

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

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EAST BARNET SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members	Mr N Mottershead Mr C Costigan Mr J Ireton
Trustees	Mr N Mottershead, Vice Chair (Chair of Governors until 12 October 2015) ¹ Mr C Costigan, Chair of Governors (Vice Chair until 12 October 2015) ¹ Mr J Ireton, Vice Chair ^{1,2} Mr M Knott (resigned 26 May 2016) ^{1,2} Mr N Christou, Headteacher & Accounting Officer ¹ Ms F Armstrong Mrs D Cuthbert Mr S Harrison Mrs J Merryweather (resigned 31 May 2016) Mr R Mobbs (resigned 11 June 2016) ¹ Mrs C Roncarati Mrs J Tambourides Mr D Wilkinson (resigned 22 July 2016) ^{1,2} Ms N Weatherley Ms J Wolf Ms H Smith ¹ Miss S McDonald Mrs L Barlow Dr A Hind Mr T Daimandis

¹ Members of the Resources (Finance and Premises) Committee

² Members of the Audit Committee

**Company registered
number** 07552702

(Registered in England and Wales)

Company name East Barnet School

**Principal and registered
office** Chestnut Grove
East Barnet
Hertfordshire
EN4 8PU

Company secretary Mrs S Waters

**Senior management
team** Mr N Christou, Headteacher and Accounting Officer
Mr R Wilson, Deputy Headteacher
Mr D Hallam, Associate Deputy Headteacher
Mrs F Hurst, Associate Deputy Headteacher
Mr G Roberts, Associate Deputy Headteacher
Mr S White, Associate Deputy Headteacher
Mrs S Waters, Bursar & Company Secretary

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Advisers (continued)

Independent auditors MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
Euro House
1394 High Road
London
N20 9YZ

Bankers Natwest Bank Plc
High Road
Whetstone
London
N20 9HJ

Solicitors Winckworth Sherwood
Minerva House
5 Montague Close
London

EAST BARNET SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees, who are also directors for the purposes of company law, have pleasure in presenting their annual report together with the financial statements and auditors' reports of the charitable company for the year ended 31st August 2016. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy for students aged 11 to 19 serving a catchment area in East Barnet. It has a student capacity of 1350 and had a roll of 1337 in the school census on 21st January 2016.

Reference and administrative details

Reference and administrative details are shown in the schedule of reference and administrative details on page 3 of the financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company was incorporated on 4th March 2011. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

All Governors are the directors of the charitable company for the purposes of company law. The charitable company is known as East Barnet School.

The accounting period is the year from 1st September 2015 to 31st August 2016.

Details of the Trustees who served throughout the period except as noted are included in the Reference and Administrative Details on page 2.

MEMBERS' LIABILITY

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

TRUSTEES' INDEMNITIES

The Academy has purchased insurance for the benefit of the Governors to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. Details of the costs and the limit of the indemnity can be found in note 12 to the accounts.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The numbers and types of governors are set out in the Articles of Association and overseen by the Trustees. The Governing Body is responsible for appointing all governors except for parent governors and staff governors. All governors serve for a four year term of office, but can stand for re-selection if they so wish. The Headteacher is automatically a member of the Governing Body.

Parent governors are elected by parents of students registered at the Academy, with a secret ballot. Staff Governors are similarly elected by the staff.

Where necessary, other governors are appointed after a review of community and business groups, dependent on the governor specification requirement of the governing body at the time of the vacancy. Recommendations are then made to the full governing body and the candidate presented to the governors for consideration.

MEMBERS OF THE ACADEMY TRUST

Article 12 of the Articles of Association states that the members of the Academy Trust shall comprise:

- a) The signatories to the Memorandum on incorporation of the company (who were the post holders as Chair of Governors, Vice Chair and Chair of Personnel Committee)
- b) One person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose
- c) The Chair of the Governors, the Vice-Chair of the Governors and the Chair named highest in the list of the Finance Committee, the Personnel Committee, the Premises Committee, the Student Welfare Committee
- d) Members may agree unanimously in writing to appoint or remove such additional Members as they think fit

Further, the Articles of Association state that:

12A With the exception of the Member appointed article 12(b) (if any), no person may be appointed as a Member unless that person is also a Governor.

17. Every person nominated to be a Member of the Academy Trust shall either sign a written consent to become a Member or sign the register of Members on becoming a Member

Members of the Academy Trust are confirmed annually at the first Autumn Term meeting of the Full Governing Body when the Chair and Vice Chair(s) are elected. The Chairs of the Committees are elected during the Summer Term.

The Committees were renamed with effect from September 2011 as follows:

- Resources Committee for Finance and Premises matters
- People Committee for Personnel and Student Welfare matters
- Learning Committee for Curriculum matters.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

For the period from the incorporation of the company on 4th March 2011, the Trust Members were the three signatories to the Memorandum, namely Mr N Mottershead, Mr J Hewlings and Mr D Fairley who were the initial Directors and the initial Trust Members of the company.

The Trust Members from October 2011 were Chair Mr N Mottershead and Vice Chairs Mr J Hewlings and Mr C Costigan, superseding Mr D Fairley.

The Trust Members from October 2012 were Chair Mr N Mottershead, Vice Chair Mr C Costigan, Vice Chair Mr J Hewlings stood down and Mr M Knott became the third Trust Member as Chair of the Resources (Finance) Committee.

The Trust Members from October 2013 were Chair Mr N Mottershead, Vice Chair Mr C Costigan and Mr M Knott continued as the third Trust Member as Chair of the Resources (Finance) Committee.

The Trust Members from October 2014 were determined at the Full Governing body Meeting on 13th October 2014. Mr N Mottershead was elected as Chair and two Vice Chairs were elected, Mr C Costigan and Mr J Ireton, who supersedes Mr M Knott.

The Trust Members from October 2015 were determined at the Full Governing body Meeting on 12th October 2015. Mr N Mottershead stood down as Chair and Mr C Costigan was elected as Chair. Two Vice Chairs were elected, Mr N Mottershead and Mr J Ireton.

The Trust Members from October 2016 were determined at the Full Governing body Meeting on 10th October 2016. Mr C Costigan was elected as Chair. Two Vice Chairs were elected, Mr N Mottershead and Mr J Ireton. No other Trust Members have been appointed in the period to date.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

An Induction Policy has been implemented with procedures for training and induction of new Governors. Induction tends to be done informally and the exact nature of help and support to an individual will depend on their existing experience. Formal training sessions run by the London Borough of Barnet were available for all governors and governors are also provided with access to Modern Governor for online training modules and courses. Other in-house training sessions are delivered by Governors, the Headteacher or senior members of school staff. All governors are given access (either online via Fronter or as printed copies) to policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors. They are provided with documents and guides which provide information about the school and governance in general. All new governors are given a tour of the Academy and the chance to meet with staff and students. A more experienced member of the governing body acts as a mentor as required and becomes the first point of contact for help and guidance. Following her appointment in April 2015, the Clerk to the Governors undertook training from the National College of Teaching & Learning/Babcock.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

ORGANISATIONAL STRUCTURE

The leadership and management at East Barnet School have been judged as outstanding by OFSTED inspectors over the past ten years, including most recently in 2012 after conversion to Academy status. This includes all levels of the leadership structure: Governors, Head teacher, senior and middle leaders, where inspectors found:

'The headteacher and his team, along with the governing body, have a clear vision for the school to be a place where learning for all takes place both in and out of the classroom. This philosophy of 'learning without walls' has informed the planning and development of the school's new building and it is an exciting and dynamic environment that stimulates creativity. Detailed improvement plans, based on thorough self-evaluation, ensure that leaders are focused on improving achievement over time. The governing body knows the school well and is effective in challenging leaders appropriately to improve further. Assessment data are used to set school targets, track progress and improve outcomes, as well as to ensure that there is equality of access to provision and discrimination is tackled. Along with senior leaders, governors ensure that arrangements for safeguarding meet statutory requirements and procedures for child protection are exemplary. Given the sustained above average achievement and outstanding behaviour and safety, the capacity for further improvement is strong.'

'The school has developed a positive and cohesive programme for improving the quality of teaching. This includes regular observations, opportunities for professional development and a coaching programme. Leaders have a good understanding of the strengths and areas for development and there is a clear drive to further improve the quality of teaching. Performance management is robust and ensures accountability.'

