

BARROW 1618 THE SCHOOL CO
GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019



WR
Whittingham Riddell
chartered accountants

BARROW 1618 THE SCHOOL CO
(A company limited by guarantee)

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BARROW 1618 THE SCHOOL CO
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Selina Graham Richard Jackson Sarah Britton Gregory Day Gregory Watson (resigned 18 May 2019)
Govenors	Selina Graham, Chair of Governors, Chair of HR Committee and EYFC Link Governor ^{1,2} Sally Ellis (resigned 18 May 2019) Brinley Evans, Parent Governor and Science Link Governor Kay Garrison, The Arts Link Governor Joseph Leppington, Head Teacher (appointed 1 September 2018) ^{1,2} Charlotte Hayes, Deputy Head Teacher Richard Jackson, Chair of Finance Committee and Numeracy Link Governor ^{1,2} Carolyn Jones, Literacy Link Governor Victoria Mantle, SEN Link Governor Annabel Prideaux, Parent Governor, Chair of Admissions Committee, Training and Governor Induction Link Governor and Monitoring / Standards / Pupil Premium Link Governor Nicholas Swankie, Parent Governor Maylin Ware, RE Link Governor ^{1,2} Gregory Watson, Chair of Marketing Committee and Safeguarding / LAC / Child Protection Link Governor (resigned 18 May 2019) ^{1,2} Natasha Branston, Chair of Curriculum and Standards Committee, Outdoor Learning / Environment / Sustainability Link Governor and SSGC Link Governor Christian Toon (appointed 18 May 2019) Mark Ashby (appointed 20 June 2019) ¹ Member of the Finance Committee ² Member of the Audit Committee
Company registered number	07640198
Company name	Barrow 1618 The School Co
Principal and registered office	Barrow 1618 Free School Barrow Broseley Shropshire TF12 5BW

BARROW 1618 THE SCHOOL CO
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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Chief executive officer Joseph Leppington

Senior management team Joseph Leppington, Headteacher
 Charlotte Hayes, Deputy Head Teacher

Independent auditors Whittingham Riddell LLP
 Chartered Accountants
 Belmont House
 Shrewsbury Business Park
 Shrewsbury
 Shropshire
 SY2 6LG

BARROW 1618 THE SCHOOL CO
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

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

Since the academy qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

The School is a primary school for pupils aged 4 to 11 serving a catchment area in Broseley.

Structure, governance and management

a. Constitution

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

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

The Governors of Barrow 1618 The School Co are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Barrow 1618 Free School, and Barrow 1618 Church of England Free School.

Details of the Governors who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. 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.

c. Governor's indemnities

The academy has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects governors from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000.

d. Method of recruitment and appointment or election of Governors

All members of the Governing Body are appointed and/or elected in accordance with the Articles of Association of the academy. The number of governors shall not be less than three.

BARROW 1618 THE SCHOOL CO
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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

e. Policies and procedures adopted for the induction and training of Governors

The academy provides access for Governors to suitable training, and ensures that any new Governors are familiarised with the work and procedures of the academy, so that they can play a full role on the Governing Body. Governors are provided with access to the academy's reports, budgets and plans so that they have the information to carry out their duties, and are encouraged to meet with staff, students and parents. Where necessary, training will be provided on the charity, educational, legal and financial matters.

f. Organisational structure

The Governing Body is collectively responsible for the overall direction and strategic management of the school. This includes setting general policy, development plans, monitoring activities, and making decisions about capital expenditure and staff appointments. The Governing Body is also responsible for ensuring that the school meets all its statutory obligations and through the Accounting Officer, that it complies with financial regulations.

The Governing Body recognises that it would be impractical to undertake all the day to day activities itself in discharging its responsibilities and that it is necessary to delegate some of its functions through committees and to the Head Teacher of the school. There are six sub committees, the Finance Committee, the Human Resources Committee, the Premises, Security and Health and Safety Committee, the Curriculum and Standards Committee, the Admissions Committee and the Marketing Committee, that have delegated powers assigned to them by the full Governing Body. The Head Teacher controls the school at an executive level, implementing the policies laid down by Governors and reporting back on a regular basis.

g. Arrangements for setting pay and remuneration of key management personnel

Barrow 1618 is committed to ensuring that:

