Company Registration No. 7668955 (England and Wales)

HARLINGTON UPPER SCHOOL

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

HARLINGTON UPPER SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members	
	R Holland
	S Killinger (Resigned 14 November 2018)
	G Munns
Trustees	S Fell (Headteacher and Accounting Officer)
	M Hart (Governor)
	R Holland (Chair of Governors)
	C Kendall (Governor)
	N Kemp (Staff Governor)
	S Killinger (Vice Chair of Governors) (Resigned 14 November 2018)
	G Munns (Governor)
	T Nicols (Cllr) (Local Authority Governor) (Resigned 9 May 2019)
	K Stocker (Staff Governor)
	J Theodore (Parent Governor)
	M Field (Parent Governor)
	M Green (Parent Governor)
	M Kenny (Parent Governor)
	A Killeen (Parent Governor)
	P Rolfe (Parent Governor)
	O Schutz (Governor)
Senior management team	
- Headteacher & Accounting Officer	S Fell
- Deputy Headteacher	G Billin
- Chief Financial Officer & Business Manager	M Boyle
- Assistant Headteacher	A Martin
- Assistant Headteacher	T Southall
- Assistant Headteacher	G Russon
- Assistant Headteacher	H Sides
- Assistant Headteacher	M Munshi
Company secretary	M Boyle
Company registration number	7668955 (England and Wales)
Registered office	Harlington Upper School Goswell End Road Harlington Bedfordshire LU5 6NX
Independent auditor	RSM UK Audit LLP Abbotsgate House Hollow Road Bury St Edmunds Suffolk IP32 7FA

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers	National Westminster Bank plc 81 High Street Bedford MK40 1YN
Solicitors	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES

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

The Academy Trust operates an academy for pupils aged 13 to 18 serving a catchment area in Bedfordshire. It has a pupil capacity of 900 (Years 9-11) and a large Sixth Form. There were 1,158 students on the roll in the school census as at January 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The governors act as Trustees for charitable activities of Harlington Upper School Limited and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Harlington Upper School.

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

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice, the Academy Trust purchases insurance to protect Trustees from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The cost of this insurance is included in the total insurance cost as shown in the financial statements. The insurance provides cover up to £5,000,000 on any one claim.

Method of recruitment and appointment or election of Trustees

The management of the Academy Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Academy deed. As at 31 August 2019 this comprised of 6 parent governors elected by and from the parent body, 2 staff governors elected by the staff, 1 ex-officio governor (Headteacher) and 5 governors appointed by the members of the Academy Trust.

The term of office for any Trustee shall be four years, save that this time limit shall not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be reappointed or re-elected. The Trustees who were in office at 31 August 2019 and who served during the period are listed on page 1.

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience and will be tailored specifically to the individual. Where necessary, induction will include training on educational, legal and financial matters. All new Trustees will undertake a tour of the Academy, have the chance to meet with staff and students and are provided with copies of key documents, such as policies, procedures, minutes, accounts, budgets, plans and other documents they need to undertake their role as Trustees.

Organisational structure

The management structure consist of:

- The Academy Trust Board
- Trustees' Committees and Working Parties as necessary
- The Academy Senior Management Team

The Academy Trust Board is responsible for setting the overall strategic direction of the Academy Trust, monitoring the Academy Trust's performance against key performance indicators, approving the annual budget, maintaining financial stability and reviewing the Academy Trust's policies and procedures that provide internal control and mitigate risk.

The Academy Senior Management team typically consists of the Headteacher, Deputy Headteacher, Business Manager and the Assistant Headteachers. This team manages the Academy Trust at an executive level implementing the policies laid down by the Trustees and reporting back to them. The Headteacher is the Accounting Officer. The Business Manager is the Chief Financial Officer.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration is set in accordance with the national pay scales published in the School Teachers Pay and Conditions document (for teaching staff) and the National Joint Council (for non-teaching staff). This is reviewed annually, following completion of the performance management cycle. A governors Pay Committee is established to review and agree performance related pay progression recommendations. A separate governors committee is established to review the performance management of the Headteacher and agree remuneration, in accordance with published pay scales and appropriate benchmarking data.

Trade Union Facility Time

No employees were granted facility time to carry out work associated with their school union representative duties.

Related parties and co-operation with other organisations

The Academy Trust is an associate member of the Harlington Area Schools Trust (HAST) which comprises the Upper School, the 2 Middle Schools and 7 Lower Schools in the Harlington pyramid. The vision of HAST is "to provide an exciting and innovative collaborative approach to teaching, learning and governance, in order to ensure that every child in the HAST family receives an excellent well-rounded education from age 3 to 19".

The members of HAST aim to work collaboratively across the phases, including in aspects of pastoral and welfare support.

The Regional School's Commission has recently approved the formation of a multi academy trust (MAT) which will initially include the Academy Trust together with five other local schools from the Harlington Area Schools Trust. It is anticipated that the multi academy trust will be established during the academic year 2019-20.

OBJECTIVES AND ACTIVITIES

Objects and aims

The Academy objective, as set out in its Articles of Association, is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. In accordance with this document, the Academy has signed a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies:

- the Academy has a curriculum satisfying the requirements of section 78 of EA 2002 (balanced and broadly based curriculum)
- the Academy provides education for pupils of different abilities
- the Academy provides education for pupils who are wholly or mainly drawn from the area in which the Academy is situated.

The Academy was rebuilt as part of the Mid-Bedfordshire Private Finance Initiative (PFI) and moved into its new buildings in September 2006.