'The rich and purposeful curriculum provides many opportunities for memorable, high quality learning. Review and evaluation ensure that it meets the needs of learners exceptionally well. An extensive extra-curricular programme provides outstanding opportunities for students' spiritual, moral, cultural and social development. This includes a large number of opportunities for trips, visits from guest speakers and lecture programmes and entry to national and international competitions.'

The Governors approve all policies and review the performance of the school at all levels through reports from the Headteacher and other senior leaders, visits to the school, examination results, financial records, and also receive reports from external assessors, such as OFSTED inspectors, Investors in People, the Responsible Officer and auditors of the school accounts. Governors also take part in the production of and approve the School Development Plan, as well as monitor its implementation.

The Headteacher and Senior Leadership Team (which includes the four Associate Deputy Head teachers and the Bursar) are responsible for promoting the school vision and ethos, implementing the School Development Plan, monitoring the quality of teaching and learning to ensure that it remains at a high standard, ensuring that behaviour around the school and in lessons is positive, taking any action necessary to ensure that students achieve at their best in public examinations. The Director of Lower School oversees school admissions and works very closely with local primary schools to ensure a smooth transition into secondary school life for all students joining EBS. Other senior and middle leaders are responsible for the quality of provision in specific areas of the school. These include Heads of Year, Heads of Faculty and Heads of Department.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

Key Management Personnel of the academy comprise the Trustees and the Senior Leadership Team. The Trustees are not remunerated in their capacity as Trustees. The remuneration of the Key Management Personnel is determined by the Trustees, following appraisals, and after consideration of parameters and benchmarks.

The policy for decisions on pay for employees of East Barnet School complies with current legislation and the requirements of the School Teachers' Pay & Conditions Document and the Conditions of Service for School Teachers in England and Wales (commonly known as the "Burgundy Book"), the National Joint Council for Local Government Services National Agreement on Pay & Conditions of Services ("Green Book") and any local pay/grading system for Support staff. The policy has been consulted on with staff and the recognised trade unions.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Ms F Armstrong is an employee of Barnet Council and, in that capacity, is a Member of the Management Committees of Barnet Education Arts Trust and the Barnet Education Business Partnership (charity). Mrs Armstrong is also a member of the Management Committees of the Barnet Law Service, the Colindale Communities Trust (charity) and is a Member of the Senior Management Team for Barnet Council Family Services.

Mrs L Barlow is employed as a Business Risk & Control Manager for HSBC Bank plc and has negotiated a funding request from the bank for the EBS Allotment project. Her father is an Examinations Invigilator on an ad hoc basis for the school.

Mr N Christou is a trustee of East Barnet School PTA. Mr Christou's wife is a teacher at the school and his children are trustees of The Butterfly AVM Charity, which received charitable donations in the year through fundraising at the school.

Mrs D Cuthbert is a Director of DJC Educational Consultancy Ltd.

Mr S Harrison is an Education Consultant (sole trader) and Chair of Trustees for the Association for Citizenship Teaching (charity).

Mr J Ireton is Chair of Directors, Ridgeway Alleyways Association.

Mr M Knott is Shareholder and Director of OOH Communications Limited.

Miss S McDonald is Chief Executive of Tender Education & Arts, a domestic violence prevention education charity.

Mr R Mobbs' partner is an Examinations Invigilator on an ad hoc basis for the school.

Mr N Mottershead is a director of Busyperson Ltd and 2Step Media Ltd (dormant). Mr Mottershead is a trustee of East Barnet School PTA and also Danegrove Primary School PTA. His wife is Headteacher at Churchill School, professional association and a feeder school.

Mrs C Roncarati has related party interest as her father's garage, RPM Engineering, provide servicing and repairs for the school's minibuses. Her brothers are former students of this school and are also directors of RPM.

Mrs J Tambourides is a Governor/Director of Ashmole Academy, a member of the Management Committee of Friends in Need and a Trustee of Mind in Barnet. Mrs Tambourides and her husband were both councillors with the London Borough of Barnet until May 2014. Her husband is a Governor at Osidge and Monkfrith Schools.

Mr D Wilkinson is a Shareholder and Director of Weaver-AFS Ltd, Inova-Power Limited, ALAB Limited, Weaver-AFS Dormant Ltd and Secure Identity Limited, Shareholder of Careeropia Ltd and Trustee of Walker Cricket Grounds Trust (charity).

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

During the year, student instrumental tuition totalling £22,693 (2015: £17,201) and A-Level Music tuition £2,430 (2015: £0) was provided from Barnet Education Arts Trust (BEAT), and in turn BEAT hired the school premises for their Saturday morning Music School, providing lettings income for the school of £5,841 (2015: £5,550) Business events comprising Brent Cross Challenge and Interview Skills Programme totalling £3,800 (2015: £7,500) were provided from Barnet Education Business Partnership.

Fundraising events by students in Murray House raised £206 (2015: £215) for the Butterfly AVM charity. The amount due at the year end was £nil (2015: £nil).

Busyperson Ltd provided filming services to produce two school in-house videos, one on Careers and one on Learning Ladders, for the school website totalling £825 (2015: £0), amount due at the year end was £nil.

RPM Engineering provided servicing for the two minibuses, provided a new clutch and gearbox for one minibus and collected and delivered two lathes, totalling £2,538.60 (2015: £674), amount due at year end £nil.

Tender Education & Arts – no transactions during 2016 (2015: £250).

Trading Times – no transactions during 2016 (2015: £35).

OBJECTIVES AND ACTIVITIES

PRINCIPAL ACTIVITIES

East Barnet School converted to Academy status on 1st April 2011 at which point the entity's operations commenced. The Academy Trust's principal activities are to provide secondary education, with a broad and balanced curriculum, emphasising our specialist areas of Technology and Leadership.

OBJECTIVES AND AIMS

The principal object and activity of the charitable company is specifically restricted to the operation of East Barnet School 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, to provide education for pupils of different abilities between the ages of 11 and 19 with an emphasis on Technology and Leadership.

The characteristics of the Academy set down in Section 1(6) of the Academies Act 2010, are that:

- (a) the school has a curriculum satisfying the requirements of section 78 of EA 2002 (balanced and broadly based curriculum)
- (b) the school provides secondary education and its curriculum for the secondary education has an emphasis on Technology and Leadership, specified in the Agreement;
- (c) the school provides education for pupils of different abilities;
- (d) the school provides education for pupils who are wholly or mainly drawn from the area in which the school is situated.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Other conditions and requirements in respect of the Academy are that:

- (a) the school will be at the heart of its community, promoting community cohesion and sharing facilities with other schools and the wider community;
- (b) there will be assessments of pupils performance as they apply to maintained schools and the opportunity to study for external qualifications in accordance with clause 29 (d);
- (c) the admissions policy and arrangements for the school will be in accordance with admissions law, and the DfE Codes of Practice, as they apply to maintained schools;
- (d) teachers' levels of pay and conditions of service for all employees will be the responsibility of the Academy Trust save that when entering into a contract of employment with any person the Academy Trust shall be bound by and act in accordance with such guidance as the Secretary of State may publish in relation to the maximum salary that may be paid to employees of Academies;
- (e) there will be an emphasis on the needs of the individual pupils including pupils with special education needs (SEN), both those with and without statements of SEN;
- (f) there will be no charge in respect of admission to the school and the school will only charge pupils where the law allows maintained schools to charge;
- (g) the Academy Trust shall as soon as reasonably practicable establish an appropriate mechanism for the receipt and management of donations and shall use reasonable endeavours to procure donations through that mechanism for the purpose of the objects specified in the Articles.

Governance

- (a) The Academy will be governed by a governing body ("the Governing Body") who are the Directors of the company constituted under the Memorandum and Articles of the Academy Trust.
- (b) The Governing Body shall have regard to (but for the avoidance of doubt shall not be bound by) any guidance as to the governance of academies that the Secretary of State may publish.

OBJECTIVES, STRATEGIES AND ACTIVITIES

The Academy's core vision is encompassed in its mission statement together with the aims of the Academy during the year ended 31st August 2016 are shown below:

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

OUR MISSION STATEMENT

East Barnet School aspires to:

Encourage the "I want to learn" culture amongst all its students, so that they may fulfil their individual potential in education and develop into responsible adults who make a positive contribution to society.