- Salaries remain competitive in the labour market, through conducting an annual performance management review, paying individuals in line with practice and standards agreed by the salaries and performance management committee.
- Individual's good performance is recognised and employees are rewarded financially for this through merit pay wherever possible; budget permitting.
- Individuals are not discriminated against because of gender, marital or civil partnership status, race, religion or belief, sexual orientation, age, disability, gender reassignment, pregnancy and maternity, or because they work part time or on a fixed-term contract; and
- Progression in pay is directly linked to performance as evaluated through the Performance Management Cycle and Teacher Appraisal and Capability Policy. Every member of staff will be performance managed to develop as a professional and supported to fulfill their objectives.

h. Related parties and other connected charities and organisations

On occasion, the school utilises the expertise of Wiley Estates Company, a company controlled by Selina Graham, Chair of Governors. All transactions are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

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

Structure, governance and management (continued)

Objectives and activities

a. Objects and aims

The main objectives of the school are summarised below:

- To ensure that every pupil enjoys the same high quality education;
- To raise the standard of educational achievement of all pupils;
- To comply with all statutory and curriculum requirements by ensuring continual review;
- To provide value for money for the funds expended; and
- To conduct all elements of the academy's business in accordance with the highest standards of integrity, professionalism and openness.

b. Objectives, strategies and activities

Review of practice and monitoring are carried out throughout the year to ensure that aims and objectives are met. Governors work alongside the Head Teacher to promote and support the highest standards in all areas.

The school's most recent Ofsted inspection confirmed that the strong leadership and governance of the school was enabling great success of the main objectives for the school, with all areas rated as outstanding.

c. Public benefit

In setting objectives and planning for activities, the Governors have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

It is considered that the greatest public benefit that the school can offer is the provision of education to local pupils that maximises each student's potential, developing principled, informed and confident members of the community who respect the beliefs of others and who make a positive contribution to society. The school makes a focus of fundraising for local charities, with pupils raising thousands of pounds in the year as a result of community events and activities. Pupils regularly go out into the local area, being active members of both the church and wider community.

The school hall and grounds are available for community use, with local sports teams benefitting from the use of the specifically designed sports pitch. The school also makes its car park available to the church and ramblers wishing to explore the area. This is an important facility given the rural setting of Barrow.

The school provides hot meals for Moreville Church of England School, which doesn't have its own in house catering facilities.

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

Objectives and activities (continued)

Achievements and performance

a. Key performance indicators

The school is very proud of the achievements of pupils in statutory testing. The very high standards expected are widely known, and teachers and pupils consistently rise to the challenge. 85.71% of pupils in reception achieved a good level of development in EYFS, significantly above the national average. 93% of Year 1 pupils achieved a pass in the phonics testing. In Year 2 78% of pupils achieved the expected standard in reading, writing and mathematics, exceeding the national average. In Year 6, 84.6% of pupils achieved the expected standard or above in reading, writing and mathematics and compared to the national average of 64%.

b. Going concern

After making appropriate enquiries, the board of Governors has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 accounting policies.

c. Review of activities

The outcomes of external testing and ongoing monitoring has shown a well rounded strength in the achievements of the school. The school has achieved a Platinum School's Games Mark for its commitment to Sporting Activities, won 1st Prize at Shrewsbury Flower Show, renewed its Learning Outside the Classroom Mark, showing its commitment to outdoor learning, and has achieved Royal Horticultural Society Level 4 Award.

The school continues to be oversubscribed, with all cohorts full with waiting lists for places.

Financial review

a. Reserves policy

The Governors review the reserve levels of the school annually. Governors feel it is important that funding received during a financial year is spent for the benefit of pupils on roll at that time, whilst recognising the need for prudent financial management. Governors have determined that the appropriate level of unrestricted reserves in any one year should be sufficient to cover three months running costs, which for the 2018/19 year amounts to just over £120,000. Additional reserves are considered prudent to provide a cushion to deal with unexpected emergencies such as urgent unforeseen maintenance, maternity or redundancy.

Total reserves at 31 August 2019 amounted to £605,093 (2018: £691,724)

Total restricted reserves including restricted asset funds at 31 August 2019 are £531,841 (2018: £567,456). The pension reserve is a deficit balance of £158,000 (2018: £66,000). If this is excluded, restricted reserves including restricted fixed asset funds are £524,383 (2018: £501,456). Unrestricted reserves at 31 August 2019 are £134,811 (2018: £124,268).

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

Strategic report (continued)

Financial review (continued)

b. Investment policy

The school aims to manage its cash balances to provide for the day to day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the school aims to invest surplus cash funds to optimise returns, while ensuring that the investment instruments are such that there is no risk of loss to these cash funds.

c. Principal risks and uncertainties

The Governors identify and manage key risks and uncertainties through regular risk assessment, vision and strategy reviews. Alongside the key risks identified, governance sub committees are each responsible for identifying and managing risk specific to that area of focus.