Objectives, Strategies and Activities

The Governing Body Development plan 2018-19 included the following:

- Teach all students, particularly the most able, disadvantaged and those with special educational needs and disabilities (SEND), to secure above average student progress.
- Refine marking and feedback to focus on benefiting student learning.
- Regularly give students opportunities to research and learn for themselves.
- Further improve sixth form attainment and student progress.
- Improve attendance, particularly for disadvantaged and SEND students.
- Improve school culture, fully implementing and embedding the "Harlington Way".
- Promote student resilience, responsibility and pride in the school.
- Maintain the leadership development focus on systematically monitoring and evaluating progress.
- Further develop the dialogue with parents and students: communicate often, openly and with candour; listen and use comments to make improvements.
- Ensure sound financial management underpins all planning and development: operate a sustainable balanced budget.

Objectives, Strategies and Activities (continued)
Strategies to achieve this included:

- Streamline assessment to incorporate 9-1 assessment in all subject schemes of work.
- Termly monitoring shows marking policy is consistently applied in all subjects in line with school and department.
- All teachers aware of SEND students' needs and making the necessary adaptations to their lessons to ensure progress.
- All SEND students know their strengths and successes and what they need to do to improve.
- Intervention strategies in place for subjects, teaching groups and individual students.
- Embed revised attendance policy, ensuring early and effective intervention.
- Continue to embed all aspects of The Harlington Way.
- Explore Restorative Approaches to implementing The Harlington Way.
- Create and monitor expenditure to reflect restructured staffing structure and plan to reduce expenditure to match income.
- Liaise with Harlington Area Schools Trust partners with aim of forming a multi academy trust.

Public benefit
The Academy Trust's Trustees have complied with their duty to have due regard to the guidance on public benefit as published by the Charity Commission in exercising their powers or duties.

The following paragraphs in the strategic report present a review of the significant activities undertaken by the Academy Trust during the period to further its charitable purposes for public benefit.

STRATEGIC REPORT
Achievements and performance

Pupil numbers
The pupil numbers in the academic year 2018-19 were 1,158, being 895 in years 9-11 and 263 in the Sixth Form.

Academic Results 2018-19

GCSE
GCSE results were again very impressive. Students achieved excellent results, with outstanding performance at the highest levels.

By any measure the results were impressive and were again significantly above the national average and, when the comparable results are made public, are likely to be above other Central Bedfordshire Upper Schools.

- Overall, a superb 74% of Harlington students achieved the benchmark 9-4 grades in both English and maths, with 57% gaining strong passes (levels 9- 5).
- English and maths results individually were particularly strong with pass rates of 84% and 81% respectively.
- A total of 15 students gained an impressive 8 or more top grades (grades 9-7 or A*/A). High achievement was common at Harlington and this year there were 48 students with at least 5 top grades (grades 9-7 or A*/A).
- Overall, more than 50% of students at Harlington achieved at least one grades 9-7 or A* / A grade.
- Two students achieved a wonderful 8 GCSEs at grade 9.
- Progress8 co-efficient has further improved and is positive at +0.18, compared to the national average of -0.03.
- Attainment and progress of disadvantaged students is considerably higher than disadvantaged students nationally.
- Pupils are well prepared for the next stage of their education, training or employment. The proportion of students making positive appropriate progression is better than national and local averages, and the proportion of students classified as NEET is very low.

A Level
Overall, the A level points scores further improved on last years' excellent results. Over 75% of all results were grades A*-C. This has been achieved when the majority of A level grades this year were decided solely by final exams, with no link to coursework or AS-levels.

Twenty students gained an impressive three or more grades at A*/A and will go on to study a variety of different courses at Russell Group and other major universities. Many other students have secured places on excellent apprenticeship schemes.

Other Achievements
Trips and Visits - Trips and visits are an essential feature of school life. Students have visited Switzerland, Berlin, Holland and Iceland; numerous theatre, gallery and museum visits, fieldwork in Bournemouth and Devon, science and engineering visits to Oxford, Cambridge and Warwick Universities, Bedford Magistrates Court, The Skills Show. The Academy has a strong Duke of Edinburgh Award programme at Bronze, Silver and Gold level.

Performing Arts - many musical and drama events have taken place including performances of "Footloose" and regular music and dance showcases and art exhibitions.

Arts - Art students work was displayed in an exhibition at the English Heritage site at Wrest Park and at the local garden centre.

Bake-Off - The annual BakeOff competition took place in March, involving mixed aged teams from the Upper, Middle and Lower schools in the Harlington pyramid.

Charity Fundraising - through the House and Sixth Form system, students raised almost £3,000 for a variety of different charities including Children in Need, The Alzheimers Society and Keech Hospice Care.

Extra-curricular activities are many and varied including football, cricket, athletics, badminton, rugby, rounders, table tennis, chess, debating and creative writing.

The special nature of the school is based on an emphasis on quality in all that we do the rich extra-curricular life and positive relationships founded on mutual respect within the local community. A positive learning environment is created in which all students can realise their full potential. High standards of work, conduct and appearance are expected, and the school is encouraging and supportive towards all students.

Financial review
Financial Position
The financial position of the Academy Trust is detailed in the following pages.

Most of the Academy Trust's income is obtained from the Department for Education (DfE) in the form of recurrent and capital grants, the use of which is restricted to particular purposes.

The grants received during the period and the associated expenditure is shown as restricted funds in the Statement of Financial Activities.

Capital grants received from the DfE during the period amounted to £92,899. A transfer of £55,294 has been made to the fixed asset fund, representing capital additions in the year with the balance used on repairs and renewals.