We Aim to:

- Generate an enthusiasm for learning so students willingly seek to gain knowledge and understanding about the world around them.
- Provide guidance, information and resources necessary to help students learn.
- Teach the skills necessary for effective and efficient learning.
- Create a positive learning environment.
- Develop a sense of pride amongst the students, so that they achieve the highest possible standards of work in all subjects.
- Foster the personal qualities, skills and self-confidence necessary for students to achieve success in their chosen career and personal life.
- Nurture in all students a sense of respect for themselves, other individuals, their own and other communities, and their environment.

Specific initiatives which focus on individual students to address any underachievement and/or maximise achievement include:

- Year 7 Catch up intervention in English and Maths
- Intervention for KS4 students not achieving expected levels of progress in English and Maths
- Gifted and talented students are provided with a full range of opportunities to ensure they maximise their potential
- Pupil Premium – the academy tracks the progress of all students robustly and applies intervention strategies to ensure underperformance is minimised
- Mentoring involving external business and community professionals
- Peer mentoring programme
- One to One Mentoring with Form Tutor
- One to One Tuition using Pupil Premium funding
- Breakfast Club using Pupil Premium funding
- Purchase equipment and additional resources for individual students
- Educational visits
- Provision of modified curriculum, such as Construction and Motor Engineering, to prepare students for the world of work and improve their behaviour.

The Academy's main strategy is encompassed in its School Development Plan. To this end the activities provided include:

- Recruitment of high quality teachers and support staff
- Offering a broad, balanced and engaging curriculum
- Providing appropriate resources and facilities for students to learn at their best
- Ensuring that the school ethos is conducive for learning and positive behaviour
- Offering extra-curricular activities to promote the 'I want to learn' philosophy
- Providing careers guidance and support to help students prepare for life beyond school.

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TRUSTEES' REPORT (continued)
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PUBLIC BENEFIT

The Governors have complied with their duty to have due regard to the guidance on Charities & Public Benefit published by the Charity Commission in exercising their powers and duties. The Academy Trust promotes education for the benefit of the local community of East Barnet and offers educational and recreational facilities to a variety of local community groups outside of School hours for the benefit of the general public. Community based projects are also undertaken throughout the year by staff and students which further enhances the public benefit.

The School Houses support the following charities: Chama House – Jack Cecup School in Zambia; Keller House – Great Ormond Street Hospital; Murray House – The Butterfly AVM (Arteriovenous Malformations) Charity; Tutu House – CMT UK (Charcot-Marie-Tooth Disease). The Houses hold charitable events throughout the year for their nominated charity and there are various activities to support other charities, including BBC Children in Need, British Heart Foundation, Cancer Research UK, Make a Wish Foundation UK, Meningitis Now Trust, Sport Relief 2016 and the Royal British Legion Poppy Appeal.

£4,587 (2015: £5,821) was collected as charitable donations during the year and has been passed to the relevant charities as at 31 August 2016.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The school continued to achieve its maximum school roll of 1350 (1339 at the beginning of the new school year 2015/16 and 1337 in the census of January 2016). The total number of applications received for the 210 places in Year 7 starting September 2016 continued to be significantly high at 959, more than four times the available places. An additional 30 places were also offered for Year 7 starting September 2016 as a bulge class funded by the Local Authority Growth Fund to meet demand for places.

There was a significant increase in applications for Year 12, including 213 internal and 130 external applicants totalling 343 for our Sixth Form courses from September 2016. As a result, there has been a particularly high uptake of Sixth Form places, so we now have 328 students compared to 292 in the previous academic year.

Alongside the 959 applications we received for admission to Year 7, this demonstrates that our school maintains a very positive image in the local community. These numbers indicate that the school's popularity is increasing.

The school's GCSE results were good, with 73% attaining an A*-C grade in both Maths and English (national figure is 59%) and 68% achieving 5+A*-C grades, including English Language and Maths (national is 57%). Based on the new progress measure (Progress 8) our GCSE students performed roughly in-line with expectation (+0.06). 47% of students achieved the English Baccalaureate against 25% doing so nationally. Our 'A' Level results were excellent, as indicated by a 100% pass rate and a value added of +0.35 (significantly better than expected).

In September 2015, in a new national report, OFSTED named the school as an example of Good Practice citing how school leaders at East Barnet School have used self-evaluation to improve the quality of the curriculum for the most able students. The Headteacher states "an unrelenting focus on improving teaching based on the school's philosophy of 'learning without walls' is paramount to students improving performance." The report states that senior leaders are not complacent and challenge themselves, their staff and their students to pursue a journey of excellence.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

KEY FINANCIAL PERFORMANCE INDICATORS

The Academy Trust uses a number of financial key performance indicators to monitor financial success of the Academy Trust and progress/improvement against the targets set.

Financial Key Performance Indicator: (Total income excludes fixed assets and pension liabilities)	Year ended:	
	August 2016	August 2015
Student numbers	1,337	1,342
Total income per Student	£6,570	£6,711
GAG income per Student	£5,422	£5,556
Staffing costs as a percentage of total income	84.1%	80%
Staffing costs per Student	£5,523	£5,383
Learning resources per Student	£476	£509
Premises costs per Student	£130	£127
Other costs per Student	£545	£568
Percentage of GAG/Restricted funds carried forward	-2.9%	0%
Operating Surplus as percentage of total income	3.1%	6.4%

Non-Financial Key Performance Indicator:	School	National for all students
% GCSE 5+ A*-C passes, including English Language and Maths	68%	53%
% achieving A*-C in both English and Maths	73%	59%
% achieving the English Baccalaureate	47%	23%
Progress 8	+0.06	0.00
Student Attendance	95.3%	94.8%

	Year ended:	
	August 2016	August 2015
Staff retention – Teaching Staff	90%	93%
Of whom Teachers taking Retirement	0%	2.6%
Staff retention – Support Staff	94%	90%
Of whom Support Staff taking Retirement	0%	3.5%

GOING CONCERN

In the year 31 August 2016, the Academy has reported net expenditure of £1,145,779. This figure is stated after depreciation of £792,502 and pension adjustments of £71,000. At 31 August 2016, the Academy had unrestricted fund balances amounting to £427,602 and restricted funds as a deficit of £158,415, leaving a net total of £269,187. Although the Academy's reserves are low, the Trustees are satisfied there is no material uncertainty regarding the academy's ability to continue as a going concern, notwithstanding the uncertainty regarding future Government funding and the school's ability to increase pupil numbers to the planned additional 30 students in each of Years 7-11.

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In particular the Trustees have considered the following points:

- Cashflow forecasts indicate that, whilst the school is facing a deficit budget at year end, sufficient cash should be available for payment of net salaries as at 31st August 2017 and in the subsequent months. The EFA allocation from 1st September 2017 will include additional funding for the current Year 7 students as they progress to Year 8. Barnet will be funding the second bulge year of 30 new Year 7 students which is funded in the financial year from April 2017 so will be held as deferred income for September 2017.
- An application has been made to the EFA Young People Group for in-year growth funding for 35 additional Sixth Form student admissions, the outcome of which will be known in January 2017. The receipt of this funding will clear the deficit position but, if not granted, the balance would be redressed by additional funds from September 2017 when Sixth Form funding will be based on lagged numbers from the October 2016 census which will include the additional 35 students

For this reason Governing Body continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies and in note 26 to the financial statements.

FINANCIAL REVIEW

Most of the Academy's income is obtained from the DfE in the form of recurrent grants disbursed via the Education Funding Agency (EFA), the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31st August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also received grants for fixed assets from the EFA and other funding bodies. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31st August 2016, total expenditure of £9,930,154 (2015: £9,932,998) was covered by recurrent grant funding from the DfE together with other incoming resources. Income was overspent on expenditure in relation to GAG funds for the period at £212,020 (2015: £0) with income on Restricted Funds in excess of expenditure at £53,605 (2015: £249,660), resulting in a balance of income against expenditure on GAG and Restricted Funds of £158,415 (2015: £249,660). This overspend has been balanced by the unrestricted fund surplus of £427,602 (2015: £322,358), leaving a net total unrestricted reserve of £269,187. The restricted funds are spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Governors.

