

HARROW HIGH SCHOOL

(A Company Limited by Guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

HARROW HIGH SCHOOL
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	P Bains (appointed 28 September 2020) S Clayton R Dennison (appointed 24 February 2021) D Campbell (appointed 24 February 2021)
Trustees	P Bains, Chair S Clayton S Fisher P Gamble, Headteacher & Accounting Officer R Hayward J Lang K Patel M Patel N Rowlands I Shaikh A Vaghela (appointed 15 July 2021) P Assad (appointed 15 July 2021) V Campbell (appointed 15 July 2021) A Sa'id (appointed 15 July 2021)
Company registered number	07695709
Company name	Harrow High School
Principal address and registered office	Harrow High School Gayton Road Middlesex HA1 2JG
Senior Leadership Team	P Gamble, Headteacher & Accounting Officer J Buchanan, Deputy Headteacher M Jukes, Deputy Headteacher J Ngatia, Assistant Headteacher A Holyszko, Assistant Headteacher A Charles, Assistant Headteacher N Corner, Assistant Headteacher K Patel, Assistant Headteacher L Sidoli, Executive Assistant J Talton, Head of Operations A Desai, Head of Humanities R Best, Head of English
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Bankers

Lloyds Bank PLC
105-109 Station Road
Edgware
London
HA8 7JL

HARROW HIGH SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Harrow High School ("the Charitable Company", "the Trust" or "the Academy") for the period 1 September 2020 to 31 August 2021. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Charitable Company operates an academy school ("the School") for pupils aged 11 to 19 serving a catchment area in the London Borough of Harrow. It has a pupil capacity of 900 and currently has a roll of 877 (October 2021) (excluding Sixth Form) and 977 including Sixth Form (pupil capacity of 900 refers to Years 7-11).

Structure, Governance and Management Constitution

Harrow High School was formed in August 2011 as a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents.

The Trustees of the Academy are the Directors of the Charitable Company for the purposes of company law.

Details of the Trustees who served during the year except as noted are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

In accordance with standard practice, the Academy has purchased insurance to protect the Trustees and Officers of the Company from the claims arising from negligent acts, errors or omissions whilst on Academy business. The cover under the policy is £1 million and in the period under review the policy premium was £270.

Method of recruitment and appointment or Election of Trustees

The Academy 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 Academy looks to maintain Trustees with a wide range of skills and experiences including the following:

- A member with a legal background;
 - A member with a financial/accounting background;
 - A member with education experience;
 - A member with senior managerial or business experience;
 - A member with estates experience; and
- It is likely that members will have expertise in more than one of these areas.

Policies and Procedures Adopted for the Induction and Training of Trustees

Trustees are provided with induction training and a wider programme of training events is organised according to their needs.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Organisational structure

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

The day-to-day administration is undertaken within the policies and procedures written and approved by the Board of Trustees, which provide for significant personnel and expenditure decisions and major capital projects to be referred to the Trustees for prior approval. These policies and procedures are based on guidance from DfE.

The Trustees meet at least 3 times a year and delegate responsibilities to a number of Sub-Committees, including Finance, Staffing and Audit, Curriculum, and Safeguarding Committees. Each Committee works under the guidance of a Trustee, appointed at the first Committee meeting of the academic year. Written terms of reference are reviewed once a year and the clerk to Trustees co-ordinates the work of the Trustees and Committees.

The Headteacher is the designated Accounting Officer and has overall responsibility for the day to day financial management of the Academy. The Headteacher manages the Academy on a daily basis supported by a Senior Leadership Team (SLT).

Arrangements for setting pay and remuneration of key management personnel

'Key management personnel' include all Trustees and the Senior Leadership Team, which comprises the Headteacher, 3 Deputy Headteachers and 4 Assistant Headteachers. It also includes the Executive Assistant and Head of Operations

The Headteacher and other staff Trustees only received remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees.

The Senior Leadership Team's remuneration is set by the Headteacher, except the Headteacher's remuneration which is set by the Board of Trustees.

Trade union facility time

During the year 2 employees of the Academy, on a 100% full time equivalent contract, acted as union officials. The employees spent time equating to between 1% and 50% of their time on union facilities. The total cost of facility time is £5,616 for the year, representing less than 1% of the total pay bill. No time was spent on paid trade union activities.

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, 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 Academy'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 Handbook.

The Academy is one of seven member academies of The Harrow Alternative Provision Academy Trust (The Jubilee Academy), which has been set up to provide alternative education provision in the London Borough of Harrow. As the Trust has less than 20% control of The Harrow Alternative Provision Academy Trust any expenditure does not meet the definition of a related party transaction and is not disclosed.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and Activities Objects and Aims

The Charitable Company's objects, as set out in the Memorandum of Association, are to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the School offering a broad curriculum with a strong emphasis, but in no way limited to one or a combination of the specialisms specified in the funding agreements entered into between the Charitable Company and the Secretary of State for Education ("Secretary of State").

Within the objects, the Academy aims to create an environment to nurture children, to get the best from them and to allow them to develop and fulfil their potential. We aim to provide students with a first class education and a wide range of opportunities. This is done in a way which is consistent with the ethos that every child will be valued, respected and cared for, and through a daily moral purpose to provide the best learning experience for all.

The objective is to provide education for students of all abilities between the ages of 11 and 19. All children who apply are admitted (up to the capacity of the Academy), with no selection criteria.

Consistent with other academies in the United Kingdom we aim to raise the educational outcomes from the levels inherited from the predecessor school, and to increase student numbers.