Recurrent grants of £6,079,365 (excluding capital grant) were received from the DfE, Local Authority and other Government bodies. Expenditure on educational activities covered by these grants amounted to £6,787,270 with £707,905 being transferred from unrestricted funds to cover the shortfall from recurrent grants.

Unrestricted income and expenditure in the period amounted to £321,454 and £236,004 respectively.

The in-year deficit figure of £1,257,903 was represented by the change in balance of restricted general funds (excluding pension reserve) plus unrestricted funds.

To achieve a balanced budget, the target is for staff costs to be below 80% of revenue income. In January 2019, the Academy Trust started a restructuring process to reduce staff expenditure and it is expected that staff costs/ revenue income will fall below 80% in 2019-20.

Financial and risk management objectives and policies
The Academy Trust operates systems of internal financial control and checks and these are examined periodically by the Academy Trust's auditor and through the Academy Trust's system of internal control. Management accounts and cashflow forecasts are prepared each month which are monitored by the Accounting Officer and the Trustees. The Academy Trust completed a Financial Management and Governance review in June 2012 where controls were self-assessed as Good. This rating was confirmed by the Department for Education in August 2012.

In August 2018 the Academy Trust completed a desktop review of internal control mechanisms as requested by the ESFA. Feedback was received from the ESFA in March 2019 recommending two minor improvements to current practices which will be implemented in 2019-20.

Reserves policy
The Academy Trust Board reviews the level of reserves regularly. This review includes information about income and expenditure streams, the need to match income with commitments and investments. It is the Trustees' policy to use unrestricted reserves for educational purposes, both present and future in line with the Academy Trust's strategic plan. Unrestricted funds, which is equivalent to the level of free reserves held, for the year ending 31 August 2019 amounted to £411,887.

Although the Academy Trust currently has a deficit under the Local Government Pension Scheme, this is not a liability which has an immediate cash flow impact and therefore we will continue to monitor the level of this liability once the employer's contribution rate is set at that which is required to reduce the deficit.

The Academy Trust's reserves policy is to maintain a working balance of between £250,000 and £750,000 in liquid funds that are available immediately. For the year ending 31 August 2019, balances totalling £439,835 were available in instant access bank accounts.

Having taken account of the risks to which the Academy Trust is exposed, the Trustees consider the current level of reserves to be appropriate. Unrestricted and restricted reserves at the end of the period amounted to £1,091,010.

Investment policy
The Trustees have authorised the use of short term deposit accounts and notice deposit accounts in respect of cash held which is surplus to immediate requirements, provided that investment risk is spread amongst a variety of suitable financial institutions.

Key performance indicators
The OFSTED Inspection of March 2018 rated the school as Good. OFSTED inspectors said that the Headteacher and the senior team have created a culture of high expectations that every pupil, regardless of their background or circumstances, can succeed. The Academy Trust has ensured that these aspirations have been translated into strong achievement and outcomes have improved since the last inspection.

The attendance of students is good – data shows that the percentage of attendance in line with national averages and persistent absence is slightly better than the national average. Trend data shows attendance to be stable and improving over time.

Fixed term exclusions are significantly lower than that of all secondary schools.

Incidents of bullying, discriminatory and prejudicial behaviour are very rare.

A significant percentage of the budget continues to be invested in recruiting and maintaining high quality staff.

Key performance indicators (continued)

The Academy Trust uses the following key performance indicators for budget monitoring and financial planning:

	2016-17	2017-18	2018-19
Total Staff costs to Total ESFA Revenue Income (%)	81.5	76.65	81.0
Average Teacher Cost (£)	£50,893	£51,659	£53,316
Pupil/Teacher Ratio	14.46	12.26	15.31

Instances of staff sickness absence continue to fall and the average numbers of days absent for teaching staff was below the national average in 2018-19.

Surplus funds were invested in higher interest rate deposit accounts.

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies in note 1.

Plans for future periods

The budget for the 2019-20 academic year has been set and agreed by the trustees and the positive financial position is expected to be maintained.

In order to maintain and develop the ethos and vision of the Academy Trust the key priorities for 2019-20 include:

- Ensure the curriculum and schemes of work are coherent and provide opportunities for all students, particularly disadvantaged and SEND students to succeed; helping students consolidate learning over the long term.
- Further embed and improve school culture using The Harlington Way and restorative approaches.
- Ensure the curriculum enables students' broader development including resilience and independence and prepares for life in modern Britain.
- Develop staff pedagogical knowledge and use of assessment to further enhance teaching.
- Engage all leaders and school staff in reviewing and adapting school processes and procedures to ensure efficiency, with attention given to workload.
- Ensure sound financial management underpins all planning and development.

Discussions have been underway with our feeder schools towards creating a Multi-Academy Trust based on the Harlington pyramid. The regional schools commissioner (RSC) has given approval for such a MAT to be created, initially with the upper school, the 2 middle schools and 3 of the lower schools during the financial year 2019-2020. Central Bedfordshire Council has informed the pyramid of their plans to convert to a primary/ secondary organisation within the next five years. These two issues would have a significant impact on the school and negotiations continue with all parties.

Principal risks and uncertainties

The risk register is reviewed by the Academy Trust Board at least annually. Risks included on the register are varied but include strategic, operational, financial, compliance and reputational risks. The Trustees have assessed the major risks to which the Academy Trust is exposed and are satisfied that systems are in place to mitigate its exposure to those risks.

Uncertainty about government funding still remains a risk. When coupled with the reduction in student numbers, the move towards a national funding formula, a reduction in Sixth Form funding, changes in arrangements for special educational needs and nationally agreed pay and pension rises, this means that budgets will become increasingly tight in the future.