At 31st August 2016 the net book value of fixed assets was £34,351,793 (2015: £35,123,740) and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

RESERVES POLICY

The Resources Committee of the Governing Body review the reserve levels of the Academy annually and recommends these to the Full Governing Body for agreement. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. Free reserves are identified as being the income funds that are freely available for general purposes which, under the SORP, would generally be unrestricted funds. The governors have determined that the appropriate level of free reserves should be equivalent to one month's salary expenditure, approximately £600,000. The reason for this is to provide sufficient working capital to cover delay between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

In 2015, the reserve was £572,019 comprising unrestricted funds of £322,358 and restricted funds of £249,661. In view of the details in the Financial Review and from the current position, the Academy's current level of unrestricted reserves is £269,187 which is lower than the stated policy reserve due to reduced funding together with increased cost pressures. The senior management of the Academy are working strategically to reduce spending and increase income to return the reserve to policy level.

There is a pension deficit balance of £3,353,000 as at 31st August 2016 (2015: £1, 614,000) on the Local Government Pension Scheme for Support Staff where, unlike the Teachers' Scheme, separate assets are held to fund future liabilities as discussed in Note 20. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits.

The triennial Actuarial Valuation requires the Academy Trust to pay an Individual Adjustment under Regulation 36 for the period 1st April 2014 to 31st March 2017 that results in paying the Future Service Rate plus the additional monetary amount as agreed between the Administering Authority and the employer. The employer contributions due are 13.5% of salary and the minimum levels of contributions are £89,000 from April 2014, £92,000 from April 2015 and £94,000 from April 2016. The Common Rate of Contribution payable equates to a total of 24% of pensionable payroll. The pool contribution rate is based on a deficit recovery period of 15 years. 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 18th July 2013.

INVESTMENT POLICY

The Governing Body has approved a treasury management statement as part of the Financial Procedures Manual, which documents the Academy Trust's investment policy.

The Trust's investment policy is to invest surplus cash reserves on deposit with High Street banks with a high credit rating where the capital invested is guaranteed. Investment returns are reviewed during the year to ensure that returns are maximised whilst safeguarding the funds invested. Bank interest received this year amounted to £5,487.16 (2015: £6,133) which was lower than the previous year due to continuing reduction in the interest rate offered by the bank.

The Governors are the holders of a 3% London County Consolidated Stock which provides £23.55 interest per year. This fund dates back to 1945 and is named the Vialou Endowment and its object is to provide for the benefit of our students.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

PRINCIPAL RISKS AND UNCERTAINTIES

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. There is a Whistle Blowing Policy in place and governors have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

Through the Academy's risk management procedures, the Governors believe that it has considered its principal risks and uncertainties facing the Academy Trust and planned mitigating action wherever possible.

The principal risks facing the Academy are:

- Reputational risk – the Academy prides itself on the OFSTED grading from its 2007 inspection as a School which rated it as Outstanding, followed by the 2012 inspection as an Academy which rated it as Good with Outstanding Features and in September 2015 the Good Practice Example for Most Able Students. The Academy recognises the importance of maintaining these standards to reduce the risk of a reduction in student numbers either through competition or a damaged reputation/falling standards
- Performance risk – mitigated by ensuring best possible examination success for all students. The Academy undertakes regular internal quality assurance reviews and self-assessments to maintain high standards of teaching and learning.
- Financial Risk – The principal financial risks are a reduction in pupil numbers, reduction in central government funding, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs and a reserve which is not at the level that the reserves policy determines is necessary. The risks presented here are mitigated by careful planning, monitoring and review of the Academy's budget, including attendance at government funding agency conferences and participation in focus groups to keep up to date with and influence as far as possible Academy funding methodology. Governors have also identified other potential risks: a) the LGPS pension deficit which is managed according to the requirements of the Actuary and b) that the premises are occupied and used under a Tenancy at Will Agreement as the Local Authority, Barnet, has yet to agree and sign the leases for the main site at Chestnut Grove and the Castlewood Road Field
- Risks associated with personnel – high expenditure in comparison to other academies due to the seniority profile of the teachers employed. This is mitigated by the low turnover of staff resulting in a committed, experienced staff who provide consistency for the students. The organisational structure is appropriate with several tiers of review and confirmed in July 2014 by achieving an Investors in People Gold Award for the second, successive period.

The Academy Trust does not have significant trade debtors as invoiced income is a minor ancillary activity. Lettings income is usually paid in advance mitigating any credit risk.

Cash flow is monitored daily by the Academy Trust and budgets presented termly to the Governing Body consider cash flow and liquidity in detail. Previously, the Academy had built up cash reserves which enabled it to plan for future capital projects and/or to mitigate the reducing funding situation. However, these cash reserves are now being reduced by the cuts in funding, salary increases and the full year effect of the additional National Insurance costs together with other cost pressures.

The Academy Trust practices through its Board, namely the Governing Body and the constituted subcommittees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by senior executive officers.

PLANS FOR FUTURE PERIODS

The school's mission and aims will remain the same for the foreseeable future. It will strive for even higher standards of performance in all areas relating to its core business.

Total school numbers will increase to capacity as the school remains extremely popular (959 applications received for 210 places from September 2016). A growth bulge class of an additional 30 were admitted into Year 7, bringing the roll number up to 240 from September 2016 and it is expected that the admission number will be 240 for September 2017. Secondary Growth funding has been received from the Local Authority, London Borough of Barnet, for the additional 30 students from September 2016 and from September 2017.

The Sixth Form is also very popular with an additional 36 places taken up, bringing the total to 328 from September 2016. It is anticipated that this number will rise to 350 from September 2017. Funding for the Sixth Form Students is usually lagged by one year so funding for 2017/18 will be based on the census figure for the current cohort. An application for funding for in-year growth has been passed to the EFA Young People Group who will consider requests in January 2017.

For the planned admission number to become 1550, with 240 across Years 7-11 and a Sixth Form cohort of 350, the outstanding facilities offered by the school will require an additional block of classrooms and administration facilities. The Department for Education provides capital funding to Local Authorities facing a shortfall of places (basic need) to help support them meet their statutory duty to secure sufficient school places in their area. Accordingly, the school will enter into discussion with Barnet regarding this capital expenditure project that will be required from September 2018.

The School Development Plan 2014-17 is now coming to the end of its term and the planning process for the School Development Plan 2017-20 will commence in December 2016. The Senior Leadership Team will meet and consult with all staff members, Governors and members of the East Barnet School Parent Teacher Association in order to prioritise plans and developments for the next three years. The SDP is continually monitored and reviewed over the three years.

Prudent financial management over previous years had resulted in reserves which had mitigated the continuing reductions in funding allocations and the increased National Insurance and Pensions Staffing costs for the year 2015-16. The full year effect of the NI increases will be significant in 2016-17 together with other cost pressures. It is the school's aim to reduce costs and increase income so that we can achieve a balanced budget in the future.

In view of the further cuts in 2016-17, staffing reductions commenced during 2015-16, mainly via natural turnover, and spending in other budget expenditure areas was curtailed where possible. From September 2016, the school day has increased from 23 x 1 hour/1 hour 10 minutes periods to 25 x 1 hour periods, timetabled teaching periods were increased for all teaching staff, several staff have opted to reduce their contracted hours and some staff who left at the end of August 2016 have not been replaced.

Whilst the school has endeavoured to retain a reserve from 2015-16, this reserve is insufficient and it is hoped that the DfE/EFA will offer financial assistance in the form of concurrent Sixth Form funding to offset the forecasted deficit of £108,200 and achieve a balanced budget for 2016-17. Planning for further likely funding cuts in 2017-18 is underway and the school will continue to engage with the DfE/EFA to identify potential areas for savings.

EAST BARNET SCHOOL
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Prior to becoming an academy, the predecessor school operated a separate bank account for specific social activities of pupils and staff - East Barnet School Private Fund. Funds from the East Barnet School Private Fund previously held as small cash balances held on behalf of pupils and staff for events, were incorporated into the Academy's bank account under the control of the Academy on conversion. As such, the financial position and results are consolidated into the Academy Trust's financial statements. The accounts were closed in April/May 2011 to avoid unnecessary accounting complications.