Principal risks and uncertainties identified -

- Size - small school. With relatively small class numbers and a small number of pupils in total, the school is more vulnerable to a high impact from any change to the current situation.
- Vulnerable to staff turnover. As a small free school governors rely heavily on the commitment and dedication of staff. As well as monetary and time costs in recruitment, minimising any impact on pupils is a key concern.
- Impact of funding lag for SEN children. The financial impact of providing the support needed for SEN pupils is significant for a small school. Significant time and effort is committed to ensure the right support and funding is in place to ensure all children achieve to their full potential.
- More susceptible to change in Government Policy. From educational reform to funding changes, the impact of any changes can be significant for any school, but are often amplified for small schools.
- Impact of poor results from small cohort. With a maximum of 14 pupils in each year group, published statistics from statutory testing can be misleading in comparison to larger schools, with each pupil representing a significant proportion of the total.

d. Financial risk management objectives and policies

The school receives its principal funding from the ESFA (Education and Skills Funding Agency). Additional income relating to SEN has been received from the Local Authority.

All of the grants received from the ESFA and LA during the year, along with associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also receives capital funding from the ESFA. The grants are shown as restricted income in the fixed asset fund. The restricted fixed asset balance is reduced by annual depreciation charges over the expected useful life for the assets held.

The school generates its own income from the operation of its extended school provision. A programme of lettings of the hall and grounds to different community organisations also generate an income for the school.

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

Fundraising

The pupils raise a significant amount of money each year for local and national charities. The school raised funds as part of the Lent Project raised over £1,400 towards Asthma UK and Purple Community Fund.

The school is supported by the Friends of Barrow, who organise and run many successful events in the year to the benefit of the school.

Plans for future periods


The 2019 school year has begun with significant improvements to the school car park facilities, to improve access and safety for all. The school continues to actively seek ways to work with and form connections with other schools, for both the benefit of Barrow, and to share the knowledge and qualities of Barrow with others.

Disclosure of information to auditors

Insofar as the Governors are aware:

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

The Governors' report was approved by order of the board of Governors, as the company directors, on 5 December 2019 and signed on its behalf by:


.....
Selina Graham
Chair of Governors


.....
Joseph Leppington
Accounting Officer

BARROW 1618 THE SCHOOL CO
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GOVERNANCE STATEMENT

Scope of responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Barrow 1618 The School Co 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 Governors has delegated the day-to-day responsibility to the Head Teacher, 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 Barrow 1618 The School Co and the Secretary of State for Education. They are also responsible for reporting to the board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The board of Governors has formally met 3 times during the year.

Financial oversight and monitoring of funds is delegated to the Finance Committee.

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

Governor	Meetings attended	Out of a possible
Selina Graham, Chair of Governors, Chair of HR Committee and EYFC Link Governor	3	3
Sally Ellis	1	3
Brinley Evans, Parent Governor and Science Link Governor	3	3
Kay Garrison, The Arts Link Governor	3	3
Joseph Leppington, Head Teacher	3	3
Charlotte Hayes, Deputy Head Teacher	3	3
Richard Jackson, Chair of Finance Committee and Numeracy Link Governor	3	3
Carolyn Jones, Literacy Link Governor	1	3
Victoria Mantle, SEN Link Governor	3	3
Annabel Prideaux, Parent Governor, Chair of Admissions Committee, Training and Governor Induction Link Governor and Monitoring / Standards / Pupil Premium Link Governor	3	3
Nicholas Swankie, Parent Governor	3	3
Maylin Ware, RE Link Governor	3	3
Gregory Watson, Chair of Marketing Committee and Safeguarding / LAC / Child Protection Link Governor	0	2
Natasha Branston, Chair of Curriculum and Standards Committee, Outdoor Learning / Environment / Sustainability Link Governor and SSGC Link Governor	3	3
Christian Toon	1	1
Mark Ashby	1	1

BARROW 1618 THE SCHOOL CO
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Governors aim to ensure the delivery of an inspiring and outstanding standard of education for all pupils. To do this, the Governors have the following core strategic functions:

Establishing the strategic direction, by:

- Setting the vision, values and objectives for the school
- Agreeing the school improvement strategy with priorities and targets
- Meeting statutory duties

Ensuring accountability, by:

- Monitoring progress towards targets
- Performance management with the headteacher
- Engaging with stakeholders
- Contributing to school self evaluation