Objectives, Strategies and Activities

The objectives of the Academy are to sustain and increase the pace of improvement so taking Harrow High School from 'Good' to becoming a genuinely 'Outstanding' 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
- Sustainable - that we inspire new leaders and enable them to keep developing the School

School Improvement Plan Priorities: The SIP is a three year plan (2018-21) and identified 3 key whole school priorities for the sustained improvement of the Academy.

- Learners need to develop an excellent, comprehensive knowledge base across all subjects
- Learners should develop an excellent understanding of key concepts and theories across all subjects to a level above that at which they are studying
- Excellent classroom practice and the highest expectations ensure that every learner in every lesson is encouraged to read, write, think and act at levels well above that expected for their age and current achievement profile such that progress over time is excellent for every learner in every classroom

These priorities reflected the vision for the Academy to be:

- an outstanding and inclusive high performing School, in which every individual is valued and 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 learner;
- a reflective centre of excellence, with strong leadership at every level;
- committed to forging local, national and global partnerships to enrich opportunities, in order to help radically improve the personal development and life chances of our learners, by ensuring all make progress to employment and make a positive contribution in School and beyond; and
- developing learners to have an understanding and appreciation of our environment, diversity and their place in the global community;

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FOR THE YEAR ENDED 31 AUGUST 2021

Despite the set-backs and challenges that have happened during the COVID-19 pandemic, the School continues to make good progress towards the objectives from the 2018-2021 Improvement Plan.

Public Benefit

In setting objectives and planning activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. The Academy also makes its facilities available to the community outside of educational hours at reduced rates and is heavily used by all sections of the local community.

Strategic Report

Achievements and Performance

During the last 12 month period the Academy educated approximately 920 students between the ages of 11 and 19. We currently have 171 learners in Year 7.

The Academy provided an outstanding standard of education and this was confirmed by the academic results at KS4 and KS5, which shows a continuing trend of improvement. Results this year were from Centre Assessment Grades as a result of the School closure between March and September.

At GCSE, 64% of learners achieved the grade 4 in English and Maths, with 40% achieving Level 5 in both subjects, generating an estimated Progress 8 score of 0.54. Progress has been consistently good for the last 4 years. At A-Level learners in Year 13 achieved 80% of A level grades at A*-B and 92% at A*-C. Our BTEC results are 97% Distinction or Distinction*.

When results were last published in 2019, the School ranked in the top 10% of schools nationally for A level value added and in the top 1% for value added in BTEC courses.

As a result, learners from the Academy regularly progress to some of the best universities in the world. This emphasis on achievement is underpinned by our ethos of "Excellence for All". This means that at the Academy we have the highest expectations of and aspirations for each other in all that we do and this is reflected in the excellent behaviour and attitudes to our learning of our young people.

Key Performance Indicators

The Academy was rated "Good" in all categories in Ofsted who inspected in March 2018. This follows a similar judgement in 2014.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason the Board of Trustees 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 Academy 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 Academy's ability to continue as a going concern as a result of the COVID-19 pandemic can be found in Note 1.2.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

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). Additional funds were received from letting facilities to third parties, and from bank interest. For the year ended 31 August 2021 the Trust received £7,228,301 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.

A surplus of funds of £140,012 from unrestricted and restricted general funds has been achieved. The Trust brought forward from 19/20, £294,712 of unrestricted funds and no restricted general funds. The carry forward for 20/21 is £434,724 of which £40,710 is restricted funds and £394,014 is unrestricted funds.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £3,609,000. 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.

At 31 August 2021 cash funds of £650,974 were held in bank accounts for the Academy. Some of these funds were held either in higher rate fixed term deposit accounts or in normal deposit accounts. All funds were held with Lloyds bank. These funds have largely been accumulated through a significant brought forward surplus, sustainable budget setting and good financial control to ensure we are able to sustain improvements over a number of years.

Both financial and educational Key Performance Indicators are used to track progress against objectives, and to identify quickly any worrying trends. These KPIs include student numbers, staff costs as a % of income and FTE to budget, cash held and reporting on the strength of the Balance Sheet.

Reserves Policy

The Board of Trustees review the reserve level of the Academy annually and having determined an appropriate level of free reserves (total funds less the amount held in restricted fixed assets, restricted and designated funds), that represents the amounts deemed to be necessary to deal with unexpected emergencies, the Trustees have assessed this as £250,000 and currently it stands at £394,014.

The Trustees are also aware of upcoming cost pressures in pension and national insurance contributions and the impact of the continuing reduction in student led funding. They therefore regard the level of reserves held as reasonable.

In reviewing their reserves the Academy noted that the total at the year-end of restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was £434,724.

Investment Policy and Powers

Our investment policy is zero risk based and funds will only be lodged with organisations with the highest possible credit rating. Fixed term deposits will only be taken out where we are sure the funds will not be required during the duration of the term.

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TRUSTEES' REPORT (CONTINUED)
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Principal Risks and Uncertainties

The Trustees have considered and assessed the principal risks and uncertainties facing the Academy and have identified the following key risks and mitigating actions:

Financial Risk

The Academy has considerable reliance on continued Government funding through the ESFA and whilst there has been a small injection of additional funding there is a risk that significant salary and pension increases for teachers and/or support staff will be insufficiently funded in the future. There is a continued SEN income risk for learners on ECHPs that Local Authority funding is not received in full or on time by the Academy. The Academy continues to make prudent assumptions regarding salary increases and funding increases when looking at forecasts.