DISCLOSURE OF INFORMATION TO AUDITORS

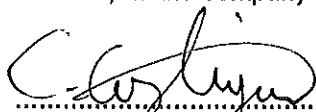
In so far as the Trustees are aware:

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

AUDITORS

MHA MacIntyre Hudson are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

The Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the board of trustees, as the company directors, on 1 December 2016 and signed on their behalf by:



Mr C Costigan
Trust Member and Chair of Governors

EAST BARNET SCHOOL
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that East Barnet 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 Governing Body 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 East Barnet School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body 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 Governing Body has formally met 5 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Mr N Mottershead, Chair of Governors & Trust Member	5	5
Mr C Costigan, Vice Chair & Trust Member	5	5
Mr J Ireton, Vice Chair & Trust Member	5	5
Mr M Knott	3	4
Mr N Christou, Headteacher & Accounting Officer	5	5
Ms F Armstrong	3	5
Mrs D Cuthbert	4	5
Mr S Harrison	5	5
Mrs J Merryweather	2	4
Mr R Mobbs	3	4
Mrs C Roncarati	4	5
Mrs J Tambourides	4	5
Mr D Wilkinson	3	5
Ms N Weatherley	4	5
Ms J Wolf	4	5
Ms H Smith	4	5
Miss S McDonald	4	5
Mrs L Barlow	4	5
Dr A Hind	4	5
Mr T Daimandis	5	5

The members of the Governing Body have close links with the school, either as parents, grand-parents, members of staff, or parents/ex-parents of students, many with a teaching/education background including a retired senior H.M.I. which strengthens our governance role in the area of raising educational standards and attainment. Other members have managerial, business, financial and accounting expertise which is particularly important for the school's Academy status.

Vacancies were filled in October 2016 by two new Parent Governors, Mrs D Brazier and Ms C Thomas, whose strengths in accountancy and business complement both the Resources Committee and those of the Governing Body, fulfilling the requirements of the Skills Audit.

EAST BARNET SCHOOL
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GOVERNANCE STATEMENT (continued)

The Resources (Finance & Premises) Committee is a sub-committee of the main Governing Body, comprising governors of East Barnet School plus the Bursar, Premises Manager and other relevant members of the school Senior Leadership Team as non-voting members.

Its purpose is to develop a long-term building and accommodation strategy for the school, in conjunction with the School Development Plan; to assist the school management on specific building issues; to maintain and develop the accommodation of the school in line with the School Development Plan and to ensure its efficient use within the budget; and to monitor observance and implementation of the Financial Responsibilities of the Governing Body.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr N Mottershead Chair of Governors	5	5
Mr N Christou, Headteacher & Accounting Officer	5	5
Mr C Costigan, Chair of Governors (Vice Chair until 12 October 2015)	3	4
Mr J Ireton Vice Chair of Governors	5	5
Mr M Knott Chair of Resources Committee	3	4
Mr R Mobbs	4	4
Ms H Smith	4	5
Mr D Wilkinson Chair of Audit Committee	3	5
Mrs S Waters Company Secretary/Bursar	5	5

Mr M Knott, a Community Governor and parent of former students of the school, was Chair of the Resources Committee from October 2011 until October 2015. Mr Knott resigned on 26th May 2016.

Mr Wilkinson, a Community Governor and parent of students of the school, has been Chair of the Resources Committee since October 2015 until his resignation on 22nd July 2016.

The Audit Committee is also a sub-committee of the main Governing Body and its purpose is to consider matters relating to internal control and auditors; to advise the governing body on the adequacy and effectiveness of the Academy Trust's systems of internal control and its arrangements for risk management, control and financial governance processes, and securing economy, efficiency and effectiveness (value for money); to recommend the annual financial statements to the governing body for approval; to review the committee's membership and effectiveness on an annual basis to ensure that it has appropriate skills and relevant experience to fulfil its role and duties.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Ireton, Trust Member	1	1
Mr D Wilkinson	1	1
Mr M Knott	1	1

Mr D Wilkinson, Community Governor and qualified accountant, is also a parent of students in the school. Mr Wilkinson was Chair of the Audit Committee from September 2013 to October 2015.

Mr J Ireton, Vice Chair and Parent Governor, became Chair of the Audit Committee in October 2015.

The Audit Committee were shadowed by Mr R Mobbs and Dr A Hind.

From October 2016, it was resolved that Mr J Ireton should chair with Mrs H Smith and Dr A Hind as members of the Audit Committee, with the new Parent Governor, Mrs D Brazier, acting as shadow.

GOVERNANCE STATEMENT (continued)

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 outcome achieved in return for the taxpayer resources received.

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

Collaboration

The trust has engaged with other educational providers and experts to share delivery and good practice, and to drive up standards for its own students and those in other schools for the least cost.

- Sports Leaders, School Games Organiser in partnership with Barnet secondary and primary schools
- Provision of National Leader of Education support for other schools by the Headteacher.
- Leadership partnership with local primary schools
- Provision of curriculum support in Technology to several schools
- Taking part in national competitions in Robotics, Public Speaking, Drama and Sport
- The local Barnet academies and schools meet regularly and collaborate to compare goods and services from various suppliers, creating a local consortium to enable stronger buying power to drive down prices whilst obtaining the most favourable goods and services.

New Initiatives

We have successfully continued into the third year of the School Direct teacher training programme with one salaried trainee achieving QTS in July 2016 and who is continuing as a teacher at the school.

The new Troops2Teachers programme, which started September 2014 with one new trainee on a two year course, concluded with the trainee achieving QTS in July 2016 and has now moved on to another school. From September 2015, the school became a Lead Delivery School for the T2T programme overseeing the mentoring and training of new Troops2Teachers trainees at other schools and is continuing this programme for 2016-17.

Our In-Residence Programme with an Author, Actor, Artist and Designer in Residence continued and inspirational speakers were invited into school to deliver lectures.

Funding cuts have reduced the school's capacity for expenditure initiatives but the PTA provided funding in 2014-15 and 2015-16 for our Catering function to help increase our income and improve the catering facilities for the school community. The 6th Form Coffee Shop was extended and improved during August 2015 which has helped increase our income during 2015-16 and the external Catering Unit was completed in July 2016 and has proved a great success from September 2016.

Better purchasing

Contracts, goods and services are regularly appraised and renegotiated to ensure value for money applying the principles of Best Value: compare, compete, challenge, consult, and taking advantage of consortia, when appropriate, to obtain economies of scale. Budget holders manage their own budgets, assisted by the Finance team to ensure best value.

Following competitive tendering, a contract was awarded at the end of August 2016 for the building of the Castlewood Road Changing Room Facilities during the Autumn Term 2016.

GOVERNANCE STATEMENT (continued)

A best value exercise for supply of paper established that our current supplier provides good quality paper with an excellent next day delivery service and, when approached by the school, agreed to a lower price to meet competition from an alternative supplier, whose paper was cheaper but of inferior quality. This exercise continues to be reviewed and monitored to ensure best value.

Maximising income generation

The hire of the facilities generates income for the school, with regular lettings by Greek and Music Schools, Performing Arts Academy and Woodcraft Folk with occasional hire for weddings and other events. The Sports Hall, Dance Studio and Astroturf are regularly used by various sports groups.

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 ongoing 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 East Barnet School for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Governing Body 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 Governing Body 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 year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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 Governing Body;
- regular reviews by the Resources (Finance & Premises) Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Mercer & Hole, Chartered Accountants, to support the Responsible Officer ('RO') role by undertaking testing on a termly basis.

GOVERNANCE STATEMENT (continued)

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems, including:

- testing of payroll systemstesting of purchase systems
- testing of purchase systems
- testing of income systems
- testing of accounting systems/control account/bank reconciliations

On a termly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body' financial responsibilities.

The Governing Body confirms that the RO function has been fully delivered in line with the EFA's requirements. No material control issues have been identified.

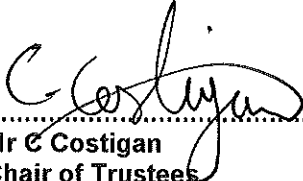
REVIEW OF EFFECTIVENESS

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 Responsible Officer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- 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 Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 1 December 2016 and signed on their behalf, by:


.....
Mr C Costigan
Chair of Trustees


.....
Mr N Christou
Accounting Officer


EAST BARNET SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of East Barnet School I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, 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 2015.

I confirm that I and the academy trust 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 2015.

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 EFA.


.....
Mr N Christou
Accounting Officer

EAST BARNET SCHOOL
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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as governors of East Barnet School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

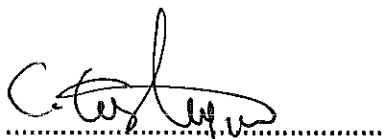
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/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 Governing Body and signed on its behalf by:



Mr C Costigan
Trust Member and Chair of Governors

Date: 19th Dec. 2016.