Ensuring financial probity, by:

- Setting the budget
- Monitoring spending against the budget
- Ensuring value for money is obtained
- Ensuring risks to the organisation are managed

The Finance Committee is a sub-committee of the main Governing Body. Its purpose is to appropriately deal with the financial matters of the school that arise during the year and agree on the financial strategy of the school.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
Selina Graham	3	3
Richard Jackson	3	3
Maylin Ware	3	3
Joseph Leppington	3	3
Charlotte Hayes	2	2
Gregory Watson	0	2

BARROW 1618 THE SCHOOL CO
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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- The continued use of tender for service contracts and large capital purchases, ensuring that best value for the highest standards are consistently achieved. Savings on expenditure and insurance for the school minibus have been made in this way in the year.
- With continuing pressure on school finances, the school has continued to increase pupil numbers gradually by way of two additional pupils being welcomed into the reception cohort each year.
- The school uses a range of different suppliers for the purchases of day to day resources and supplies, now utilising online companies as well as more traditional school suppliers. As well as a greater range of available products, this ensures best value is maintained for all purchases.

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 Barrow 1618 The School Co for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.*

Capacity to handle risk

The board of Governors 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 year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Governors.

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Whittingham Riddell LLP, the external auditors, to perform additional checks.

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

- Reviewing the operations of the systems of control;
- Review of procedures in place; and
- Reporting on their findings.

On a termly basis, the external auditors report to the board of Governors through the finance committee on the operation of the systems of control and on the discharge of the Governors' financial responsibilities.

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

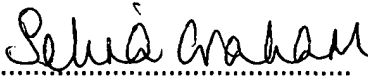
Review of effectiveness

As accounting officer, the Head Teacher 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 external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance 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 Governors on 5 December 2019 and signed on their behalf by:


.....
Selina Graham
Chair of Governors


.....
Joseph Leppington
Accounting Officer

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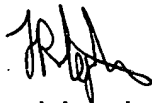
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Barrow 1618 The School Co I have considered my responsibility to notify the academy board of Governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

During the year under review there has been a lack of appropriate reporting of management information to the Board for their scrutiny. The Board has strengthened their financial accounting resource and further measures will be taken to address this area. Going forward appropriate financial information will be reported on a regular basis for the Board's review.

Notwithstanding the lack of management information reporting during the year as noted above, I confirm that I and the academy board of Governors are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2018.

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



Joseph Leppington
Accounting Officer
Date: 5 December 2019

BARROW 1618 THE SCHOOL CO
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STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 Governors are required to:

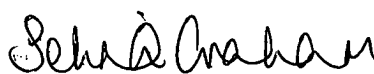
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

The Governors 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 Governors 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 Governors 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 Governors on 5 December 2019 and signed on its behalf by:



Selina Graham
Chair of Governors

BARROW 1618 THE SCHOOL CO
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BARROW 1618 THE SCHOOL CO**

Opinion

We have audited the financial statements of Barrow 1618 The School Co (the 'academy') for the year ended 31 August 2019, which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BARROW 1618 THE SCHOOL CO (CONTINUED)**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report has 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 Governors' 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

BARROW 1618 THE SCHOOL CO
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
BARROW 1618 THE SCHOOL CO (CONTINUED)**

Responsibilities of Governors

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors 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 Governors 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 Governors either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

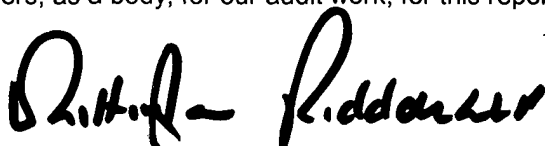
Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Andrew Malpass BA FCA (Senior statutory auditor)

for and on behalf of

Whittingham Riddell LLP

Chartered Accountants

Statutory Auditors

Belmont House

Shrewsbury Business Park

Shrewsbury

Shropshire

SY2 6LG

11 December 2019

BARROW 1618 THE SCHOOL CO
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BARROW
1618 THE SCHOOL CO AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated August 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Barrow 1618 The School Co during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Barrow 1618 The School Co and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Barrow 1618 The School Co 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 Barrow 1618 The School Co and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Barrow 1618 The School Co's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Barrow 1618 The School Co's funding agreement with the Secretary of State for Education dated July 2012 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

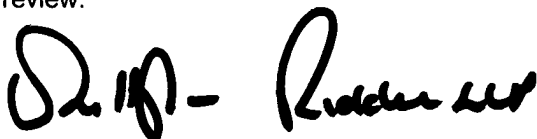
BARROW 1618 THE SCHOOL CO
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO BARROW
1618 THE SCHOOL CO AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

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

As reported in the Accounting Officer's Statement on Regularity, Propriety and Compliance there has been a lack of appropriate reporting of management information during the year which has prevented the Board from properly understanding and scrutinising the financial position of the Trust. This is not compliant with the requirements of the ESFA Academy Financial Handbook. Measures are being taken by the Trust to address this issue going forward and appropriate information will be provided to the Board on a regular basis for their scrutiny and review.



