

Registered number: 07552702

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

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EAST BARNET SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

| | |
|-----------------|--|
| Members | Mr N Mottershead Mr C Costigan Mr J Ireton (resigned 15 October 2017) Dr A Hind (appointed 16 October 2017) |
| Trustees | Mr C Costigan, Chair of Governors ¹ Mr J Ireton, Vice Chair until 15 October 2017 ^{1,2} Mr N Mottershead, Vice Chair ¹ Dr A Hind, Vice Chair from 16 October 2017 ² Mr N Christou, Headteacher & Accounting Officer ¹ Mrs L Barlow Mrs D Cuthbert Mr T Diamandis Mr S Harrison Miss S McDonald Mrs C Roncarati Ms H Smith ¹ Mrs J Tambourides Mrs D Brazier (appointed 3 October 2016) ^{1,2} Ms C Thomas (appointed 3 October 2016) ^{1,2} Ms F Armstrong (resigned 9 February 2017) Ms N Weatherley (resigned 21 July 2017) ¹ Ms J Wolf (resigned 21 July 2017) Mr S Sweeney (appointed 22 July 2017) ¹ Ms M Zaman (appointed 22 July 2017) |

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
Ms L Swaine, Associate Headteacher (appointed 5 June 2017)
Mr D Hallam, Associate Deputy Headteacher (resigned 31 August 2017)
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 2017**

Advisers (continued)

Independent auditors MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

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 2017

The Governors, 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 2017. 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, with admissions based on a catchment area in East Barnet. It has a student capacity of 1350 and had a roll of 1402 in the school census on 18th January 2017.

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.

Certain Governors act as the Members of the Trust for the charitable activities of East Barnet School and 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 to 31st August.

Details of the Governors who served throughout the period except as noted are included in the Reference and Administrative Details on page 1.

MEMBERS' LIABILITY

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

TRUSTEES' INDEMNITIES

The Academy is a member of the Department for Education's Risk Protection Arrangement which provides Professional Indemnity 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 11 to the accounts.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

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.

EAST BARNET SCHOOL
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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.

When the company was incorporated on 4th March 2011, the Trust Members were the three signatories to the Memorandum, namely Mr D Fairley (resigned 6th June 2012), Mr J Hewlings (resigned 2nd June 2014) and Mr N Mottershead who were the initial Directors and the initial Trust Members of the company.

From October 2016, Mr N Mottershead remains a Member as Original Signatory to the Memorandum. The additional Trust Members from October 2016 were determined at the Full Governing Body Meeting on 10th October 2016. Mr C Costigan, Chair from 12th October 2015, was re-elected as Chair. The two Vice Chairs were also re-elected, Mr N Mottershead and Mr J Ireton. No other Trust Members have been appointed in the period to date.

From October 2017, Mr N Mottershead remains a Member as Original Signatory to the Memorandum. The additional Trust Members from October 2017 were determined at the Full Governing Body Meeting on 16th October 2017. Mr C Costigan was re-elected as Chair until 20th December 2017 and Mr J Ireton was elected as Chair, effective from 21st December 2017. Two Vice Chairs were elected, Mr N Mottershead was re-elected and Dr A Hind was elected, effective 16th October 2017. No other Trust Members have been appointed in the period to date.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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. 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.

ORGANISATIONAL STRUCTURE

The day-to-day running of the School is undertaken by the Associate Headteacher, whilst the strategic direction is led by the Headteacher, who is the Accounting Officer. The Senior Leadership Team includes both of these post-holders, as well as the Bursar and the three Associate Deputy Head teachers.

The Headteacher and Senior Leadership Team 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, and 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.

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, the Responsible Officer and auditors of the school accounts. Governors also take part in the production of the School Development Plan, approve the final version, and monitor its implementation. The Governing Body Decision Planner identifies the levels of delegation to the Headteacher.

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy are the Senior Leadership Team. The trustees are not remunerated in their role as trustees.

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.

Annual appraisals are conducted by the Headteacher for the Senior Leadership Team. Any change in pay is discussed by the governors. The Headteacher's appraisal and remuneration are dealt with by the governors, benchmarked and in line with pay levels at that scale.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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. Ms Armstrong resigned from her post as Governor on 9th February 2017.