Regular monthly monitoring of financial information indicated that the rate of reduction to expenditure was not in line with fall in income and as a result a staff restructuring process was undertaken during the year.

The Governing Body recognises that the defined benefit scheme deficit (Local Government Pension Scheme) represents a significant potential liability. However, the Academy is able to meet its known annual contribution commitments for the foreseeable future and thus the risk is minimised.

Fundraising

As a Private Finance Initiative school, the Academy Trust is unable to raise additional funds through letting of the facilities. Fundraising is therefore generally limited to activities to support various charities and a small amount of sponsorship from local companies to purchase sports kit and prizes for the annual "Bake Off" competition. If a specific need arises to generate funds for a particular educational project, then a variety of methods will be used including donations, Gift Aid and small fundraising activities. Support for these activities will be sought through the Academy Trust's social media feeds, local advertising and newsletters. At the moment, there are no plans to engage the services of a professional fundraiser.

AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to auditor

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' report is approved by order of the Board of Trustees and the strategic report (included therein) is approved by the Board of Trustees in their capacity as the directors at a meeting on 11/12/2019 and signed on its behalf by:

....

R Holland

Chair of Governors

Scope of responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Harlington Upper 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 the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Harlington Upper 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 9 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
S Fell (Headteacher and Accounting Officer)	9	9
M Hart (Governor)	3	9
R Holland (Chair of Governors)	9	9
C Kendall (Governor)	8	9
N Kemp (Staff Governor)	9	9
S Killinger (Vice Chair of Governors) (Resigned 14 November 2018)	0	2
G Munns (Governor)	7	9
T Nicols (Cllr) (Local Authority Governor) (Resigned 9 May 2019)	5	6
K Stocker (Staff Governor)	7	9
J Theodore (Parent Governor)	4	9
M Field (Parent Governor)	5	9
M Green (Parent Governor)	8	9
M Kenny (Parent Governor)	9	9
A Killeen (Parent Governor)	5	9
P Rolfe (Parent Governor)	6	9
O Schutz (Governor)	5	9

During the period there were the following changes to the Board of Trustees:

- S Killinger resigned as a Governor on 14 November 2018.
- T Nicols resigned as a Governor on 9 May 2019.

Governance reviews

New Governance arrangements were introduced in Spring 2014 when the structure of Board meetings supported by committees was streamlined to provide a more efficient and focused approach. As a result, the committees were disbanded, and the responsibilities previously delegated to them are now retained by the main Board, which meets more regularly. Exceptions exist for Pay, Audit and Appraisal and for the Headteacher's Performance Management, and occasional working parties may be created to consider specific issues in greater depth. Trustees accompany the Academy Trust's Management Team on regular monitoring visits. All report back to the main Board at the next opportunity. Performance against KPI's are reviewed and monitored at Board meetings, including data about exclusions, pupil attendance, student behaviour, financial performance, staffing data and health and safety.

Trustees have since reviewed the operation of the changes and consider they offer more effective and responsive support for Senior Management and the opportunity for more timely challenge where appropriate.

An audit of Trustees skills was carried out in October 2018. One area was identified with a lower level of competency, however this function is supported by external professional advice.

The Business Committee is a sub-committee of the main board of trustees. Its purpose is:

- To assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity
- To make appropriate comments and recommendations on such matters to the governing body on a regular basis
- Major issues will be referred to the full governing body for ratification
- To fulfil the purposes of an Audit Committee
- To fulfil the purposes of a Pay Committee

Attendance at meetings in the year was:

Trustee	Meetings attended	Out of possible
R Holland (Chair)	2	2
G Munns	2	2
S Fell (Headteacher and Accounting Officer)	1	2
M Green	2	2
M Kenny	2	2

Review of value for money

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

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

- A curriculum-led financial planning review of the curriculum and resource allocation to reduce costs. This process included a review against comprehensive benchmarking data, to assess capacity in the timetable and staffing structure. Following this review a staffing restructure took place, including some redundancies.
- A review of all non-staffing expenditure, including contracts and purchasing, to reduce costs.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Harlington Upper School for the period 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 Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by Trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- use of benchmarking data;
- clearly defined purchasing guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks;
- compliance with the requirements of the Academies Financial Handbook.

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the Trustees have appointed Mrs C Bianco ACA , the Business Manager of the Harlington Area Schools Trust to perform a peer review.

The peer reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the recent checks included:

- compliance with the requirements of the Academies Financial Handbook i.e. the "must haves"

On an annual basis the peer reviewer reports to the Board of Trustees through the Business Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The peer review for the financial year 31 August 2019 was carried out shortly after the year end in November 2019 with no material findings.

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 peer reviewer;
- the work of the external auditor;
- the ESFA desktop review of internal control mechanisms;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Board of Trustees on 11/12/2019 and signed on its behalf by:

S Fell	R Holland
Headteacher and Accounting Officer	**Chair of Governors**

HARLINGTON UPPER SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

S Fell
Accounting Officer

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11/12/2019

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Harlington Upper School for the purposes of company law) are responsible for preparing the Trustees' report (including the strategic report) and the financial statements in accordance with the Academies Accounts Direction issued 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 in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 11/12/2019 and signed on its behalf by:

R Holland
Chair of Governors

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARLINGTON UPPER SCHOOL

Opinion

We have audited the financial statements of Harlington Upper School (the "charitable company") for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2018 to 2019 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 charitable company'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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2018 to 2019 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

Opinions 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 which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARLINGTON UPPER SCHOOL (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' 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 Statement of Trustees' Responsibilities set out on page 17, the Trustees (who act as trustees for the charitable activities of the charitable company 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Claire Sutherland (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Abbotsgate House
Hollow Road
Bury St Edmunds
Suffolk, IP32 7FA
12 December 2019