Andrew Malpass BA FCA

Whittingham Riddell LLP
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date: 11 December 2019

BARROW 1618 THE SCHOOL CO
(A company limited by guarantee)

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	2,029	-	10,709	12,738	12,988
Charitable activities	4	-	457,280	-	457,280	423,483
Other trading activities	5	20,381	-	-	20,381	21,175
Investments	6	108	-	-	108	101
Total income		22,518	457,280	10,709	490,507	457,747
Expenditure on:						
Charitable activities	7	8,534	477,304	26,300	512,138	508,825
Total expenditure		8,534	477,304	26,300	512,138	508,825
Net income/(expenditure)		13,984	(20,024)	(15,591)	(21,631)	(51,078)
Transfers between funds	16	(3,441)	-	3,441	-	-
Net movement in funds before other recognised gains/(losses)		10,543	(20,024)	(12,150)	(21,631)	(51,078)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	22	-	(65,000)	-	(65,000)	31,000
Net movement in funds		10,543	(85,024)	(12,150)	(86,631)	(20,078)
Reconciliation of funds:						
Total funds brought forward		124,268	30,923	536,533	691,724	711,802
Net movement in funds		10,543	(85,024)	(12,150)	(86,631)	(20,078)
Total funds carried forward		134,811	(54,101)	524,383	605,093	691,724

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

The notes on pages 25 to 47 form part of these financial statements.

BARROW 1618 THE SCHOOL CO
(A company limited by guarantee)
REGISTERED NUMBER: 07640198

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	<u>524,382</u>	<u>536,533</u>
		524,382	536,533
Current assets			
Debtors	14	23,293	13,721
Cash at bank and in hand		259,632	244,669
		<u>282,925</u>	<u>258,390</u>
Creditors: amounts falling due within one year	15	<u>(44,214)</u>	<u>(37,199)</u>
Net current assets		238,711	221,191
Total assets less current liabilities		<u>763,093</u>	<u>757,724</u>
Net assets excluding pension liability		763,093	757,724
Defined benefit pension scheme liability	22	<u>(158,000)</u>	<u>(66,000)</u>
Total net assets		<u>605,093</u>	<u>691,724</u>


BARROW 1618 THE SCHOOL CO
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Funds of the academy			
Restricted funds:			
Fixed asset funds	16	524,383	536,533
Restricted income funds	16	103,899	96,923
		<u>628,282</u>	<u>633,456</u>
Restricted funds excluding pension asset	16	628,282	633,456
Pension reserve	16	(158,000)	(66,000)
		<u>470,282</u>	<u>567,456</u>
Total restricted funds	16	470,282	567,456
Unrestricted income funds	16	134,811	124,268
		<u>605,093</u>	<u>691,724</u>
Total funds		<u><u>605,093</u></u>	<u><u>691,724</u></u>

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

The financial statements on pages 21 to 47 were approved by the Governors, and authorised for issue on 05 December 2019 and are signed on their behalf, by:


.....
Selina Graham
Chair of Governors


.....
Joseph Leppington
Accounting Officer

The notes on pages 25 to 47 form part of these financial statements.

BARROW 1618 THE SCHOOL CO
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	18	29,113	(10,132)
Cash flows from investing activities	20	(14,151)	(4,498)
Cash flows from financing activities	19	-	(101)
Change in cash and cash equivalents in the year		14,962	(14,731)
Cash and cash equivalents at the beginning of the year		244,669	259,400
Cash and cash equivalents at the end of the year	21	<u>259,631</u>	<u>244,669</u>

The notes on pages 25 to 47 form part of these financial statements

BARROW 1618 THE SCHOOL CO
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

Barrow 1618 The School Co meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Governors 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 Governors 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.

BARROW 1618 THE SCHOOL CO
(A company limited by guarantee)

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

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**

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**

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

- **Other income**

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

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

BARROW 1618 THE SCHOOL CO
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.5 Interest receivable

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

1.6 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 £100 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following basis:

Other fixed assets	-	2% Straight line
Furniture and equipment	-	15% Straight line
Computer equipment	-	33% Straight line
Motor vehicles	-	25% Straight line

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.