The Accounting Officer and Chief Financial Officer, who is also the Academy's Finance Manager are suitably qualified to mitigate failures in governance and/or management arising from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, to the EFSA. The Academy has in place a written scheme of financial delegation that maintains robust internal controls. In addition:

Trustees maintain a robust oversight of the Academy's affairs with a suitably qualified Chair of the Finance, Staffing and Audit Committee (FSAC) which meets termly;

The Academy has appointed Price Bailey to carry out the Academy's annual audit and Alliotts to carry out a programme of internal scrutiny which includes independent and external checks on financial systems and processes as required by the Academy Handbook;

All finance staff receive training to keep up to date with the last financial procedures, with appropriate segregations of duty in place;

The Academy 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; and

The Trustees continue to review policies and ensure that appropriate measures are in place.

COVID-19

The disruption to the School during the 2019/20 academic year and continuing in the 2020/2021 academic year has brought a reduction in external lettings income and a number of additional costs, not all of which were recoverable from the 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. The Academy has updated its 3 year financial forecast to take into account the financial impact of Covid-19 of increased expenditure and loss of a substantial amount of lettings revenue.

Operational risk

The continuing success of the School is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. The Academy's GCSE and A level outcomes continue to be above the national average with continued exam success and this helps maintain a high level of Year 7 applications. This number of applications has steadily increased over the previous few years, with a dip in applications for 2020/21. We have recently launched a brand new curriculum across Key Stage 3 which will further support learner engagement and achievement.

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The Academy is in a fortunate position in that it is fully staffed and annual turn-over of staff is low. However, the Academy is very aware that the success of the School is reliant upon recruiting and retaining good quality staff. The Academy invests in continued professional development and training of staff, as well as ensuring there is clear succession planning with The Academy's Senior Support Team meeting regularly to discuss staffing needs and any potential changes on a weekly basis with regular staffing updates reported to the FSAC.

The Academy takes its responsibilities with regards to safeguarding and child protection of young people and vulnerable adults extremely seriously and continues to ensure that the highest standards are maintained. This includes:

A dedicated Safeguarding team led by the Designated Safety Lead all training to Level 3;

Weekly Safeguarding meetings;

Senior leaders trained in safer recruitment;

All SALs have undertaken Level 3 safeguarding training;

An "in-house" social worker for 1 year;

Robust recruitment procedures in place;

Termly governors safeguarding meetings;

Regularly reviewed and updated Child Protection policies; and

regularly reviewed and updated Single Central Record GDPR

The Academy meets the requirements of the GDPR regulations and ensures that all personal data collected about staff, learners, governors, visitors and other individuals is collected stored and processed in accordance with GDPR and the expected provisions of the Data Protection Act 2018 as follows:

All policies and procedures are in place.

The Academy has appointed an internal GDPR officer with shared yearly audits taking place with the GDPR officer at a local primary school.

Records are kept for SAR/FOI requests.

Register of Data breaches kept.

GDPR officer has received GDPR training.

All staff receive training once a year on GDPR and data security.

The Academy has adequate filtering and anti-virus security for its IT system.

All staff have individual passwords to access the IT system.

Fundraising

The Academy does not fundraise from the public nor does it work with commercial participators or professional fundraisers. Parental contributions are invited on a voluntary basis to contribute towards a range of extra-curricular trips and activities. Trustees are aware of their responsibilities and any funds raised are managed.

Plans for Future Periods

The Academy's key objectives for 2021/2022 are to continue the development and progress of the Academy, building on subsequent years excellent exam results. The Academy Improvement Plan 2021-23 is simple and highly ambitious

"to create a school culture where excellent professional learning is seen as the norm. Opportunities are provided for teachers to develop their practice focussing on pedagogy and subject knowledge. Educational research combined with a scope to implement ideas provide the appropriate platform for teachers to positively impact on excellent learning and progress in their specific subject areas."

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This builds directly on the work of the previous three years which was focused on curriculum design and review. This work is well developed and we are continuing to embed this through the new plan. This plan aimed to ensure that:

Learners need to develop an excellent, comprehensive knowledge base across all subjects
Learners should develop an excellent understanding of key concepts and theories across all subjects to a level above that at which they are studying
Excellent classroom practice and the highest expectations ensure that every learner in every lesson is encouraged to read, write, think and act at levels well above that expected for their age and current achievement profile such that progress over time is excellent for every learner in every classroom

As ever, our priorities for development, school improvement plan and all the work we do is developed fully in line with our school Beliefs:

Excellent Learning and Progress

Excellent Aspirations

Excellent Behaviour, Safety and Care

Excellent Communication

Funds Held as Custodian Trustee on Behalf of Others

The Academy does not hold any funds on behalf of others. Provision of Information to Auditors Insofar as the Trustees are aware:

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

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 the Board of Trustees, on and signed on its behalf by:

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

24 Dec 2021



P Bains (Dec 24, 2021, 10:26am)

P Bains

Chair of Trustees

HARROW HIGH SCHOOL
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GOVERNANCE STATEMENT

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to its 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 Harrow High School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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

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

Trustee	Meetings attended	Out of a possible
P Bains, Chair	4	4
S Clayton	4	4
S Fisher	3	4
P Gamble, Headteacher & Accounting Officer	4	4
R Hayward	2	4
J Lang	4	4
K Patel	3	4
M Patel	3	4
N Rowlands	2	4
I Shaikh	3	4
A Vaghela	1	1
P Assad	0	1
V Campbell	1	1
A Sa'id	1	1

The Board met fewer than six times during the year but is satisfied that through these meetings and the use of sub-committees it has maintained effective oversight.