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.

Mrs D Cuthbert is a Director of DJC Educational Consultancy Ltd (not trading).

Mr T Diamandis is the HR Learning & Development Manager for Foster + Partners, Architects.

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.

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

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 Church Hill 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 S Sweeney, appointed as Staff Governor on 22 July 2017, is a trustee for HARRP charity and is a board member for the Women's Equality Party (Barnet).

During the year, student instrumental tuition totalling £25,535 (2016: £22,693) and A-Level Music tuition £4,860 (2016: £2,430) was provided from Barnet Education Arts Trust and BEAT hired the school premises for their Saturday morning Music School, providing lettings income for the school of £6,123 (2016: £5,841).

Business events comprising Brent Cross Challenge and Interview Skills Programme totalling £3,850 (2016: £3,800) were provided from Barnet Education Business Partnership.

Fundraising events by students in Murray House raised £171.90 (2016: £206.38) for the Butterfly AVM charity, amount due at the year end was £nil (2016: £nil).

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Busyperson Ltd provided non-profit consultancy services £2,500 (2016: £825), amount due at the year end was £nil.

Foster + Partners used our Counselling Manager to provide Mindfulness training with income to the school of £625 (2016: £0), amount due at year end £nil.

RPM Engineering provided servicing for the two minibuses, totalling £560.76 (2016: £2,538.60), amount due at year end £nil.

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.

OBJECTS 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.

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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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 2017 are shown below:

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 selected staff
- 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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.

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, British Red Cross Grenfell Tower, Cancer Research UK, Cruse Bereavement Care, Red Nose Day 2017 and the Royal British Legion Poppy Appeal.

£3,007.77 (2016: £4,586.94) was collected as charitable donations during the year and has been passed to the relevant charities as at 31 August 2017.

Strategic report

Achievements and performance

ACHIEVEMENTS AND PERFORMANCE

The school continued to achieve its maximum Planned Admissions Number with a school roll of 1350, rising to 1409 at the beginning of the new school year 2016/17 and 1402 in the census of January 2017. The total number of applications received for the 210 places in Year 7 starting September 2017 continued to be significantly high at 1081, more than four times the available places. An additional 30 places were offered for Year 7 starting September 2016 and again in September 2017 as bulge classes funded by the Local Authority Growth Fund to meet demand for places (October 2017 census: 1399).

The 1081 applications received for admission to Year 7 demonstrates that our school maintains a very positive image in the local community.

The school's GCSE results were good, with 71% grades 4-9 in both Maths and English (national figure is 63%), whilst 48% achieved grades 5-9, against 39% nationally. Other attainment indicators, such as Attainment 8 (49 against 44) and the percentage of students achieving the English Baccalaureate (32% against 19.5%) also indicate above average performance. The new progress indicator (Progress 8) shows that our students perform roughly in-line with their ability on entry. Our 'A' Level results were excellent, placing us in the top 15% of schools nationally, and in the top 10% for AS Level.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

During the recent Ofsted visit on 7th March 2017, the inspectors found that the school continues to be good and made the following comments:

'The leadership team has maintained the good quality of education in the school since the last inspection. You, your leadership team and governors have continued to improve the school in accordance with your vision to inspire pupils to want to learn. The school motto, 'I want to learn' is powerful and effective, and pupils were keen to talk to the inspectors about what it means to them. Your focus on learning and subject knowledge has enabled you to build leadership and teaching capacity through a loyal team of like-minded, long-serving staff.

As leaders, you rightly have regard to national changes in education, examinations and performance tables but you are not driven by them. You review proposed changes thoughtfully with your leadership team to get the best possible outcomes for pupils. You and your staff have developed a consistent focus on high-quality subject learning, culminating in strong outcomes and destinations for sixth-form leavers in 2016. Three quarters of your Year 11 pupils join the sixth form and it is a recognised strength of the school.