BARROW 1618 THE SCHOOL CO
(A company limited by guarantee)

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

1. Accounting policies (continued)

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.

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 Provisions

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

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

1.12 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 note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 Operating leases

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

BARROW 1618 THE SCHOOL CO
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.14 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.

1.15 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 Governors.

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.

BARROW 1618 THE SCHOOL CO

(A company limited by guarantee)

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

BARROW 1618 THE SCHOOL CO
(A company limited by guarantee)

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

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	2,029	-	2,029	8,043
Capital Grants	-	10,709	10,709	4,945
Total 2019	2,029	10,709	12,738	12,988
<i>Total 2018</i>	<i>8,043</i>	<i>4,945</i>	<i>12,988</i>	

4. Funding for the academy's educational operations

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants			
General Annual Grant (GAG)	373,309	373,309	361,086
Other DfE / ESFA Grant Income	3,646	3,646	-
Pupil Premium	14,685	14,685	12,415
Universal Infant Free School Meals (UIFSM)	17,480	17,480	15,732
PE and Sports Grant	16,760	16,760	16,720
Rates Reclaim	1,487	1,487	1,282
	427,367	427,367	407,235
Local Authority grants			
Local Authority - SEN	2,340	2,340	-
	2,340	2,340	-
Other Income			
Other Income	24,530	24,530	16,206
Catering Income	3,043	3,043	42
Total 2019	457,280	457,280	423,483

BARROW 1618 THE SCHOOL CO
(A company limited by guarantee)

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

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings Income	135	135	50
Income From Clubs	19,068	19,068	19,673
Income From Music	1,178	1,178	1,452
Total 2019	20,381	20,381	21,175

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank Interest	108	108	101
Total 2019	108	108	101

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Academy's Educational Operations	8,534	503,604	512,138	508,825
Total 2019	8,534	503,604	512,138	508,825
<i>Total 2018</i>	<i>8,309</i>	<i>500,516</i>	<i>508,825</i>	

BARROW 1618 THE SCHOOL CO
(A company limited by guarantee)

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

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Academy's Educational Operations	211,473	300,665	512,138	508,825
<i>Total 2018</i>	<i>211,574</i>	<i>297,251</i>	<i>508,825</i>	

Analysis of direct costs

	Academy's Educational Ope 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Staff costs	192,482	192,482	189,906
Educational Supplies	18,991	18,991	21,668
Total 2019	211,473	211,473	<i>211,574</i>

BARROW 1618 THE SCHOOL CO
(A company limited by guarantee)

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

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Academy's Educational Ope 2019 £	Total funds 2019 £	Total funds 2018 £
Staff costs	154,717	154,717	157,343
Depreciation	26,300	26,300	29,245
Staff Development	6,499	6,499	4,653
Non-educational Supplies	35,507	35,507	35,015
Risk Protection	1,800	1,800	1,700
Premises	53,585	53,585	50,306
Catering	22,257	22,257	18,989
Total 2019	300,665	300,665	297,251

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Depreciation of tangible fixed assets	26,300	29,245
Fees paid to auditors for:		
- audit	6,400	6,300
- other services	1,025	1,000

BARROW 1618 THE SCHOOL CO
(A company limited by guarantee)

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

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	252,560	251,520
Social security costs	17,815	13,517
Pension costs	72,305	69,322
	<u>342,680</u>	<u>334,359</u>
Agency staff costs	4,519	12,890
	<u>347,199</u>	<u>347,249</u>

b. Staff numbers

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

2019 No.	2018 No.
<u>18</u>	<u>18</u>

c. Higher paid staff

No employee received remuneration amounting to more than £60,000 in either year.

d. Key management personnel

The total amount of employee benefits (including employer pension contributions) received by key management personnel amounted to £89,810 (2018: £90,574).