Governance reviews:

A self-review of governance took place during the year 2016-2017

The review indicated solid governance, although some areas of possible improvement were noted, and measures have already been put in place to rectify this. A further review was due to take place in 2019-2020, but due to lockdown and school closure from March 2020 – August 2020 this was not possible. This will now take place on Wednesday 18th January 2022.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance, Staffing & Audit committee is a sub-committee of the main Governing Body. Its purpose is to:

- provide guidance and assistance to the governing body on all financial and budgetary matters;
- deal with any financial matter raised by the Headteacher or designated representative;
- prepare and review financial policy statements, including consideration of long term planning and resourcing;
- consider each year's priorities and present an annual budget to the governing body for approval;
- monitor income and expenditure of all public funds and report the financial situation to the governing body each term;
- recommend the level of delegation to the Headteacher for the day-to-day financial management of the school;
- vire funds, if necessary, within limits set by the governing body;
- ensure compliance with the appropriate financial regulations
- ensure the audit of non-public funds for presentation to the governing body;
- receive and, where appropriate, respond to periodic audit reports of public funds;
- advise the governing body on all matters relating to fund raising and sponsorship.

Attendance at Finance, Staffing & Audit committee meetings held during the year was as follows:

Trustee	Meetings attended	Out of a possible
P Gamble (Accounting Officer)	3	3
P Bains (Chair of the Board of Trustees)	2	3
S Clayton (Chair of the Finance, Staffing and Audit Committee)	3	3
K Patel	3	3
S Fisher	2	3
M Patel	2	3
J Lang	0	3
N Rowlands	0	3
R Hayward	0	3

Review of value for money

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

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy has delivered improved value for money during the year in the following ways:

1. Effectiveness Through Improved Educational Performance

The school improvement plan has targeted resources to ensure an increased proportion of the school budget has been used on teaching and learning. This has contributed to another year of strong examinations results and educational outcomes for learners. Pupil Premium and other funding resources have been used to fund a range of interventions to improve outcomes for the most disadvantaged learners, with tailored interventions to support achievement in Maths and English and to improve attendance and punctuality of those learners.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

Key Indicators Include

Good GCSE and A Level Outcomes

64 % 9-4 Basics (English and Maths)

40% 9 – 5 (English and Maths)

80%% A*- B, A*-C 97% at post 16 level

ALPS grades of 2 (top 10%) across the Sixth Form for AS, A2 and BTEC Provision

The School was inspected by OFSTED in March 2018 achieving a grade of GOOD

2. Efficiency Through Financial Governance and Management

There is robust financial governance and oversight including the following;

- Financial regulations and procedures recently reviewed;
- Written delegations annually reviewed and signed;
- Purchasing procedures based on clear separation of duties and a requirement for written quotations and tenders when specified thresholds are reached;
- Regular budget monitoring including comprehensive monthly management accounts;
- Financial planning and Cash-flow Forecasting;
- Business continuity planning and regular review of the risk register;
- Lettings and charges policy annually reviewed;
- Investment policy based on an appropriate balance between risk and reward;
- Policies covering gifts and hospitality rigorously enforced;
- Regular self-assessment based on FMGS;
- Finance training for Trustees and staff with significant financial responsibilities;
- Use of timetabling and other data to ensure the use of teaching and accommodation resources are optimised;
- Regular updating of premises strategy to ensure accommodation is suitable and any future improvements are prioritised appropriately;
- Pay policies are used that are underpinned by the use of national pay scales for teachers and job evaluation for support staff posts;
- A full programme of audit assurance work agreed by Trustees, delivered by External Auditors, with follow-up through Finance, Staffing and Audit Committee; and
- Use is made of specialist advice including legal, property and actuarial services where appropriate and justified on cost grounds

3. Economy Through Working Collaboratively to Share Best Practice and Drive Down Costs

The School actively participates in a wide range of collaborative initiatives:

- Member of Harrow Collegiate Teaching School Alliance;
- Extensive programme of CPD delivered across Harrow secondary schools;
- The School is part of a Cluster of local primary schools which meets regularly. This has led to some excellent sharing sessions and further developments in these Schools;
- Member of sixth form collegiate allowing students to undertake studies at a number of different Schools contributing to more efficient class sizes and greater student choice;
- Collaborative procurement programme managed by School Business Managers covering a range of services including catering, cleaning, financial software, audit, energy, property management, banking, HR and payroll services;

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

- Shared services including project management and financial advice;
- Member of Crescent Purchasing Consortium and ESPO Procurement Framework accessing contracts for insurance and other goods and services;
- Benchmarking with other Harrow secondary schools and other families of schools;
- Member of The Jubilee Academy (The Harrow Alternative Provision Academy Trust), an alternative provision school opened in Harrow in September 2013;
- Member of Harrow Academies Trust incorporating Pinner High School

The Academy actively promotes the use of the building. Community groups, education providers and sports clubs regularly hire rooms providing a good income stream for the School.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Harrow High School for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance, Staffing and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- delegation of authority and segregation of duties; and
- identification and management of risks

The Board of Trustees has decided to employ Alliot's as internal auditor.

HARROW HIGH SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

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 to be carried out will include:

- Key documents
- Invoices and payments
- Assets and contracts
- Income
- Payroll
- Assets and contracts

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 financial responsibilities of the Board of Trustees.

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

Review of effectiveness

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

- the work of the Internal Auditor;
 - the work of the external auditors;
 - the work of the external Auditors;
 - the financial management and governance self-assessment process;
 - the work of the Senior Management Team within the Academy who have responsibility for the development and maintenance of the internal control framework.
- the performance of extended assurance work and statutory audit work by the Responsible Officer;

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

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

P Bains

P Bains (Dec 24, 2021, 10:26am)

P Bains

Chair of Trustees

Paul Gamble

P Gamble (Dec 24, 2021, 11:36am)

P Gamble

Accounting Officer

Date:

24 Dec 2021

HARROW HIGH SCHOOL
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Harrow High School I have considered my responsibility to notify the Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2020.

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.