Since the last inspection, teachers make better use of information about pupils' attainment and progress to plan their teaching. You have strengthened school systems for monitoring pupils' progress. You are reviewing the curriculum to ensure that pupils study an appropriate number of courses that are relevant and interesting, and prepare them for the next stage of their education. You are adamant that pupils study courses that meet their needs. Following the 2016 GCSE results, you and your governors moved swiftly to commission a review of the pupil premium spending. You are also making better use of the expertise within your sixth form, where disadvantaged students outperform other students.

Pupils enjoy learning and feel well supported by the school. They like teachers' enthusiasm and the way teachers always help them if they are stuck. Pupils say that they feel listened to and changes are made, for example to the arrangements for lunchtime, if they request it. Older pupils are particularly complimentary about careers information, advice and guidance. There are a wide range of talks on offer which help them think about their future.

FINANCIAL KEY 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 2017 | August 2016 |
| Student numbers | 1,399 | 1,337 |
| Total income per Student | £6,542 | £6,570 |
| GAG income per Student | £5,106 | £5,422 |
| Staffing costs as a percentage of total income | 81.5% | 84.1% |
| Staffing costs per Student | £5,332 | £5,523 |
| Learning resources per Student | £411 | £476 |
| Premises costs per Student | £125 | £130 |
| Other costs per Student | £537 | £545 |
| Percentage of GAG/Restricted funds carried forward | 0% | -2.9% |
| Operating Surplus as percentage of total income | 1.4% | 3.1% |

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

| Non-Financial Key Performance Indicator: | School | National for all students |
|---|--------------------|----------------------------------|
| % GCSE students achieving Grades 4-9 in both Maths and English | 71% | 63% |
| % achieving 5-9 in both English and Maths | 48% | 39% |
| % achieving the English Baccalaureate (including, 5+ in Maths and English) | 32% | 19.5% |
| Progress 8 | -0.1 | 0.00 |
| Student Attendance | 95.4% | 95.0% |
| | Year ended: | |
| | August | August |
| | 2017 | 2016 |
| Staff retention – Teaching Staff | 86% | 90% |
| Of whom Teachers taking Retirement | 7% | 0% |
| Staff retention – Support Staff | 90% | 94% |
| Of whom Support Staff taking Retirement | 3% | 0% |

GOING CONCERN

In the year to 31 August 2017, the academy has reported net expenditure of £849,340 (Aug 2016: £1,145,779), after depreciation of £790,023 (Aug 2016: £792,502 and pension adjustments of £296,000 (Aug 2016: £71,000) and before actuarial gains of £1,866,000 (Aug 2016: loss of £1,668,000).

At 31 August 2017, Restricted fund balance was £0 (Aug 2016: deficit £158,415) and the Academy has a carry forward/reserve comprising unrestricted fund balance of £125,123 (Aug 2016: £427,602) (total reserve Aug 2016: £269,187).

The Academy's reserves are low and the Trustees detail their issues regarding the academy's ability to continue as a going concern in Note 25, notwithstanding the uncertainty regarding future Government funding.

In particular the Trustees have considered the following points:

- Cashflow forecasts indicate that, whilst the school is facing a small deficit budget at year end, sufficient cash should be available for payment of salaries and related costs for the year to 31st August 2018 and in the subsequent months to December 2018.
- The ESFA allocation from 1st September 2017 includes funding for the additional cohort of 30 Year 7 students from 2016-17 as they progress to Year 8.
- Barnet are funding the second bulge year of 30 new Year 7 students starting September 2017 for the financial year from April 2017, which is held as deferred income for September 2017, with further funding due between April and August 2018.
- Whilst Governors have agreed to admit a further 30 Year 7 students in September 2018, Barnet have yet to confirm whether or not growth funding will be granted.
- Sixth Form funding is based on lagged numbers from the previous October census which has increased for 2017/18 based on numbers of 328 but will reduce for 2018/19 based on 302.

The 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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 2017 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 2017, GAG and other Restricted Funds were overspent by £267,990. In addition, an overspend of £158,415 was brought forward from 2016, totalling £426,405. This balance has now been cleared by a transfer from Unrestricted Funds, leaving an unrestricted reserve of £125,123 (2016: £269,187, net of restricted deficit).