BARROW 1618 THE SCHOOL CO
(A company limited by guarantee)

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

11. Governors' remuneration and expenses

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

		2019 £	2018 £
Joseph Leppington, Head Teacher (appointed 1 September 2018)	Remuneration	45,000 - 50,000	Nil
	Pension contributions paid	5,000 - 10,000	Nil
Charlotte Hayes, Deputy Head Teacher	Remuneration	35,000 - 40,000	30,000 - 35,000
	Pension contributions paid	Nil	Nil
John Newton, Head Teacher and Staff Governor (resigned 31 August 2018)	Remuneration	Nil	50,000 - 55,000
	Pension contributions paid	Nil	5,000 - 10,000

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

12. Governors' and Officers' insurance

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

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13. Tangible fixed assets

	Other Fixed assets £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2018	564,319	100,180	54,064	7,250	725,813
Additions	4,750	6,283	3,118	-	14,151
At 31 August 2019	<u>569,069</u>	<u>106,463</u>	<u>57,182</u>	<u>7,250</u>	<u>739,964</u>
Depreciation					
At 1 September 2018	51,058	77,458	53,514	7,250	189,280
Charge for the year	11,358	12,764	2,179	-	26,301
At 31 August 2019	<u>62,416</u>	<u>90,222</u>	<u>55,693</u>	<u>7,250</u>	<u>215,581</u>
Net book value					
At 31 August 2019	<u>506,653</u>	<u>16,241</u>	<u>1,489</u>	<u>-</u>	<u>524,383</u>
At 31 August 2018	<u>513,261</u>	<u>22,722</u>	<u>550</u>	<u>-</u>	<u>536,533</u>

The academy occupies land (including buildings) which is owned by the Diocese of Hereford. The Diocese is the provider of the academy on the same basis as when the academy was a maintained school. The academy trust occupies the land (and buildings) under a mere licence. This continuing permission of the Diocese is pursuant to, and subject to, the Diocese' charitable objects.

The licence delegates aspects of the management of the land (and buildings) to the academy trust company for the time being, but does not vest any rights over the land in the academy trust company. The Diocese has given an undertaking to the Secretary of State that it will not give the academy trust company less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the academy trust company is occupying the land (and buildings) the Governors have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company.

Improvements to the buildings financed by capital grants have been capitalised within other fixed assets above, and are being written off over their expected useful lives, as the Trust has the expectation of continuing to operate from the premises.

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NOTES TO THE FINANCIAL STATEMENTS
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14. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	1,495	300
Other debtors	17,895	8,142
Prepayments and accrued income	3,903	5,279
	<u>23,293</u>	<u>13,721</u>

15. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	16,248	8,889
Other taxation and social security	4,847	4,243
Other creditors	3,978	4,312
Accruals and deferred income	19,141	19,755
	<u>44,214</u>	<u>37,199</u>

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16. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds - all funds	124,268	22,518	(8,534)	(3,441)	-	134,811
Restricted general funds						
General annual grant (GAG)	-	373,309	(373,309)	-	-	-
Pupil Premium	-	14,685	(14,685)	-	-	-
Other grants	96,923	69,286	(62,310)	-	-	103,899
Pension reserve	(66,000)	-	(27,000)	-	(65,000)	(158,000)
	30,923	457,280	(477,304)	-	(65,000)	(54,101)
Restricted fixed asset funds						
Class II Restricted Funds - all funds	536,533	10,709	(26,300)	3,441	-	524,383
Total Restricted funds	567,456	467,989	(503,604)	3,441	(65,000)	470,282
Total funds	691,724	490,507	(512,138)	-	(65,000)	605,093

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

All of the grants received from the ESFA and LA during the year, along with associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The School also receives capital grants from the ESFA. These grants are shown as restricted income in the fixed asset fund. The restricted fixed asset fund is reduced by annual depreciation charges over the expected useful life of the assets held.

The school generates its own income from the operation of its extended schools provision. A programme of letting of the hall and grounds to different community organisations also generates an income for the school.

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

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

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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Unrestricted funds						
Unrestricted funds - all funds	116,403	45,567	(37,702)	-	-	124,268
Other general funds	-	1,200	(1,200)	-	-	-
	<u>116,403</u>	<u>46,767</u>	<u>(38,902)</u>	<u>-</u>	<u>-</u>	<u>124,268</u>
Restricted general funds						
Restricted Funds - all funds	105,855	412,180	(421,878)	766	-	96,923
Pension reserve	(77,000)	-	(20,000)	-	31,000	(66,000)
	<u>28,855</u>	<u>412,180</u>	<u>(441,878)</u>	<u>766</u>	<u>31,000</u>	<u>30,923</u>
Restricted fixed asset funds						
Class II Restricted Funds - all funds	566,544	-	(29,245)	(766)	-	536,533
Total Restricted funds	<u>595,399</u>	<u>412,180</u>	<u>(471,123)</u>	<u>-</u>	<u>31,000</u>	<u>567,456</u>
Total funds	<u><u>711,802</u></u>	<u><u>458,947</u></u>	<u><u>(510,025)</u></u>	<u><u>-</u></u>	<u><u>31,000</u></u>	<u><u>691,724</u></u>