HARLINGTON UPPER SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Endowment Funds £	Total 2019 £	Total 2018 £
Income and endowments from:							
Donations and capital grants	4	-	92,899	-	-	92,899	61,725
Charitable activities:							
- Funding for educational operations	5	314,561	6,080,102	-	-	6,394,663	6,584,556
Investments	6	6,893	24	-	-	6,917	4,579
Total		321,454	6,173,025	-	-	6,494,479	6,650,860
Expenditure on:							
Charitable activities:							
- Educational operations	8	236,004	7,003,235	73,143	-	7,312,382	7,070,806
Total	7	236,004	7,003,235	73,143	-	7,312,382	7,070,806
Net income/ (expenditure)		85,450	(830,210)	(73,143)	-	(817,903)	(419,946)
Transfers between funds	17	(707,905)	652,611	55,294	-	-	-
Other recognised gains/ (losses)							
Actuarial (losses)/gains on defined benefit pension schemes	22	-	(440,000)	-	-	(440,000)	327,000
Net movement in funds		(622,455)	(617,599)	(17,849)	-	(1,257,903)	(92,946)
Reconciliation of funds							
Total funds brought forward		1,034,342	(1,156,577)	2,458,518	12,630	2,348,913	2,441,859
Total funds carried forward		411,887	(1,774,176)	2,440,669	12,630	1,091,010	2,348,913

HARLINGTON UPPER SCHOOL

BALANCE SHEET
AS AT 31 AUGUST 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	12		2,440,669		2,458,518
Current assets					
Debtors	13	101,167		76,700	
Cash at bank and in hand		652,670		1,179,886	
		753,837		1,256,586	
Current liabilities					
Creditors: amounts falling due within one year	14	(318,496)		(181,191)	
Net current assets			435,341		1,075,395
Net assets excluding pension liability			2,876,010		3,533,913
Defined benefit pension scheme liability	22		(1,785,000)		(1,185,000)
Total net assets			1,091,010		2,348,913
Funds of the Academy Trust:					
Restricted funds	17				
- Restricted fixed asset funds			2,440,669		2,458,518
- Restricted income funds			10,824		28,423
- Pension reserve			(1,785,000)		(1,185,000)
- Endowment funds			12,630		12,630
Total restricted funds			679,123		1,314,571
Unrestricted income funds	17		411,887		1,034,342
Total funds			1,091,010		2,348,913

The financial statements on pages 20 to 42 were approved by the Board of Trustees and authorised for issue on 11/12/2019... and are signed on their behalf by:

....
R Holland
Chair of Governors

HARLINGTON UPPER SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

		2019		2018	
	Notes	£	£	£	£
Cash flows from operating activities					
Net cash used in operating activities	**20**		(571,738)		(238,075)
Cash flows from investing activities					
Dividends, interest and rents from investments		6,917		4,579	
Capital grants from DfE Group		92,899		26,708	
Purchase of tangible fixed assets		(55,294)		(134,445)	
Net cash provided by/(used in) investing activities			44,522		(103,158)
Net decrease in cash and cash equivalents in the reporting period			(527,216)		(341,233)
Cash and cash equivalents at beginning of the year			1,179,886		1,521,119
Cash and cash equivalents at end of the year			652,670		1,179,886

1 Accounting policies

General information
Harlington Upper School is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

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

Basis of preparation
The financial statements of the Academy Trust have been prepared under the historical 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 financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The Academy Trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

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

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

<u>Grants</u>
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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement, when performance-related conditions have been met, and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted general fund.

1 Accounting policies (Continued)

Other income

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

Interest receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

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, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

Tangible fixed assets and depreciation

Assets costing £5,000 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. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Land	Not depreciated
Leasehold improvements	Straight line over the life of the lease
Computer equipment	20% - 25% reducing balance
Motor vehicles	20% reducing balance

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 Accounting policies (Continued)

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

Leased assets
Rentals payable under operating leases are charged on a straight line basis over the period of the lease.

Financial instruments
The Academy Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities
Financial assets and financial liabilities are recognised when the Academy Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Taxation
The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 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.

Pensions benefits
Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

1 Accounting policies (Continued)

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each reporting date. The amounts charged to net income 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.

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose. The balance also represents the net book value of tangible fixed assets held by the Academy Trust.

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

Endowment funds represent funds which must be held permanently by the Academy Trust. Income arising can be used in accordance with specific restrictions imposed.

Agency Arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the ESFA. Related payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in the Statement of Financial Activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the ESFA.

Employee benefits

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and areas of judgement

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

<u>Critical accounting estimates and assumptions</u>

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.

2 Critical accounting estimates and areas of judgement (Continued)

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.

Critical areas of judgement
The trustees do not consider there to be any critical areas of judgement that have a significant effect on the amounts recognised in the financial statements.

3 Comparative year information

Year ended 31 August 2018	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2018
	£	£	£	£
Income and endowments from:				
Donations and capital grants	17	61,708	-	61,725
Charitable activities:				
- Funding for educational operations	223,606	6,360,950	-	6,584,556
Investments	4,574	5	-	4,579
Total	228,197	6,422,663	-	6,650,860
Expenditure on:				
Charitable activities:				
- Educational operations	167,770	6,828,737	74,299	7,070,806
Total	167,770	6,828,737	74,299	7,070,806
Net income/(expenditure)	60,427	(406,074)	(74,299)	(419,946)
Transfers between funds	(274,225)	236,915	37,310	-
Other recognised gains/(losses)				
Actuarial gains on defined benefit pension schemes	-	327,000	-	327,000
Net movement in funds	(213,798)	157,841	(36,989)	(92,946)

4 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	92,899	92,899	26,708
Other donations	-	-	-	35,017
	-	92,899	92,899	61,725

The income from donations and capital grants was £92,899 (2018: £61,725) of which £nil was unrestricted (2018: £17) and £92,899 was restricted (2018: £61,708).