The restricted funds are spent in accordance with the terms of the particular funds. Unrestricted funds, such as income from lettings, are for use on the general purposes of the Academy, at the discretion of the Governors.

At 31st August 2017 the net book value of fixed assets was £33,942,517 (2016: £34,351,793) 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.

Financial review

RESERVES POLICY

The Resources Committee of the Governing Body reviews 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 £590,000. 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 view of the details in the Financial Review and from the current trading position, the Academy's current level of unrestricted reserves is £125,123 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 to the extent that is compatible with the continued provision of high quality education by the school

There is a pension deficit balance of £1,783,000 as at 31st August 2017 (2016: £3,353,000) 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, improved performance of invested pension funds, 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 2017 to 31st March 2020 that results in paying the Future Service Rate plus the additional monetary amount as agreed between the Administering Authority and the employer.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

The employer contributions are based on the Primary Rate of 17.3% (2014-17: 13.5%) and the Secondary Rate of 6.5% (2014-17: 10.3%), totalling 23.8% of salary, which has not changed since April 2014.

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.

INVESTMENTS 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 £489 (2016: £5,487) which was dramatically 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.

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 achieved over many years now, from the 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 Ofsted inspection in March 2017 confirmed that this is a Good School. 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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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 experience 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 have been 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.

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

FUTURE DEVELOPMENTS

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 (1081 applications received for 210 places from September 2017). Another Growth bulge class of an additional 30 admissions into Year 7 is expected for September 2018. Secondary Growth funding from the Local Authority, London Borough of Barnet, has yet to be confirmed for September 2018.

The School Development Plan 2014-17 has now ended and the new School Development Plan 2017-20 is underway. The new SDP has five key aims:

1. To maximise the achievement of all students
2. To ensure that students are safe, well-behaved and have a positive attitude towards learning
3. To ensure that all lessons are effective in maximising the achievement of the full range of students
4. To continue the promotion of outstanding leadership and management at all levels of the school
5. To ensure that our students continue to have inspirational educational opportunities in line with our "I want to learn" philosophy

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

The Senior Leadership Team and Governing Body will monitor the implementation of this plan over its lifetime.

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 were significant in 2016-17 together with other cost pressures including the new Apprenticeship Levy. It is the school's continued aim to reduce costs and increase income so that we can achieve a balanced budget in the future. At the same time, the Governors are aware of their duty to continue to provide a high quality education to students and cost cutting at the expense of the students' educational outcomes is not a desirable option.

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 leavers have not been replaced. These measures will continue to apply.

However, whilst the school has managed to retain a small reserve from 2016-17 and may break even in 2017-18, the forecast is that the in-year deficit will continue with expenditure exceeding income.

From 2018/19, the first year of the National Funding Formula will take effect and our current projection on the baseline funding of £5,688,000 (2017/18) shows as £5,749,000, subject to pupil number and other characteristics. This is an increase of £61,000, 1.1%. However, the London Borough of Barnet consultation on the new funding arrangements seems to contradict this information and further uncertainty remains over the other elements of grant funding.

FUNDS HELD AS CUSTODIAN

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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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 auditors are unaware, and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the 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.

Governors' Report, incorporating a strategic report, was approved by order of the members of the board of trustees, as the company directors, on 13/12/2017 and signed on their behalf by:



.....
Mr C Costigan
Chair of Trustees

EAST BARNET SCHOOL
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Governors, 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. The Headteacher is 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 Trustees Responsibilities Statement. The Governing Body has formally met 4 times during the year. Attendance during the period at meetings of the Governing Body was as follows:

| Trustee | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| Mr C Costigan, Chair of Governors | 4 | 4 |
| Mr J Ireton, Vice Chair until 15 October 2017 | 4 | 4 |
| Mr N Mottershead, Vice Chair | 4 | 4 |
| Dr A Hind, Vice Chair from 16 October 2017 | 3 | 4 |
| Mr N Christou, Headteacher & Accounting Officer | 4 | 4 |
| Mrs L Barlow | 3 | 4 |
| Mrs D Cuthbert | 1 | 4 |
| Mr T Diamandis | 3 | 4 |
| Mr S Harrison | 3 | 4 |
| Miss S McDonald | 2 | 4 |
| Mrs C Roncarati | 2 | 4 |
| Ms H Smith | 3 | 4 |
| Mrs J Tambourides | 4 | 4 |
| Mrs D Brazier | 4 | 4 |
| Ms C Thomas | 3 | 4 |
| Ms F Armstrong | 0 | 2 |
| Ms N Weatherley | 2 | 4 |
| Ms J Wolf | 1 | 4 |
| Mr S Sweeney | 0 | 0 |
| Ms M Zaman | 0 | 0 |

The members of the Governing Body have close links with the school, either as parents, grand-parents, members of staff, or parents of former 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, charity, 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.

Ms F Armstrong, Ms N Weatherley and Ms J Wolf resigned at the end of their terms of office. Two new Staff Governors, Mr S Sweeney and Ms M Zaman, were appointed.

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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 |
|--|-------------------|-------------------|
| Mrs D Brazier | 3 | 3 |
| Mr N Christou, Headteacher & Accounting Officer | 4 | 5 |
| Mr C Costigan, Chair of Governors | 2 | 5 |
| Mr J Ireton, Vice Chair of Governors/Chair of Audit Committee/Chair of Resources Committee | 5 | 5 |
| Mr N Mottershead, Vice Chair of Governors | 4 | 5 |
| Ms H Smith, Vice Chair of Resources Committee | 4 | 5 |
| Ms C Thomas | 3 | 3 |
| Mrs S Waters Company Secretary/Bursar | 5 | 5 |
| Mrs N Weatherley | 0 | 2 |

Mr J Ireton, a Community Governor, former student and parent of a former student of the school, was Chair of the Resources Committee from 11 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.

The Audit Committee met once during the year to review the 2015-16 Accounts and was attended by:

| Trustee | Meetings attended | Out of a possible |
|--|-------------------|-------------------|
| Mr J Ireton, Trust Member/Chair of Audit | 1 | 1 |
| Ms D Brazier | 1 | 1 |
| Dr A Hind | 1 | 1 |

The other sub-committees of the main Governing Body, Learning (Curriculum) and People (Students and Staff), meet regularly throughout the year. The Chairs and Vice Chairs of Resources, Learning and People Committees meet prior to each Full Governing Body meeting. The Pay Committee meets twice in the year to review staff salaries and the Admissions Committee meets at the beginning of the school year to review student admissions. Members of ad hoc committees, such as Appointments, Discipline, Dismissal and Appeals, are drawn from the full range of Governors, according to availability and expertise.

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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 another school
- 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

From September 2015, the school became a Lead Delivery School for the Troops2Teachers programme overseeing the mentoring and training of new Troops2Teachers trainees at other schools and this programme continued over 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 have utilised our online cashless facility for fund-raising purposes, in particular for a new minibus for the school. This is ongoing to 2017/18.

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 the competitive tendering process, contracts were awarded as follows:

LED Lighting for Auditorium and other areas of the school
Mechanical, Electrical and Ancillary Maintenance
Computer Equipment
Telephone System
Multi Function Devices

The construction of the Castlewood Road Changing Room Facilities, awarded at the end of August 2016, was completed by December 2016.

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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. During 2016/17, our supplier suggested that, even greater discounts could be achieved by agreeing annual volumes and paying in advance at a fixed price, then calling off the stock as and when required. This proved very successful, particularly in view of savings against rising paper costs.

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 2016 to 31 August 2017 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 2016 to 31 August 2017 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 Trustees have appointed Mercer & Hole, Chartered Accountants, to support the Responsible Officer (RO) role by undertaking testing on a termly basis.

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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 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's financial responsibilities.

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

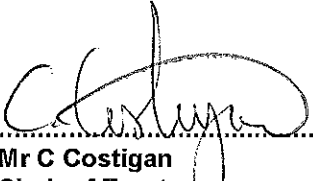
REVIEW OF EFFECTIVENESS

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 13 Dec 2017 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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 2016.