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

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	524,383	524,383
Current assets	134,811	148,113	-	282,924
Creditors due within one year	-	(44,214)	-	(44,214)
Provisions for liabilities and charges	-	(158,000)	-	(158,000)
Total	134,811	(54,101)	524,383	605,093

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	536,533	536,533
Current assets	124,268	134,122	-	258,390
Creditors due within one year	-	(37,199)	-	(37,199)
Provisions for liabilities and charges	-	(66,000)	-	(66,000)
Total	124,268	30,923	536,533	691,724

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

	2019 £	2018 £
Net expenditure for the year (as per Statement of financial activities)	(21,631)	(51,078)
Adjustments for:		
Depreciation	26,301	29,245
Decrease in stocks	-	27
Increase in debtors	(9,572)	(3,772)
Increase/(decrease) in creditors	7,015	(4,554)
FRS 102 adjustment	27,000	20,000
Net cash provided by/(used in) operating activities	29,113	(10,132)

19. Cash flows from financing activities

	2019 £	2018 £
Interest paid	-	(101)
Net cash provided by/(used in) financing activities	-	(101)

20. Cash flows from investing activities

	2019 £	2018 £
Purchase of tangible fixed assets	(14,151)	(4,599)
Dividends, interest and rents from investments	-	101
Net cash used in investing activities	(14,151)	(4,498)

21. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	259,631	244,669
Total cash and cash equivalents	259,631	244,669

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NOTES TO THE FINANCIAL STATEMENTS
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22. Pension commitments

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

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

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

Teachers' Pension Scheme

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

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

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

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22. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £21,591 (2018 - £22,320).

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

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

Scheme Changes

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £17,422 (2018 - £19,100), of which employer's contributions totalled £12,793 (2018 - £14,002) and employees' contributions totalled £ 4,629 (2018 - £5,098). The agreed contribution rates for future years are 15.2% per cent for employers and 5.5 - 12.5% per cent for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.6	3.6
Rate of increase for pensions in payment/inflation	2.2	2.2
Discount rate for scheme liabilities	1.8	2.8
Inflation assumption (CPI)	2.1	2.1

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22. Pension commitments (continued)

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	23.2	23.1
Females	26.4	26.3
<i>Retiring in 20 years</i>		
Males	25.4	25.3
Females	28.7	28.6

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	(150,000)	(61,000)
0.1%pa inflation	(165,000)	(72,000)
Pay growth +0.1%	(159,000)	(67,000)
Life expectancy +1 year	(164,000)	(71,000)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	100,000	90,000
Property	9,000	9,000
Cash and other liquid assets	4,000	4,000
Other	45,000	35,000
Other Bonds	41,000	40,000
Total market value of assets	199,000	178,000

The actual return on scheme assets was £7,000 (2018 - £9,000).

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22. Pension commitments (continued)

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

	2019 £	2018 £
Current service cost	(26,000)	(32,000)
Interest cost	(1,000)	(1,000)
Administrative expenses	(1,000)	(1,000)
Past service cost	12,000	-
Total amount recognised in the Statement of Financial Activities	(16,000)	(34,000)

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

	2019 £	2018 £
At 1 September	244,000	229,000
Current service cost	26,000	32,000
Interest cost	6,000	5,000
Employee contributions	5,000	5,000
Actuarial losses/(gains)	66,000	(26,000)
Benefits paid	(2,000)	(1,000)
Past service costs	12,000	-
At 31 August	357,000	244,000

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

	2019 £	2018 £
At 1 September	178,000	152,000
Return on plan assets (excluding net interest on the net defined pension liability)	5,000	4,000
Actuarial gains	1,000	5,000
Employer contributions	13,000	14,000
Employee contributions	5,000	5,000
Benefits paid	(2,000)	(1,000)
Administration expenses	(1,000)	(1,000)
At 31 August	199,000	178,000

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23. Members' liability

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

24. Related Party Transactions

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

During the year a family member of the Head Teacher was remunerated £200 for delivering educational training to a group of delegates on the school site. The transaction was paid at standard rate and no amount was outstanding at year end.

During the year the spouse of a Governor was employed by the trust in a teaching assistant role. The total salary for the year was £12,290.

During the year the trust incurred expenses relating to the teaching and delivery of an outdoor education programme of £1,770. The programme was run by the spouse of a Governor.