5 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE / ESFA grants				
General annual grant (GAG)	-	5,765,901	5,765,901	6,119,123
Other DfE group grants	-	159,561	159,561	109,521
	-	5,925,462	5,925,462	6,228,644
Other government grants				
Local authority grants	-	153,903	153,903	131,422
Other incoming resources	314,561	737	315,298	224,490
	314,561	6,080,102	6,394,663	6,584,556

The income from funding for educational operations was £6,394,663 (2018: £6,584,556) of which £314,561 was unrestricted (2018: £223,606) and £6,080,102 was restricted (2018: £6,360,950).

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Interest from short term deposits	6,893	24	6,917	4,579

The income from funding for investment income was £6,917 (2018: £4,579) of which £6,893 was unrestricted (2018: £4,574) and £24 was restricted (2018: £5).

7 Expenditure

	Staff costs	Non Pay Expenditure Premises	Other	Total 2019	Total 2018
	£	£	£	£	£
Academy's educational operations					
- Direct costs	4,861,300	73,143	827,161	5,761,604	5,613,468
- Allocated support costs	503,870	692,526	354,382	1,550,778	1,457,338
Total support costs	5,365,170	765,669	1,181,543	7,312,382	7,070,806

Net income/(expenditure) for the year includes:	2019	2018
	£	£
Operating lease rentals	575,657	589,604
Depreciation of tangible fixed assets	73,143	74,299
Net interest on defined benefit pension liability	33,000	35,000
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	12,975	12,595
- Other services	3,245	6,435
- Audit related assurance	3,020	2,925

8 Charitable activities

	Unrestricted funds	Restricted funds	Total 2019	Total 2018
	£	£	£	£
Direct costs				
Educational operations	233,502	5,528,102	5,761,604	5,613,468
Support costs				
Educational operations	2,502	1,548,276	1,550,778	1,457,338
	236,004	7,076,378	7,312,382	7,070,806

The expenditure on charitable activities was £7,312,382 (2018: £7,070,806) of which £236,004 was unrestricted (2018: £167,770), £7,003,235 was restricted (2018: £6,828,737) and £73,143 was restricted fixed assets (2018: £74,299).

	2019	2018
	£	£
Analysis of support costs		
Support staff costs	503,870	469,837
Premises costs	692,526	656,722
Other support costs	335,142	308,796
Governance costs	19,240	21,983
	1,550,778	1,457,338

9 Staff

Staff costs
Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	4,081,733	3,949,189
Social security costs	406,110	387,941
Pension costs	792,394	778,620
Staff costs - employed	5,280,237	5,115,750
Agency staff costs	34,417	119,972
Staff restructuring costs	50,516	64
	5,365,170	5,235,786
Staff development and other staff-related costs	24,146	63,435
Total staff expenditure	5,389,316	5,299,221

Staff restructuring costs comprise:

Redundancy payments	29,516	64
Severance payments	21,000	-
	50,516	64

Non statutory/non-contractual staff severance payments
Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £21,000 (2018: £nil). This consisted of one payment made during the year totalling £21,000.

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

	2019 Number	2018 Number
Teachers	77	79
Administration and support	69	67
Management	8	7
	154	153

9 Staff (Continued)

Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	4	-
£70,001 - £80,000	1	1
£100,001 - £110,000	1	1

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £637,905 (2018: £566,364).

10 Trustees' remuneration and expenses

During the year three (2018: three) Trustees have been paid remuneration or received other benefits from an employment with the Academy Trust. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their services as Trustees.

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

S Fell (Headteacher and Accounting Officer) received remuneration of £109,332 in 2019 (2018: £107,716) and pension contributions of £18,018 (2018: £17,752).

N Kemp (staff governor) received remuneration of £46,052 in 2019 (2018: £44,615) and pension contributions of £7,589 (2018: £7,345).

K Stocker (staff governor) received remuneration of £46,052 in 2019 (2018: £45,132) and pension contributions of £7,589 (2018: £7,438).

There were no expenses claimed by trustees during the current or prior year other than by staff governors as part of their normal employment.

11 Trustees and officers insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year was included in the total insurance cost.

12 Tangible fixed assets

	Land	Leasehold improvements	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2018	1,899,309	632,456	107,696	41,533	2,680,994
Additions	-	-	55,294	-	55,294
At 31 August 2019	1,899,309	632,456	162,990	41,533	2,736,288
Depreciation					
At 1 September 2018	-	144,349	50,175	27,952	222,476
Charge for the year	-	47,782	22,645	2,716	73,143
At 31 August 2019	-	192,131	72,820	30,668	295,619
Net book value					
At 31 August 2019	1,899,309	440,325	90,170	10,865	2,440,669
At 31 August 2018	1,899,309	488,107	57,521	13,581	2,458,518

13 Debtors

	2019	2018
	£	£
Other debtors	58,253	30,516
Prepayments and accrued income	42,914	46,184
	101,167	76,700

14 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	181,980	110,629
Other creditors	13,554	14,106
Accruals and deferred income (see note 15)	122,962	56,456
	318,496	181,191

15 Deferred income

	2019	2018
	£	£
Deferred income is included within:		
Creditors due within one year	52,759	36,566
Deferred income at 1 September 2018	36,566	26,508
Released from previous years	(36,566)	(26,508)
Resources deferred in the year	52,759	36,566
Deferred income at 31 August 2019	52,759	36,566

At the reporting date the academy trust was holding funds received in advance for future school trips.

