2020	<u>2,414,904</u>	<u>87,654</u>	<u>198,001</u>	<u>2,700,559</u>
Depreciation				
At 1 September 2019	373,848	67,249	155,529	596,626
Charge for the year	93,501	12,522	10,269	116,292
At 31 August 2020	<u>467,349</u>	<u>79,771</u>	<u>165,798</u>	<u>712,918</u>
Net book value				
At 31 August 2020	<u><u>1,947,555</u></u>	<u><u>7,883</u></u>	<u><u>32,203</u></u>	<u><u>1,987,641</u></u>
At 31 August 2019	<u><u>2,041,056</u></u>	<u><u>20,405</u></u>	<u><u>42,472</u></u>	<u><u>2,103,933</u></u>

14. Debtors

	2020 £	2019 £
Due within one year		
VAT Recoverable	9,137	15,215
Prepayments and accrued income	8,398	7,938
	<u>17,535</u>	<u>23,153</u>

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15. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	7,587	5,303
Other taxation and social security	25,210	21,026
Other creditors	23,143	-
Accruals and deferred income	27,079	17,526
	83,019	43,855
	83,019	43,855
	2020 £	2019 £
Deferred income brought forward	6,131	6,643
Resources deferred during the year	14,252	6,131
Amounts released from previous periods	(6,131)	(6,643)
Deferred income carried forward	14,252	6,131
	14,252	6,131

16. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Accruals and deferred income	27,300	28,700
	27,300	28,700

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17. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds					
General funds	14,663	4,497	(1,713)	-	17,447
Restricted general funds					
General Annual Grant	692,591	1,150,000	(1,003,940)	-	838,651
Other DfE / ESFA grants	-	105,358	(105,358)	-	-
Other Government grants	-	83,526	(83,526)	-	-
Other restricted funds	-	401,537	(401,537)	-	-
Pension reserve	(416,000)	-	(83,000)	(61,000)	(560,000)
	<u>276,591</u>	<u>1,740,421</u>	<u>(1,677,361)</u>	<u>(61,000)</u>	<u>278,651</u>
Restricted fixed asset funds					
Restricted fixed asset fund	2,103,933	-	(116,292)	-	1,987,641
Devolved Formula Capital	-	4,000	(4,000)	-	-
	<u>2,103,933</u>	<u>4,000</u>	<u>(120,292)</u>	<u>-</u>	<u>1,987,641</u>
Total Restricted funds	<u>2,380,524</u>	<u>1,744,421</u>	<u>(1,797,653)</u>	<u>(61,000)</u>	<u>2,266,292</u>
Total funds	<u><u>2,395,187</u></u>	<u><u>1,748,918</u></u>	<u><u>(1,799,366)</u></u>	<u><u>(61,000)</u></u>	<u><u>2,283,739</u></u>

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17. Statement of funds (continued)

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

General Annual Grant: This fund is for the purpose of running the Trust in accordance with the Funding Agreement with the Secretary of State and along guidelines as set out in the Academies Financial Handbook.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

Other DfE / ESFA grants: This fund has also arisen from funding received from the Department for Education and the Education and Skills Funding Agency for the furtherance of the Trust's activities that are not funded through the General Annual Grant.

Other Government grants: This fund represents funding received for Teachers' pay and pension increase grants from the Local Authority.

Other restricted fund: This restricted fund has arisen from other income that the Academy has received, primarily commissioning income for the placement of pupils from other Academies.

Pension reserve: This liability has arisen from the Local Government Pension Scheme, which was inherited by the Academy on conversion. See note 23 for further details on this liability.

Restricted fixed asset funds: These funds have arisen from fixed assets inherited upon conversion and from the subsequent purchases of new assets for use by the Trust. All assets held are specifically for the use of the Trust.

Devolved Formula Capital grant: This represents funding received from ESFA specifically for the maintenance and improvement of the Trust's assets and facilities.

Unrestricted funds: These have arisen from activities carried out by the Trust for raising funds and are unrelated to any form of government assistance and therefore the Trust can choose to spend it however it chooses.

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17. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General funds	9,816	4,847	-	-	-	14,663
Restricted general funds						
General Annual Grant	583,499	1,150,000	(1,027,882)	(13,026)	-	692,591
Other DfE / ESFA grants	-	108,421	(108,421)	-	-	-
Other Government grants	-	14,292	(14,292)	-	-	-
Other restricted funds	-	397,440	(397,440)	-	-	-
Pension reserve	(171,000)	-	(48,000)	-	(197,000)	(416,000)
	<u>412,499</u>	<u>1,670,153</u>	<u>(1,596,035)</u>	<u>(13,026)</u>	<u>(197,000)</u>	<u>276,591</u>
Restricted fixed asset funds						
Restricted fixed asset fund	2,207,545	-	(124,672)	21,060	-	2,103,933
Devolved Formula Capital	-	8,034	-	(8,034)	-	-
	<u>2,207,545</u>	<u>8,034</u>	<u>(124,672)</u>	<u>13,026</u>	<u>-</u>	<u>2,103,933</u>
Total Restricted funds	<u>2,620,044</u>	<u>1,678,187</u>	<u>(1,720,707)</u>	<u>-</u>	<u>(197,000)</u>	<u>2,380,524</u>
Total funds	<u><u>2,629,860</u></u>	<u><u>1,683,034</u></u>	<u><u>(1,720,707)</u></u>	<u><u>-</u></u>	<u><u>(197,000)</u></u>	<u><u>2,395,187</u></u>