Paul Gamble

P Gamble (Dec 24, 2021, 11:36am)

Accounting Officer

Date: 24 Dec 2021

HARROW HIGH SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 2021;
- 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 and signed on its behalf by:



P Bains (Dec 24, 2021, 10:26am)

P Bains
Chair of Trustees

Date:

24 Dec 2021

HARROW HIGH SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HARROW HIGH SCHOOL**

Opinion

We have audited the financial statements of Harrow High School (the 'Academy') for the year ended 31 August 2021 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 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2021 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 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this Report.

HARROW HIGH SCHOOL
(A Company Limited by Guarantee)

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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

HARROW HIGH SCHOOL
(A Company Limited by Guarantee)

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Trust and the sector in which it operates and considered the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. This included those regulations directly related to the financial statements, including financial reporting and tax legislation and academy sector regulations including GDPR, employment law, health and safety and safeguarding.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of any large or unusual transactions to determine whether they were significant to our assessment.
- We reviewed key controls, authorisation procedures and decision making processes for any unusual or one-off transactions.
- We reviewed minutes of Trustee Board meetings and other relevant sub-committees of the Board such as the Finance Committee and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of the Accounting Officer and senior management team to identify laws and regulations applicable to the Trust. We assessed details of any breaches where applicable in order to assess the impact upon the Trust.
- We reviewed the risk management processes and procedures in place including a review of the Risk Register and Board Assurance Reporting and the Internal Scrutiny Reports.
- We have reviewed any correspondence with the ESFA / DfE and the procedures in place for the reporting of incidents to the Trustees including reporting of any serious incidents to the Regulator if necessary.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

HARROW HIGH SCHOOL
(A Company Limited by Guarantee)

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

Use of our Report

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



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

Date: 24 December

HARROW HIGH SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HARROW
HIGH SCHOOL 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 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Harrow High School during the year 1 September 2020 to 31 August 2021 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 Harrow High School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Harrow High School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Harrow High School and ESFA, for our work, for this Report, or for the conclusion we have formed.

Respective responsibilities of Harrow High School's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Harrow High School's funding agreement with the Secretary of State for Education dated 1 November 2011 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

HARROW HIGH SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HARROW
HIGH SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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 2020 to 31 August 2021 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
Chartered Accountants
Statutory Auditors

Date: 24 December
2021

HARROW HIGH SCHOOL
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	-	-	35,511	35,511	44,027
Other trading activities	5	110,110	-	-	110,110	201,086
Investments	6	171	-	-	171	682
Charitable activities	4	-	7,082,509	-	7,082,509	6,225,360
Total income		<u>110,281</u>	<u>7,082,509</u>	<u>35,511</u>	<u>7,228,301</u>	<u>6,471,155</u>
Expenditure on:						
Charitable activities	7	10,979	7,319,799	266,088	7,596,866	6,854,485
Total expenditure		<u>10,979</u>	<u>7,319,799</u>	<u>266,088</u>	<u>7,596,866</u>	<u>6,854,485</u>
Net movement in funds before other gains/(losses)		99,302	(237,290)	(230,577)	(368,565)	(383,330)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(593,000)	-	(593,000)	(23,000)
Net movement in funds		<u>99,302</u>	<u>(830,290)</u>	<u>(230,577)</u>	<u>(961,565)</u>	<u>(406,330)</u>
Reconciliation of funds:						
Total funds brought forward		294,712	(2,738,000)	12,048,671	9,605,383	10,011,713
Net movement in funds		99,302	(830,290)	(230,577)	(961,565)	(406,330)
Total funds carried forward		<u>394,014</u>	<u>(3,568,290)</u>	<u>11,818,094</u>	<u>8,643,818</u>	<u>9,605,383</u>

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

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

HARROW HIGH SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07695709

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	11,818,094	12,048,671
Current assets			
Debtors	14	331,521	291,708
Cash at bank and in hand		650,974	603,434
		982,495	895,142
Creditors: amounts falling due within one year	15	(539,484)	(588,000)
Net current assets		443,011	307,142
Total assets less current liabilities		12,261,105	12,355,813
Creditors: amounts falling due after more than one year	16	(8,287)	(12,430)
Net assets excluding pension liability		12,252,818	12,343,383
Defined benefit pension scheme liability	24	(3,609,000)	(2,738,000)
Total net assets		8,643,818	9,605,383
 Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	11,818,094	12,048,671
Restricted income funds	17	40,710	-
Pension reserve	17	(3,609,000)	(2,738,000)
Total restricted funds	17	8,249,804	9,310,671
Unrestricted income funds	17	394,014	294,712
Total funds		8,643,818	9,605,383

The financial statements on pages 24 to 51 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

P Bains

P Bains (c 24, 2021, 10:26am)

Chair of Trustees

Date:

24 Dec 2021

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

HARROW HIGH SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	47,397	(29,053)
Cash flows from investing activities	21	4,286	(827)
Cash flows from financing activities	20	(4,143)	(4,143)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		47,540	(34,023)
Cash and cash equivalents at the beginning of the year		603,434	637,457
Cash and cash equivalents at the end of the year	22, 23	<hr/> <hr/> 650,974	<hr/> <hr/> 603,434

HARROW HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 Academy is a company limited by guarantee. The Members of the Company are named on page 1. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per Member. The Academy's registered office is Harrow High School, Gayton Road, Harrow, Middlesex, HA1 2JG.

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Harrow High School meets the definition of a public benefit entity under FRS 102.

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

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

The Academy 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 Academy 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 Academy were not able to continue as a going concern.

HARROW HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.3 Income

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

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

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

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

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

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

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.