16 Financial instruments

	2019	2018
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	8,670	3,210
Carrying amount of financial liabilities		
Measured at amortised cost	218,796	144,625

17 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	-	5,765,901	(6,473,806)	707,905	-
Other DfE / ESFA grants	-	252,460	(189,332)	(55,294)	7,834
Other government grants	-	153,903	(153,903)	-	-
Other restricted funds	28,423	761	(26,194)	-	2,990
Pension reserve	(1,185,000)	-	(160,000)	(440,000)	(1,785,000)
	(1,156,577)	6,173,025	(7,003,235)	212,611	(1,774,176)
Restricted fixed asset funds					
Transfer on conversion	1,905,308	-	(1,282)	-	1,904,026
DfE group capital grants	349,456	-	(71,861)	55,294	332,889
Capital expenditure from general funds	203,754	-	-	-	203,754
	2,458,518	-	(73,143)	55,294	2,440,669
Restricted endowment fund	12,630	-	-	-	12,630
Total restricted funds	1,314,571	6,173,025	(7,076,378)	267,905	679,123
Unrestricted funds					
General funds	1,034,342	321,454	(236,004)	(707,905)	411,887
Total funds	2,348,913	6,494,479	(7,312,382)	(440,000)	1,091,010

17 Funds (Continued)

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

General Annual Grant (GAG)
The General Annual Grant (GAG) must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

Other DfE/EFA grants
Other DfE/EFA grants include:
- Pupil Premium income, which represents an additional grant to support those students on free school meals and who are from service families. Costs incurred for this purpose, such as additional teaching and support staff expenses, have been set off against this income.
- Devolved formula capital grants, which represent the formula capital grant received from the Education and Skills Funding Agency. During the year these grants were spent on costs to maintain the academy's buildings, minor capital projects and IT equipment.
- ESFA SEN funding, which represents grants received in order to provide additional teaching resources for children with special learning needs. The cost of these teaching resources has been set against the income.

Other government grants
Other government grants include:
- Pupil Premium income, which represents an additional grant to support those students on free school meals and who are from service families. Costs incurred for this purpose, such as additional teaching and support staff expenses, have been set off against this income.
- SEN funding, which represents grants received in order to provide additional teaching resources for children with special learning needs. The cost of these teaching resources has been set against the income.

Other restricted funds
Other restricted funds include:
- A donation from The Harlington Area School Trust (HAST) to the Academy Trust being a contribution to support the development costs of forming a Multi-Academy Trust.

Pension reserve
The Pension reserve represents the Academy Trust's net liability in respect of the Local Government Pension Scheme.

Restricted fixed asset funds
Restricted fixed asset funds include:
- DfE/ESFA capital grants used to purchase fixed assets post conversion. The associated depreciation expense for these assets has been set against the fund.
- Funds transferred on conversion, which represent the value of the assets transferred from the local authority on conversion. The associated depreciation expense for these assets has been set against the fund.
- Capital expenditure from general funds represents fixed assets purchased in previous years from devolved formula capital grants and unrestricted income.

Restricted endowment fund
The James Stokes Smith Endowment Fund was created by a donation to the predecessor school. The income from the endowment is restricted for the purpose of encouraging and assisting children & young adults from the Parish of Eversholt to go into Higher Education or training, however the Trustees of the Fund will consider requests for financial support linked to other educational activities on an individual case by case merit.

17 Funds (Continued)

Unrestricted general funds
This fund relates to unrestricted income and expenditure which can be used for any purpose in compliance with the Academy Trust's objective.

Transfers
Transfers between funds during the year relate to fixed asset purchases from other DfE/ESFA grants, as well as unrestricted funds used for GAG expenditure.

Funds prior year

	Balance at 1 September 2017	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2018
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	16,564	6,119,123	(6,372,602)	236,915	-
Other DfE / ESFA grants	-	136,229	(136,229)	-	-
Other government grants	-	131,422	(131,422)	-	-
Other restricted funds	18	35,889	(7,484)	-	28,423
Pension reserve	(1,331,000)	-	(181,000)	327,000	(1,185,000)
	(1,314,418)	6,422,663	(6,828,737)	563,915	(1,156,577)
Restricted fixed asset funds					
Transfer on conversion	1,906,944	-	(1,636)	-	1,905,308
DfE group capital grants	422,119	-	(72,663)	-	349,456
Capital expenditure from general funds	166,444	-	-	37,310	203,754
	2,495,507	-	(74,299)	37,310	2,458,518
Restricted endowment fund	12,630	-	-	-	12,630
Total restricted funds	1,193,719	6,422,663	(6,903,036)	601,225	1,314,571
Unrestricted funds					
General funds	1,248,140	228,197	(167,770)	(274,225)	1,034,342
Total funds	2,441,859	6,650,860	(7,070,806)	327,000	2,348,913

18 Analysis of net assets between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Endowment Funds	Total Funds
	£	£	£	£	£
Fund balances at 31 August 2019 are represented by:					
Tangible fixed assets	-	-	2,440,669	-	2,440,669
Current assets	511,587	229,620	-	12,630	753,837
Creditors falling due within one year	(99,700)	(218,796)	-	-	(318,496)
Defined benefit pension liability	-	(1,785,000)	-	-	(1,785,000)
Total net assets	411,887	(1,774,176)	2,440,669	12,630	1,091,010