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE TRUSTEES OF EAST BARNET SCHOOL

We have audited the financial statements of East Barnet School for the year ended 31 August 2016 which comprise the Statement of Financial Activities Incorporating Income and Expenditure Account, the balance sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and the academy's members as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

EAST BARNET SCHOOL
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE TRUSTEES OF EAST BARNET SCHOOL

EMPHASIS OF MATTER

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 26 to the financial statements concerning the academy's ability to continue as a going concern.

The matters detailed in note 26 relate to the projected cash flows and deficits of £148,200 for the year ended 31 August 2017 before depreciation and actuarial movements, and the inability to pay expenses as they fall due within the foreseeable future. These matters indicate a material uncertainty which may cast significant doubt about the academy's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the academy was unable to continue as a going concern.

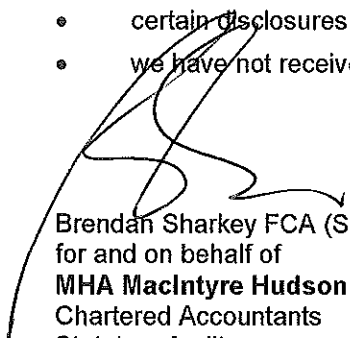
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where 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.



Brendan Sharkey FCA (Senior Statutory Auditor)
for and on behalf of
MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
Euro House
1394 High Road
London
N20 9YZ

Date: 9th December 2016

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO EAST BARNET SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 1 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by East Barnet School during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF EAST BARNET SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of East Barnet School's funding agreement with the Secretary of State for Education dated 31 March 2011, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy
- testing of a sample of payroll payments to staff

- testing of a sample of payments to suppliers and other third parties
- testing of a sample of grants received and other income streams
- evaluating the internal control procedures and reporting lines, testing as appropriate and making appropriate enquiries of the Accounting Officer.

CONCLUSION

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 year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
Euro House
1394 High Road
London
N20 9YZ

Date: 9th December 2016.

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	9,908	29,193	20,555	59,656	77,577
Charitable activities	5	-	8,219,779	-	8,219,779	8,464,690
Other trading activities	3	386,846	112,583	-	499,429	457,650
Investments	4	5,511	-	-	5,511	6,151
TOTAL INCOME		402,265	8,361,555	20,555	8,784,375	9,006,068
EXPENDITURE ON:						
Charitable activities		297,021	8,840,631	792,502	9,930,154	9,932,998
TOTAL EXPENDITURE	6	297,021	8,840,631	792,502	9,930,154	9,932,998
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		105,244	(479,076)	(771,947)	(1,145,779)	(926,930)
Actuarial losses on defined benefit pension schemes	20	-	(1,668,000)	-	(1,668,000)	(68,000)
NET MOVEMENT IN FUNDS		105,244	(2,147,076)	(771,947)	(2,813,779)	(994,930)
RECONCILIATION OF FUNDS:						
Total funds brought forward		322,358	(1,364,339)	35,123,740	34,081,759	35,076,689
TOTAL FUNDS CARRIED FORWARD		427,602	(3,511,415)	34,351,793	31,267,980	34,081,759

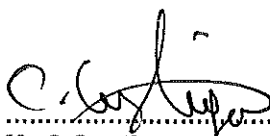
The notes on pages 32 to 54 form part of these financial statements.

EAST BARNET SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07552702

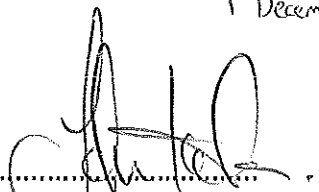
BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	12		34,351,793		35,123,740
CURRENT ASSETS					
Stocks	13	8,265		11,714	
Debtors	14	176,940		269,544	
Cash at bank and in hand		565,339		656,586	
			<u>750,544</u>	<u>937,844</u>	
CREDITORS: amounts falling due within one year	15	(481,357)		(365,825)	
NET CURRENT ASSETS			<u>269,187</u>		572,019
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>34,620,980</u>		35,695,759
Defined benefit pension scheme liability	20		(3,353,000)		(1,614,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>31,267,980</u>		<u>34,081,759</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	16	(158,415)		249,661	
Restricted fixed asset funds	16	34,351,793		35,123,740	
Restricted income funds excluding pension liability		34,193,378		35,373,401	
Pension reserve		(3,353,000)		(1,614,000)	
Total restricted income funds			<u>30,840,378</u>		33,759,401
Unrestricted income funds	16		427,602		322,358
TOTAL FUNDS			<u>31,267,980</u>		<u>34,081,759</u>

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



Mr C Costigan
 Chair of Governors

1 December 2016


Mr J Ireton
 Chair of Finance

The notes on pages 32 to 54 form part of these financial statements.

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash used in operating activities	18	<u>(76,203)</u>	<u>(61,693)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		5,511	6,151
Purchase of tangible fixed assets		<u>(20,555)</u>	<u>(158,884)</u>
Net cash used in investing activities		<u>(15,044)</u>	<u>(152,733)</u>
Change in cash and cash equivalents in the year		(91,247)	(214,426)
Cash and cash equivalents brought forward		<u>656,586</u>	<u>871,012</u>
Cash and cash equivalents carried forward		<u><u>565,339</u></u>	<u><u>656,586</u></u>

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

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.

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, 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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

East Barnet School constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

The Financial Statements are prepared in £ sterling, the functional currency, rounded to the nearest £1.

These financial statements are the first financial statements of East Barnet School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of East Barnet School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 24.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy 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. Going concern is addressed in note 26.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities Incorporating Income and Expenditure Account when the academy has entitlement to the funds, receipt is probable and the amount can be measured with sufficient reliability.

Grants are included in the Statement of Financial Activities Incorporating Income and Expenditure Account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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 fixed asset fund.

Capital grants where performance related conditions are in place are recognised on a receivable basis.

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities Incorporating Income and Expenditure Account, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's policies.

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

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Certain unrestricted income streams of the comparative year have been re-analysed to better reflect the nature of the unrestricted income. There is no impact on the overall income of the prior year or on reserves.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the Academy Trust's educational operations.

All resources expended are inclusive of irrecoverable VAT.

Certain unrestricted and restricted expenses of the comparative year have been re-analysed to better reflect the nature of the expenses. There is no impact on the overall expenditure of the prior year or on reserves.

1.5 Tangible fixed assets and depreciation

All assets costing more than £3,000 are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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 Incorporating Income and Expenditure Account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	2% per annum on a straight line basis
Motor vehicles	-	25% per annum on a straight line basis
Fixtures and fittings	-	15% per annum on a straight line basis
Equipment	-	25% per annum on a straight line basis
Computer equipment	-	25% per annum on a straight line basis
Leasehold property - land	-	Not depreciated

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.6 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities Incorporating Income and Expenditure Account on a straight line basis over the lease term.

1.7 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.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Interest receivable

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

1.10 Debtors

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

1.11 Cash at Bank and in hand

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

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

The LGPS is a funded 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 balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.13 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.

Restricted general funds comprise all other restricted funds received and include grants from Education Funding Agency.

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

1.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgement

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.

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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 judgements that have had a significant effect on amounts recognised in the Financial Statements are those concerning the choice of depreciation policies and asset lives.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	9,908	4,575	9,674	24,157	24,127
Capital Grants	-	-	10,881	10,881	27,827
Grants	-	24,618	-	24,618	25,623
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	9,908	29,193	20,555	59,656	77,577
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2015, of the total income from donations and capital grants, £18,301 was to unrestricted funds and £59,276 was to restricted funds

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Rental income	88,632	-	88,632	87,428
Catering income	274,039	-	274,039	243,315
Other income	24,175	112,583	136,758	126,907
	<u>386,846</u>	<u>112,583</u>	<u>499,429</u>	<u>457,650</u>

In 2015, of the total income from other trading activities, £373,956 was to unrestricted funds and £83,694 was to restricted funds.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest receivable	5,511	-	5,511	6,151

In 2015, of the total investment income, £6,151 was to unrestricted funds and £NIL was to restricted funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	7,248,923	7,248,923	7,456,646
Pupil Premium	-	254,795	254,795	309,765
	-	7,503,718	7,503,718	7,766,411
Other government grants				
Other government grants	-	42,685	42,685	52,026
SEN allocation	-	415,311	415,311	391,487
	-	457,996	457,996	443,513
Other funding				
Trip income	-	258,065	258,065	254,766
	-	258,065	258,065	254,766
	-	8,219,779	8,219,779	8,464,690

In 2015, of the total income from charitable activities, £NIL was to unrestricted funds and £8,464,690 was to restricted funds.