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

- **Charitable activities**

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

1.5 Interest receivable

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

HARROW HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.6 Taxation

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

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

1.7 Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

The estimated useful lives are as follows:

Long-term leasehold land	- 116 years
Long-term leasehold property	- 50 years
Furniture and equipment	- 5 years
Computer equipment	- 4 years
Motor vehicles	- 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.

1.8 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.

1.9 Cash at bank and in hand

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

HARROW HIGH SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.10 Liabilities

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

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

1.12 Operating leases

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

HARROW HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.13 Pensions

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

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

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

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

1.14 Fund accounting

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

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 24, 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 2021. 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 funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	-	-	-	24,913
Capital Grants	-	35,511	35,511	19,114
	<u>-</u>	<u>35,511</u>	<u>35,511</u>	<u>44,027</u>
Total 2020	<u>24,913</u>	<u>19,114</u>	<u>44,027</u>	

In 2020, income from donations was £24,913, all of which was restricted.

In 2020, income from capital grants was £19,114, all of which was attributable to restricted fixed asset funds.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Funding for the Academy's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	6,289,366	6,289,366	5,617,552
Other DfE/ESFA grants				
Other Government grants	-	6,290	6,290	305,289
Rates Relief	-	25,004	25,004	25,004
Pupil Premium	-	196,165	196,165	194,545
	-	-	6,516,825	6,142,390
Other Government grants				
Local Authority Grants	-	565,684	565,684	73,499
	-	565,684	565,684	73,499
Other income from the academy trust's education operations				
Catering income	-	-	-	9,471
	-	-	-	9,471
	-	7,082,509	7,082,509	6,225,360
Total 2020	9,471	6,215,889	6,225,360	

In the prior year, the Academy had been eligible to claim additional funding in year from Government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional Government funding".

In 2020, income from DfE/ESFA grants was £6,128,441, all of which was restricted.

In 2020, income from other Government grants was £73,499, all of which was restricted.

In 2020, other income relating to catering income was £9,471, all of which was unrestricted.

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

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NOTES TO THE FINANCIAL STATEMENTS
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5. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Lettings	90,422	-	90,422	174,247
Other income	19,688	-	19,688	26,839
	<u>110,110</u>	<u>-</u>	<u>110,110</u>	<u>201,086</u>
Total 2020	<u>196,123</u>	<u>4,963</u>	<u>201,086</u>	

In 2020, lettings income was £174,247, all of which was unrestricted.

In 2020, other income was £26,839, of which £24,963 was restricted and £21,876 was unrestricted.

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Investment income	<u>171</u>	<u>171</u>	<u>682</u>
Total 2020	<u>682</u>	<u>682</u>	

In 2020, investment income was £682, all of which was unrestricted.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Provision for education					
Direct costs	5,023,893	75,681	106,702	5,206,276	4,859,174
Support costs	1,088,573	614,019	687,998	2,390,590	1,995,311
	<u>6,112,466</u>	<u>689,700</u>	<u>794,700</u>	<u>7,596,866</u>	<u>6,854,485</u>
Total 2020	<u>5,523,951</u>	<u>525,070</u>	<u>805,464</u>	<u>6,854,485</u>	

In 2020, of total expenditure, £10,979 was on unrestricted funds, £7,319,799 was on restricted funds and £266,088 was on restricted fixed asset funds.

In 2020, direct costs consisted of £4,607,386 staff costs, £21,832 premises costs and £229,956 other costs.

In 2020, supports costs consisted of £916,565 staff costs, £503,238 premises costs and £575,508 other costs.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Charitable activities

	2021 £	2020 £
Direct costs	5,206,276	4,859,174
Support costs	2,390,590	1,995,311
	7,596,866	6,854,485
	7,596,866	6,854,485

	2021 £	2020 £
Analysis of support costs		
Staff	1,088,573	916,565
Depreciation	261,974	261,265
Technology	24,652	18,814
Premises	352,045	241,973
Governance	14,684	15,650
Legal	7,778	9,239
Other	640,884	531,805
	2,390,590	1,995,311
	2,390,590	1,995,311

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	34,640	6,835
Depreciation of tangible fixed assets	261,974	261,295
Fees paid to Auditors for:		
- audit	7,765	7,400
- other services	4,635	4,635
	4,635	4,635
	4,635	4,635

HARROW HIGH SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	4,281,085	3,957,520
Social security costs	464,457	422,999
Pension costs	1,194,290	1,019,872
	<u>5,939,832</u>	<u>5,400,391</u>
Agency staff costs	172,634	123,560
	<u>6,112,466</u>	<u>5,523,951</u>

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	61	58
Administration and support	40	41
Management	12	10
	<u>113</u>	<u>109</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Staff (continued)

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	5	5
In the band £70,001 - £80,000	3	2
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-
	1	-

d. Key management personnel

The key management personnel of the Academy 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 Academy was £1,056,035 (2020 - £1,041,889).

Employer National Insurance contributions included within key management personnel remuneration was £93,513 (2020 - £91,635).

Employer pension contributions included within key management personnel remuneration was £178,778 (2020 - £177,302).

11. Trustees' remuneration and expenses

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

		2021 £	2020 £
P Gamble, Headteacher & Accounting Officer	Remuneration	110,000 - 115,000	105,000 - 110,000
	Pension contributions paid	25,000 - 30,000	25,000 - 30,000
S Fisher	Remuneration	30,000 - 35,000	30,000 - 35,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000

During the year ended to 31 August 2021 no expenses were reimbursed or paid directly to Trustees (2020 - £97).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 and the cost of this insurance is included in the total insurance cost.