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18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	1,987,641	1,987,641
Current assets	17,447	948,970	-	966,417
Creditors due within one year	-	(83,019)	-	(83,019)
Creditors due in more than one year	-	(27,300)	-	(27,300)
Provisions for liabilities and charges	-	(560,000)	-	(560,000)
Total	17,447	278,651	1,987,641	2,283,739

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	2,103,933	2,103,933
Current assets	14,663	765,146	-	779,809
Creditors due within one year	-	(43,855)	-	(43,855)
Creditors due in more than one year	-	(28,700)	-	(28,700)
Provisions for liabilities and charges	-	(416,000)	-	(416,000)
Total	14,663	276,591	2,103,933	2,395,187

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

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(50,448)	(37,673)
Adjustments for:		
Depreciation	116,292	124,672
Capital grants from DfE and other capital income	(4,000)	(8,034)
Interest receivable	(2,784)	(2,570)
Pension adjustments	83,000	48,000
Decrease/(increase) in debtors	5,618	(15,436)
Increase/(decrease) in creditors	37,764	(3,339)
Net cash provided by operating activities	185,442	105,620

20. Cash flows from investing activities

	2020 £	2019 £
Interest	2,784	2,570
Purchase of tangible fixed assets	-	(21,060)
Capital grants from DfE Group	4,000	8,034
Net cash provided by/(used in) investing activities	6,784	(10,456)

21. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	948,882	756,656
Total cash and cash equivalents	948,882	756,656

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FOR THE YEAR ENDED 31 AUGUST 2020

22. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	756,656	192,226	948,882
	<u>756,656</u>	<u>192,226</u>	<u>948,882</u>

23. Pension commitments

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

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

Contributions amounting to £23,143 were payable to the schemes at 31 August 2020 (2019 - £NIL) and are included within creditors.

Teachers' Pension Scheme

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

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

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23. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £130,882 (2019 - £86,562).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £88,000 (2019 - £84,000), of which employer's contributions totalled £65,000 (2019 - £64,000) and employees' contributions totalled £ 23,000 (2019 - £20,000). The agreed contribution rates for future years are 18.3 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	2.9	2.6
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9
Inflation assumption (CPI)	2.2	2.3
	2.2	2.3

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23. Pension commitments (continued)

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

	2020 Years	2019 Years
Retiring today		
Males	22.0	21.2
Females	24.3	23.5
Retiring in 20 years		
Males	23.1	22.3
Females	26.3	25.0

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	(39,000)	(39,000)
Discount rate -0.1%	39,000	39,000
Mortality assumption - 1 year increase	52,000	42,000
Mortality assumption - 1 year decrease	(52,000)	(42,000)
CPI rate +0.1%	36,000	35,000
CPI rate -0.1%	(36,000)	(35,000)

Share of scheme assets

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

	2020 £	2019 £
Equities	562,000	500,000
Corporate bonds	95,000	89,000
Property	51,000	44,000
Cash and other liquid assets	22,000	-
Total market value of assets	730,000	633,000

The actual return on scheme assets was £11,000 (2019 - £46,000).

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23. Pension commitments (continued)

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

	2020 £	2019 £
Current service cost	140,000	103,000
Past service cost	-	3,000
Interest income	(13,000)	(15,000)
Interest cost	21,000	21,000
Total amount recognised in the Statement of Financial Activities	148,000	112,000

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

	2020 £	2019 £
At 1 September	1,049,000	674,000
Interest cost	21,000	21,000
Employee contributions	23,000	20,000
Actuarial losses	59,000	228,000
Benefits paid	(2,000)	-
Past service costs	-	3,000
Current service cost	140,000	103,000
At 31 August	1,290,000	1,049,000

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

	2020 £	2019 £
At 1 September	633,000	503,000
Interest income	13,000	15,000
Actuarial (losses)/gains	(2,000)	31,000
Employer contributions	65,000	64,000
Employee contributions	23,000	20,000
Benefits paid	(2,000)	-
At 31 August	730,000	633,000

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24. Operating lease commitments

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

	2020 £	2019 £
Not later than 1 year	109,567	92,072
Later than 1 year and not later than 5 years	431,418	365,621
Later than 5 years	1,102,500	1,443,750
	<u>1,643,485</u>	<u>1,901,443</u>

25. Members' liability

Each Member of the Charitable Company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a Member, or within one year after he/she ceases to be a Member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a Member.

26. Related party transactions

Owing to the nature of the Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Fees were paid to Tithe Academy, an Academy Trust of which J Reavley is also Accounting Officer, of £43,550 (2019 - £56,988) for the secondment of senior employees. In entering into the transaction, the Trust has complied with the requirements of the Academies Financial Handbook. The element above £2,500 has been provided at no more than cost and Tithe Academy has provided a statement of assurance confirming this. Services were also charged to Tithe Academy for student placement services, which totalled £36,000 (2019 - £36,000). There were no amounts outstanding from either party at 31 August 2020 (2019 - £NIL).

Services were charged to Harrow Academies Trust, an Academy Trust which shares common Trustees, for student placement services totalling £13,600 (2019 - £9,600). There were no amounts outstanding at 31 August 2020 (2019 - £NIL).

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