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Educational operations:					
Direct costs	6,559,915	-	846,878	7,406,793	7,380,010
Support costs	824,129	966,145	733,087	2,523,361	2,552,988
	7,384,044	966,145	1,579,965	9,930,154	9,932,998

In 2016, of the total expenditure, £297,021 (2015: £315,256) was to unrestricted funds and £9,633,133 (2015: £9,617,742) was to restricted funds.

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

7. CHARITABLE ACTIVITIES

	Total funds 2016 £	Total funds 2015 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	5,116,666	5,217,192
National insurance	423,930	398,760
Pension cost	842,511	740,112
Technology costs	64,447	76,915
Educational consultancy	54,107	67,640
Educational supplies	445,164	471,333
Examination fees	136,749	134,558
Staff development	33,319	26,241
Other direct costs	289,900	247,259
	<u>7,406,793</u>	<u>7,380,010</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	601,242	582,779
National insurance	43,707	29,796
Pension cost	179,180	191,997
Depreciation	792,502	816,857
Security and transport	6,697	5,661
Maintenance of premises and equipment	173,643	169,892
Energy	145,135	140,837
Insurance	44,115	55,434
Catering	130,292	143,541
Other support costs	247,457	253,271
Cleaning	122,259	122,734
Recruitment and support	11,463	17,540
Governance costs	25,669	22,649
	<u>2,523,361</u>	<u>2,552,988</u>
	<u>9,930,154</u>	<u>9,932,998</u>

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	792,502	816,857
Auditors' remuneration - audit	8,400	8,300
Auditors' remuneration - non-audit	3,790	5,311
Responsible officer costs	1,500	1,500
Operating lease rentals	16,116	9,023
	<u><u> </u></u>	<u><u> </u></u>

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

9. STAFF COSTS

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	5,717,908	5,799,971
Social security costs	467,637	428,556
Operating costs of defined benefit pension schemes	1,021,691	932,109
	<hr/>	<hr/>
Supply teacher costs	7,207,236	7,160,636
	176,808	158,601
	<hr/>	<hr/>
	7,384,044	7,319,237
	<hr/> <hr/>	<hr/> <hr/>

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

	2016	2015
	No.	No.
Teachers	92	94
Administration and support	50	53
Management	5	6
	<hr/>	<hr/>
	147	153
	<hr/> <hr/>	<hr/> <hr/>

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

	2016	2015
	No.	No.
In the band £60,001 - £70,000	4	4
In the band £70,001 - £80,000	0	1
In the band £100,001 - £110,000	1	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for these staff amounted to £59,574 (2015: £60,381).

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) received by key management personnel for their services to the academy trust was £423,197 (2015: £542,151). During the year one member of staff left the Senior Leadership Team.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

10. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2016	2015
		£	£
Mr N Christou, Headteacher & Accounting Officer	Remuneration	105,000-110,000	105,000-110,000
	Pension contributions paid	15,000-20,000	15,000-20,000
Mrs C Roncarati	Remuneration	30,000-35,000	30,000-35,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Ms J Wolf	Remuneration	45,000-50,000	45,000-50,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Ms N Weatherley	Remuneration	15,000-20,000	15,000-20,000
	Pension contributions paid	0-5,000	0-5,000

During the year ended 31 August 2016, expenses totalling £14 (2015 - £NIL) were reimbursed to 1 Trustee (2015 - NIL).

11. TRUSTEES' AND OFFICERS' INSURANCE

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

EAST BARNET SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

12. TANGIBLE FIXED ASSETS

	Leasehold land and property £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost					
At 1 September 2015	37,565,950	18,000	807,568	522,880	38,914,398
Additions	9,869	-	10,686	-	20,555
At 31 August 2016	<u>37,575,819</u>	<u>18,000</u>	<u>818,254</u>	<u>522,880</u>	<u>38,934,953</u>
Depreciation					
At 1 September 2015	2,924,575	18,000	451,028	397,055	3,790,658
Charge for the year	619,528	-	122,380	50,594	792,502
At 31 August 2016	<u>3,544,103</u>	<u>18,000</u>	<u>573,408</u>	<u>447,649</u>	<u>4,583,160</u>
Net book value					
At 31 August 2016	<u>34,031,716</u>	<u>-</u>	<u>244,846</u>	<u>75,231</u>	<u>34,351,793</u>
At 31 August 2015	<u>34,641,375</u>	<u>-</u>	<u>356,540</u>	<u>125,825</u>	<u>35,123,740</u>

Included in land and buildings is leasehold land at valuation of £6,583,250 (2015: £6,583,250) which is not depreciated.

13. STOCKS

	2016 £	2015 £
Stock	<u>8,265</u>	<u>11,714</u>

14. DEBTORS

	2016 £	2015 £
Trade debtors	15,870	6,730
VAT repayable	20,011	24,563
Prepayments and accrued income	141,059	238,251
	<u>176,940</u>	<u>269,544</u>

EAST BARNET SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

15. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	90,667	31,173
Other taxation and social security	142,894	135,238
Other creditors	5,281	6,310
Accruals and deferred income	242,515	193,104
	<u>481,357</u>	<u>365,825</u>
	2016 £	2015 £
Deferred income		
Deferred income at the start of the year	151,821	153,837
Resources deferred during the year	188,804	151,821
Amounts released from previous years	(151,821)	(153,837)
Deferred income at 31 August 2016	<u>188,804</u>	<u>151,821</u>

Deferred income held at 31 August 2016 represents funds received in advance for the following purposes:

	2016 £	2015 £
Trips	32,499	46,776
Capital grants	41,131	16,485
Other government grants	79,962	44,680
Other deferred income	35,212	43,880
	<u>188,804</u>	<u>151,821</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

16. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds					
General funds	322,358	402,265	(297,021)	-	427,602
Restricted funds					
Restricted Funds	-	7,248,923	(7,460,943)	-	(212,020)
Other Grants	238,227	254,795	(489,524)	-	3,498
Trip income	(2,910)	258,065	(255,155)	-	-
Other income	14,344	599,772	(564,009)	-	50,107
Pension reserve	(1,614,000)	-	(71,000)	(1,668,000)	(3,353,000)
	<u>(1,364,339)</u>	<u>8,361,555</u>	<u>(8,840,631)</u>	<u>(1,668,000)</u>	<u>(3,511,415)</u>
Restricted funds					
Restricted fixed asset funds	35,123,740	20,555	(792,502)	-	34,351,793
Total restricted funds	<u>33,759,401</u>	<u>8,382,110</u>	<u>(9,633,133)</u>	<u>(1,668,000)</u>	<u>30,840,378</u>
Total of funds	<u><u>34,081,759</u></u>	<u><u>8,784,375</u></u>	<u><u>(9,930,154)</u></u>	<u><u>(1,668,000)</u></u>	<u><u>31,267,980</u></u>

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

The General Annual Grant (GAG) must be used for the normal running costs of the Academy. Following a deed of variation to the original 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 2016.

The other restricted funds relate to various school and educational activities which are not funded by the General Annual Grant. This includes school trips, sports bursary for which income received is used to cover costs associated with these activities.

The defined benefit pension reserve relates to the pension deficit arising on the LGPS pension scheme.

The difference of £24,642 between restricted fixed asset funds and the net book value of fixed assets represents capital income not yet spent.

The restricted fixed asset fund was funded predominantly by the funds inherited on conversion to an Academy from the local authority following the transfer of the land and buildings.