13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2020	13,713,674	124,248	292,255	3,200	14,133,377
Additions	-	2,339	29,057	-	31,396
Disposals	-	(21,858)	(44,524)	-	(66,382)
At 31 August 2021	<u>13,713,674</u>	<u>104,729</u>	<u>276,788</u>	<u>3,200</u>	<u>14,098,391</u>
Depreciation					
At 1 September 2020	1,734,771	89,713	257,022	3,200	2,084,706
Charge for the year	224,612	23,524	13,837	-	261,973
On disposals	-	(21,858)	(44,524)	-	(66,382)
At 31 August 2021	<u>1,959,383</u>	<u>91,379</u>	<u>226,335</u>	<u>3,200</u>	<u>2,280,297</u>
Net book value					
At 31 August 2021	<u>11,754,291</u>	<u>13,350</u>	<u>50,453</u>	<u>-</u>	<u>11,818,094</u>
At 31 August 2020	<u>11,978,903</u>	<u>34,535</u>	<u>35,233</u>	<u>-</u>	<u>12,048,671</u>

Included in the net book value of property displayed above are the following amounts ascribable to land:

	2021 £	2020 £
Long-term leasehold land	<u>4,351,009</u>	<u>4,351,009</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

14. Debtors

	2021 £	2020 £
Trade debtors	42,689	35,657
Other debtors	4,910	3,039
Prepayments and accrued income	220,121	212,511
VAT recoverable	63,801	40,501
	<u>331,521</u>	<u>291,708</u>

15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other loans	4,143	4,143
Trade creditors	225,313	278,212
Other taxation and social security	117,329	103,676
Other creditors	117,366	108,060
Accruals and deferred income	75,333	93,909
	<u>539,484</u>	<u>588,000</u>

	2021 £	2020 £
Deferred income at 1 September 2020	46,890	213,258
Resources deferred during the year	-	46,890
Amounts released from previous periods	(46,890)	(213,258)
	<u>-</u>	<u>46,890</u>

There was no deferred income at 31 August 2021.

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NOTES TO THE FINANCIAL STATEMENTS
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16. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Other loans	8,287	12,430

Included within the above are amounts falling due as follows:

	2021 £	2020 £
Between one and two years		
Other loans	8,287	4,144
Between two and five years		
Other loans	-	8,286

Included with other loans due both within and more than one year is a Salix loan of £12,430 (2020 - £16,573) from the ESFA which is provided interest-free and is repayable in equal, twice-yearly instalments over 4 years.

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds	294,712	110,281	(10,979)	-	-	394,014
Restricted general funds						
General Annual Grant (GAG)	-	6,289,366	(6,289,366)	-	-	-
Other DfE / ESFA grants	-	227,459	(186,749)	-	-	40,710
Other Government grants	-	565,684	(565,684)	-	-	-
Pension reserve	(2,738,000)	-	(278,000)	-	(593,000)	(3,609,000)
	<u>(2,738,000)</u>	<u>7,082,509</u>	<u>(7,319,799)</u>	<u>-</u>	<u>(593,000)</u>	<u>(3,568,290)</u>
Restricted fixed asset funds						
Restricted fixed assets	12,048,671	-	(261,974)	31,397	-	11,818,094
Devolved Formula Capital	-	35,511	(4,114)	(31,397)	-	-
	<u>12,048,671</u>	<u>35,511</u>	<u>(266,088)</u>	<u>-</u>	<u>-</u>	<u>11,818,094</u>
Total Restricted funds	<u>9,310,671</u>	<u>7,118,020</u>	<u>(7,585,887)</u>	<u>-</u>	<u>(593,000)</u>	<u>8,249,804</u>
Total funds	<u>9,605,383</u>	<u>7,228,301</u>	<u>(7,596,866)</u>	<u>-</u>	<u>(593,000)</u>	<u>8,643,818</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 Academy 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 the Department for Education and the Education and Skills Funding Agency for the furtherance of the Academy's activities that are funded by the Local Authority.

Other Government grants: This fund has also arisen from funding received for the furtherance of the Academy's activities that are funded by the Local Authority.

Other restricted funds: This restricted fund has arisen from other income that the Academy has received. The monies have to be used for the benefit of the Academy and there are restrictions on how these monies can be spent.

Restricted donations: This restricted fund has arisen from contributions toward specific Academy activities, such as trips.

Pension reserve: This liability has arisen from the Local Government Pension Scheme, which was inherited by the Academy on conversion.

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

DfE group capital grants: This represents funding received from ESFA/DfE for the maintenance and improvement of the Academy's buildings and facilities.

Unrestricted funds: These funds have arisen from activities carried out by the Academy for raising funds and are unrelated to any form of Government assistance and therefore the Academy can spend it however it chooses within its wider charitable objectives.