	Unrestricted Funds	Restricted funds: General	Fixed asset	Endowment Funds	Total Funds
	£	£	£	£	£
Fund balances at 31 August 2018 are represented by:					
Tangible fixed assets	-	-	2,458,518	-	2,458,518
Current assets	1,070,908	173,048	-	12,630	1,256,586
Creditors falling due within one year	(36,566)	(144,625)	-	-	(181,191)
Defined benefit pension liability	-	(1,185,000)	-	-	(1,185,000)
Total net assets	1,034,342	(1,156,577)	2,458,518	12,630	2,348,913

19 Commitments under operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019	2018
	£	£
Amounts due within one year	587,436	574,347
Amounts due between one and five years	2,342,402	2,284,616
Amounts due after five years	6,035,412	6,469,248
	8,965,250	9,328,211

20 Reconciliation of net expenditure to net cash flow from operating activities

	2019	2018
	£	£
Net expenditure for the reporting period (as per the statement of financial activities)	(817,903)	(419,946)
Adjusted for:		
Capital grants from DfE and other capital income	(92,899)	(26,708)
Interest receivable	(6,917)	(4,579)
Defined benefit pension scheme costs less contributions payable	127,000	146,000
Defined benefit pension scheme finance cost	33,000	35,000
Depreciation of tangible fixed assets	73,143	74,299
Movements in working capital:		
(Increase) in debtors	(24,467)	(27,955)
Increase/(decrease) in creditors	137,305	(14,186)
Net cash used in operating activities	(571,738)	(238,075)

21 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

22 Pension and similar obligations

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

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

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer.

22 Pension and similar obligations (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. 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 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published in June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2.0% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

Whilst the actuarial valuation has not been published it has been published that the determined employer rate will increase to 23.68 from 16.48% (including a 0.08% administration fee), and is payable from September 2019.

However, there is currently a legal challenge to the 2015 public sector pension reforms which could have a further impact on the scheme, which would have retrospective application.

The employer's pension costs paid to the TPS in the period amounted to £520,641 (2018: £493,320).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 20.6% for employers and variable% for employees.

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

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.

22 Pension and similar obligations (Continued)

Total contributions made	2019 £	2018 £
Employer's contributions	144,000	154,000
Employees' contributions	45,000	45,000
Total contributions	189,000	199,000

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2019 by a qualified independent actuary.

	2019 %	2018 %
Rate of increase in salaries	2.50	2.70
Rate of increase for pensions in payment/inflation	2.20	2.40
Discount rate for scheme liabilities	1.85	2.80

The assumed life expectations on retirement age 65 are:

	2019 Years	2018 Years
Retiring today		
- Males	20.7	22.4
- Females	23.2	24.5
Retiring in 20 years		
- Males	21.7	24
- Females	24.7	26.2

The Academy Trust's share of the assets in the scheme	2019 Fair value £	2018 Fair value £
Equities	1,810,000	1,384,000
Bonds	407,000	334,000
Property	246,000	215,000
Other assets	122,000	453,000
Total fair value of assets	2,585,000	2,386,000

The actual return on scheme assets was £66,000 (2018: £112,000).

22 Pension and similar obligations (Continued)

Amount recognised in the Statement of Financial Activities	**2019** £	**2018** £
Current service cost	252,000	279,000
Net interest cost	33,000	35,000
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	19,000	21,000
Total operating charge	304,000	335,000

Changes in the present value of defined benefit obligations	**2019** £
At 1 September 2018	3,571,000
Current service cost	252,000
Interest cost	100,000
Employee contributions	45,000
Actuarial loss/(gain)	439,000
Benefits paid	(56,000)
Past service cost	19,000
At 31 August 2019	4,370,000

Changes in the fair value of the Academy Trust's share of scheme assets	**2019** £
At 1 September 2018	2,386,000
Interest income	67,000
Return on plan assets (excluding net interest on the net defined pension liability)	(1,000)
Employer contributions	144,000
Employee contributions	45,000
Benefits paid	(56,000)
At 31 August 2019	2,585,000

23 Related party transactions

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

There were no related party transactions in the current or prior year.

24 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the year it received £15,938 (2018: £20,075) and disbursed £15,753 (2018: £16,724), with an amount of £12,585 (2018: £13,137) repayable to the ESFA at 31 August 2019 which is included in other creditors. The Academy Trust retained a beneficial interest in individual transactions such that £737 (2018: £884) has been recognised in income and expenditure in the Statement of Financial Activities.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HARLINGTON UPPER SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 13 October 2017 and further to the requirements of the Education and Skills Funding Agency ("ESFA") as included in the Academies Accounts Direction 2018 to 2019, to obtain limited assurance about whether the expenditure disbursed and income received by Harlington Upper School during the period 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.

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 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.

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2018 to 2019 Part 9: Regularity Reporting. We are independent of Harlington Upper School in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of Harlington Upper School's accounting officer and Trustees

The accounting officer is responsible, under the requirements of Harlington Upper School's funding agreement with the Secretary of State for Education dated 1 July 2013 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. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Harlington Upper School and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

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.

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 the procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

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 period 1 September 2018 to 31 August 2019 have not been applied to purposes identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HARLINGTON UPPER SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2018 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2018 to 2019.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

Use of our report

This report is made solely to Harlington Upper School and the ESFA in accordance with the terms of our engagement letter dated 13 October 2017. Our work has been undertaken so that we might state to the Harlington Upper School and the 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 Harlington Upper School and the ESFA, for our work, for this report, or for the conclusion we have formed.

RSM UK Audit LLP

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Dated: 12 December 2019