EAST BARNET SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	34,351,793	34,351,793	35,123,740
Current assets	427,602	322,942	-	750,544	937,843
Creditors due within one year	-	(481,357)	-	(481,357)	(365,824)
Pension scheme liability	-	(3,353,000)	-	(3,353,000)	(1,614,000)
	<u>427,602</u>	<u>(3,511,415)</u>	<u>34,351,793</u>	<u>31,267,980</u>	<u>34,081,759</u>

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(1,145,779)	(926,930)
Adjustment for:		
Depreciation charges	792,502	816,857
Dividends, interest and rents from investments	(5,511)	(6,151)
Decrease in stocks	3,449	890
Decrease in debtors	92,604	71,449
Increase/(decrease) in creditors	115,532	(110,808)
FRS102 pension adjustments	71,000	93,000
Net cash used in operating activities	<u>(76,203)</u>	<u>(61,693)</u>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	565,339	656,586
Total	<u>565,339</u>	<u>656,586</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

20. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Strictly Education. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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 Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (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% 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%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £700,000 (2015 - £612,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

20. PENSION COMMITMENTS (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £307,000 (2015 - £283,000), of which employer's contributions totalled £251,000 (2015 - £224,000) and employees' contributions totalled £56,000 (2015 - £59,000). The agreed contribution rates for future years are 23.43% for employers and 5.5% to 12.5% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.00 %	3.90 %
Rate of increase in salaries	4.10 %	4.40 %
Rate of increase for pensions in payment / inflation	2.10 %	2.60 %
Commutation of pensions to lump sums (pre April 2008)	50.00 %	- %
Commutation of pensions to lump sums (post April 2008)	50.00 %	- %

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

	2016	2015
Retiring today		
Males	22.1	22.1
Females	24.4	24.4
Retiring in 20 years		
Males	24.2	24.2
Females	26.8	26.8

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FOR THE YEAR ENDED 31 AUGUST 2016

20. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	1,776,000	1,142,000
Debt instruments	538,000	547,000
Cash	23,000	12,000
Total market value of assets	<u>2,337,000</u>	<u>1,701,000</u>

The actual return on scheme assets from 1 September 2015 to 31 March 2016 was 3.7%.

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(259,000)	(260,000)
Net interest cost	(63,000)	(57,000)
Total	<u>(322,000)</u>	<u>(317,000)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2016 £	2015 £
Opening defined benefit obligation	3,315,000	2,963,000
Current service cost	259,000	260,000
Interest cost	134,000	120,000
Contributions by employees	56,000	59,000
Actuarial losses	2,014,000	1,000
Benefits paid	(88,000)	(88,000)
Closing defined benefit obligation	<u>5,690,000</u>	<u>3,315,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

20. PENSION COMMITMENTS (continued)

Movements in the fair value of the academy's share of scheme assets:

	2016	2015
	£	£
Opening fair value of scheme assets	1,701,000	1,510,000
Return on plan assets (excluding net interest on the net defined pension liability)	71,000	63,000
Actuarial gains and (losses)	346,000	(67,000)
Contributions by employer	251,000	224,000
Contributions by employees	56,000	59,000
Benefits paid	(88,000)	(88,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	2,337,000	1,701,000
	<hr/> <hr/>	<hr/> <hr/>

21. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016	2015
	£	£
Amounts payable:		
Within 1 year	12,738	16,116
Between 1 and 5 years	10,972	23,710
	<hr/>	<hr/>
Total	23,710	39,826
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

22. RELATED PARTY TRANSACTIONS

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

Ms F Armstrong, an employee of Barnet Council, and a Trustee of the Academy, is on the management committee of Barnet Education Business Partnership (charity) in her capacity as a Barnet Council representative. During the year, purchases totalling £3,800 (2015: £7,500) were made from Barnet Education Business Partnership. The payment was made on normal commercial terms. Ms F Armstrong had no involvement in the transaction which was, as a matter of policy, conducted on an arms length basis. The amount due to Barnet Education Business Partnership at the year end was £Nil (2015: £Nil). The Barnet Education Business Partnership is involved in Interview Skills programmes.

Ms F Armstrong is also on the management committee of BEAT Music School, as a Barnet Council representative. During the year, purchases totalling £25,123 (2015: £17,201) and income totalling £5,841 (2015: £5,550) were made from BEAT Music School. The transactions were made on normal commercial terms. Ms F Armstrong had no involvement in the transactions which were, as a matter of policy, conducted on an arms length basis. The amount due to BEAT Music School at the year end was £Nil (2015: £Nil). BEAT Music School is involved in Saturday music coaching.

During the year the academy purchased repair services of £2,539 (2015: £675) from R.P.M. Engineering, a business owned by Mr R Seller, the father of the trustee Ms C Roncarati. The payment was made on normal commercial terms. The amount due to the company at the year end was £Nil (2015: £Nil). Ms C Roncarati had no involvement in the transaction which was, as a matter of policy, conducted on an arms length basis.

During the year, students of the school held fundraising events and raised £206 (2015: £215) for the Butterfly AVM Charity, as one of the charities supported by the pupils of the Academy during the year in which family members of Mr N Christou, a Trustee of the Academy, are Trustees of the charity. There were no balances outstanding at the year end (2015: £Nil). None of the family members were involved in discussing the nomination or selection of the charity. No personal benefit was gained from this transaction by any related parties.

Mr N Mottershead, a Trustee of the Academy, is a director of BusyPerson Limited. During the year, purchases of £825 (2015: £Nil) were made from BusyPerson Limited. The payment was made on normal commercial terms. Mr N Mottershead had no involvement in the transaction which was, as a matter of policy, conducted on an arms length basis. The amount due to BusyPerson Limited at the year end was £Nil (2015: £Nil).

23. COMPANY LIMITED BY GUARANTEE

The Academy Trust is a company limited by guarantee and does not have share capital.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

24. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014	31 August 2015
		£	£
Total funds under previous UK GAAP		35,076,689	34,081,759
Total funds reported under FRS 102		<u>35,076,689</u>	<u>34,081,759</u>

Reconciliation of net (expenditure)	Notes	31 August 2015
		£
Net (expenditure) previously reported under UK GAAP		(894,930)
Defined benefit pension scheme finance cost	A	<u>(32,000)</u>
Net movement in funds reported under FRS 102		<u>(926,930)</u>

Explanation of changes to previously reported funds and net income/expenditure:

A The date of transition to FRS102 was 1 September 2014. There were no adjustments arising on transition to FRS102 that had an effect on the net reserves or on income and expenditure at the date of transition, at 31 August 2015 or 31 August 2016. No reconciliation is therefore provided and the figures disclosed in accordance with the previous financial reporting framework and those determined in accordance with FRS 102 for the same period other than a reconciliation to the presentation of net pension interest of £32,000 as a component of income and re-allocation of pension interest in accordance with FRS 102.

25. MEMBERS' LIABILITY

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

NOTES TO THE FINANCIAL STATEMENTS
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26. GOING CONCERN

The academy trust was formed in April 2011. In the year to 31 August 2016, the academy has reported net expenditure of £1,145,779, after depreciation of £792,502 and pension adjustments of £71,000 and before actuarial losses of a further £1,668,000. At 31 August 2016, the unrestricted fund balances were £427,602. The Local Government Pension fund deficit was £3,353,000, the restricted fixed asset fund was £34,351,793 and other restricted funds had a deficit of £158,415.

The academy has a budget for the year to 31 August 2017 which originally projected a deficit of £239,000 but funds brought forward have reduced the projected deficit to £148,200, before depreciation and actuarial losses. However, cash at bank projections indicate that the bank account should remain in credit to March 2018 or beyond, depending on funding. Expenditure on staff salaries is high in comparison to some academies due to the seniority profile of the teachers employed. Further savings can only be made with a reduction in staff but this must be consistent with the academy's succession planning so as not to compromise the education that is offered.

The trustees have discussed this issue with the EFA and provided forecasts of expenditure to the EFA. The trustees have advised the EFA that without redundancies in 2017 the academy will not be in a position to meet ongoing commitments from September 2017 and that further funds are required in order provide the required cash flows to meet on-going requirements.

The EFA have not yet provided any assurance of the availability of further funding through an increase in the General Annual Grant and other funding to meet the projected deficit. However, although no formal confirmation has been received, the trustees remain optimistic that further funding will be made available by the EFA such that the academy may continue without redundancies.

An application for in-year growth funding has been made to the EFA Young People Group, the outcome of which will be known in January 2017. The receipt of this funding would clear the deficit position. However if the funding is not granted, the balance would be redressed by additional funds from September 2017 when Sixth Form funding will be based on lagged numbers from the October 2016 census.

In the event that funding is not made available by the EFA, the trustees have restructuring plans in place for corrective action to meet the financial forecasts.