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	234,400	206,276	(145,964)	-	-	294,712
	<u>234,400</u>	<u>206,276</u>	<u>(145,964)</u>	<u>-</u>	<u>-</u>	<u>294,712</u>
Restricted general funds						
General Annual Grant (GAG)	-	5,617,552	(5,616,043)	(1,509)	-	-
Other DfE / ESFA grants	-	510,889	(510,889)	-	-	-
Other Government grants	-	87,448	(87,448)	-	-	-
Other restricted funds	-	4,963	(4,963)	-	-	-
Restricted donations	-	24,913	(24,913)	-	-	-
Pension reserve	(2,512,000)	-	(203,000)	-	(23,000)	(2,738,000)
	<u>(2,512,000)</u>	<u>6,245,765</u>	<u>(6,447,256)</u>	<u>(1,509)</u>	<u>(23,000)</u>	<u>(2,738,000)</u>
	<u>(2,512,000)</u>	<u>6,245,765</u>	<u>(6,447,256)</u>	<u>(1,509)</u>	<u>(23,000)</u>	<u>(2,738,000)</u>
Restricted fixed asset funds						
Restricted fixed assets	12,289,313	-	(261,265)	20,623	-	12,048,671
Devolved Formula Capital	-	19,114	-	(19,114)	-	-
	<u>12,289,313</u>	<u>19,114</u>	<u>(261,265)</u>	<u>1,509</u>	<u>-</u>	<u>12,048,671</u>
	<u>12,289,313</u>	<u>19,114</u>	<u>(261,265)</u>	<u>1,509</u>	<u>-</u>	<u>12,048,671</u>
Total Restricted funds	<u>9,777,313</u>	<u>6,264,879</u>	<u>(6,708,521)</u>	<u>-</u>	<u>(23,000)</u>	<u>9,310,671</u>
	<u>9,777,313</u>	<u>6,264,879</u>	<u>(6,708,521)</u>	<u>-</u>	<u>(23,000)</u>	<u>9,310,671</u>
Total funds	<u>10,011,713</u>	<u>6,471,155</u>	<u>(6,854,485)</u>	<u>-</u>	<u>(23,000)</u>	<u>9,605,383</u>
	<u>10,011,713</u>	<u>6,471,155</u>	<u>(6,854,485)</u>	<u>-</u>	<u>(23,000)</u>	<u>9,605,383</u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	11,818,094	11,818,094
Current assets	394,014	576,051	12,430	982,495
Creditors due within one year	-	(535,341)	(4,143)	(539,484)
Creditors due in more than one year	-	-	(8,287)	(8,287)
Provisions for liabilities and charges	-	(3,609,000)	-	(3,609,000)
Total	<u>394,014</u>	<u>(3,568,290)</u>	<u>11,818,094</u>	<u>8,643,818</u>

Analysis of net assets between funds - prior period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	12,048,671	12,048,671
Current assets	294,712	583,857	16,573	895,142
Creditors due within one year	-	(583,857)	(4,143)	(588,000)
Creditors due in more than one year	-	-	(12,430)	(12,430)
Provisions for liabilities and charges	-	(2,738,000)	-	(2,738,000)
Total	<u>294,712</u>	<u>(2,738,000)</u>	<u>12,048,671</u>	<u>9,605,383</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(368,565)	(383,330)
Adjustments for:		
Depreciation	261,973	261,265
Capital grants from DfE and other capital income	(35,511)	(19,114)
Pension scheme adjustments	278,000	203,000
Increase in debtors	(39,813)	(39,149)
Decrease in creditors	(48,516)	(51,043)
Interest receivable	(171)	(682)
Net cash provided by/(used in) operating activities	47,397	(29,053)

20. Cash flows from financing activities

	2021 £	2020 £
Repayments of borrowing	(4,143)	(4,143)

21. Cash flows from investing activities

	2021 £	2020 £
Interest	171	682
Purchase of tangible fixed assets	(31,396)	(20,623)
Capital grants from DfE Group	35,511	19,114
Net cash provided by/(used in) investing activities	4,286	(827)

22. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	650,974	603,434

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

23. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	Other non- cash changes £	At 31 August 2021 £
Cash at bank and in hand	603,434	47,540	-	650,974
Debt due within 1 year	(4,143)	4,143	(4,143)	(4,143)
Debt due after 1 year	(12,430)	-	4,143	(8,287)
	<u>586,861</u>	<u>51,683</u>	<u>-</u>	<u>638,544</u>

24. Pension commitments

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

Contributions amounting to £117,366 were payable to the schemes at 31 August 2021 (2020 - £108,060) 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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24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £716,529 (2020 - £631,610).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £315,000 (2020 - £291,000), of which employer's contributions totalled £248,000 (2020 - £230,000) and employees' contributions totalled £ 67,000 (2020 - £61,000). The agreed contribution rates for future years are 19.8% 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.

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NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	3.6	2.9
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7

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

	2021 Years	2020 Years
Retiring today		
Males	22.2	22.0
Females	24.6	24.3
Retiring in 20 years		
Males	23.5	23.1
Females	26.9	26.3

Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	(173)	(147)
Discount rate -0.1%	173	147
Mortality assumption - 1 year increase	345	268
Mortality assumption - 1 year decrease	(345)	(268)
CPI rate +0.1%	173	134
CPI rate -0.1%	(173)	(134)

Share of scheme assets

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

	2021 £	2020 £
Equities	3,586,000	3,053,000
Corporate bonds	737,000	516,000
Property	393,000	278,000
Cash and other liquid assets	197,000	119,000
Total market value of assets	4,913,000	3,966,000

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NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

The actual return on scheme assets was £744,000 (2020 - £442,000).

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

	2021 £	2020 £
Current service cost	477,000	387,000
Interest income	(69,000)	(62,000)
Interest cost	118,000	108,000
Total amount recognised in the Statement of Financial Activities	526,000	433,000

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

	2021 £	2020 £
At 1 September	6,704,000	5,838,000
Current service cost	477,000	387,000
Interest cost	118,000	108,000
Employee contributions	67,000	61,000
Actuarial losses	1,268,000	403,000
Benefits paid	(112,000)	(93,000)
At 31 August	8,522,000	6,704,000

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

	2021 £	2020 £
At 1 September	3,966,000	3,326,000
Interest income	69,000	62,000
Actuarial gains	675,000	380,000
Employer contributions	248,000	230,000
Employee contributions	67,000	61,000
Benefits paid	(112,000)	(93,000)
At 31 August	4,913,000	3,966,000

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25. Operating lease commitments

At 31 August 2021 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	43,075	19,095
Later than 1 year and not later than 5 years	67,633	38,191
	<u>110,708</u>	<u>57,286</u>

26. Members' liability

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

27. Related party transactions

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

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