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 2016.

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


.....
Mr N Christou
Accounting Officer

13/12/2017

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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Governing Body and signed on its behalf by:


.....
Mr C Costigan
Chair of Trustees

Date: 13 December 2017

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

OPINION

We have audited the financial statements of East Barnet School for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the academy's members and Trustees, 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 those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and the academy's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 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.

BASIS OF OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 25 in the financial statements, which indicates uncertainty over the ability to pay expenses as they fall due within the foreseeable future. As stated in note 25, these events or conditions, along with the other matters as set forth in note 25, indicate that a material uncertainty exists that may cast significant doubt on the academy's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

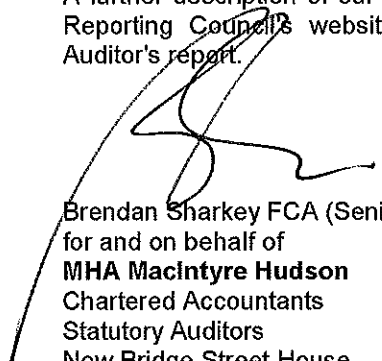
INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE TRUSTEES OF EAST BARNET SCHOOL

In preparing the financial statements, the Trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



Brendan Sharkey FCA (Senior Statutory Auditor)
for and on behalf of
MHA Macintyre Hudson
Chartered Accountants
Statutory Auditors
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Date:

18th December 2017,

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 4 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than East Barnet School and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The 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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

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

- 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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Date: 18 December 2017

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017

| | Note | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| INCOME FROM: | | | | | | |
| Donations and capital grants | 2 | 17,245 | 28,405 | 380,747 | 426,397 | 59,656 |
| Charitable activities | 5 | - | 8,214,789 | - | 8,214,789 | 8,219,779 |
| Other trading activities | 3 | 437,061 | 72,907 | - | 509,968 | 499,429 |
| Investments | 4 | 513 | - | - | 513 | 5,511 |
| TOTAL INCOME | | 454,819 | 8,316,101 | 380,747 | 9,151,667 | 8,784,375 |
| EXPENDITURE ON: | | | | | | |
| Charitable activities | | 330,893 | 8,880,091 | 790,023 | 10,001,007 | 9,930,154 |
| TOTAL EXPENDITURE | 6 | 330,893 | 8,880,091 | 790,023 | 10,001,007 | 9,930,154 |
| NET INCOME / (EXPENDITURE) BEFORE TRANSFERS | | | | | | |
| Transfers between Funds | 16 | 123,926 (426,405) | (563,990) 426,405 | (409,276) - | (849,340) - | (1,145,779) - |
| NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES | | | | | | |
| | | (302,479) | (137,585) | (409,276) | (849,340) | (1,145,779) |
| Actuarial gains/(losses) on defined benefit pension schemes | 20 | - | 1,866,000 | - | 1,866,000 | (1,668,000) |
| NET MOVEMENT IN FUNDS | | (302,479) | 1,728,415 | (409,276) | 1,016,660 | (2,813,779) |
| RECONCILIATION OF FUNDS: | | | | | | |
| Total funds brought forward | | 427,602 | (3,511,415) | 34,351,793 | 31,267,980 | 34,081,759 |
| TOTAL FUNDS CARRIED FORWARD | | 125,123 | (1,783,000) | 33,942,517 | 32,284,640 | 31,267,980 |

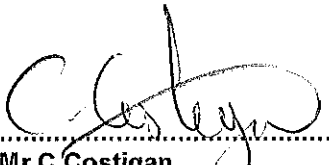
The notes on pages 32 to 55 form part of these financial statements.

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

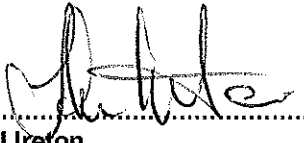
BALANCE SHEET
AS AT 31 AUGUST 2017

| | Note | £ | 2017 £ | £ | 2016 £ |
|--|------|--------------------|--------------------------|--------------------|--------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 12 | | 33,930,017 | | 34,351,793 |
| CURRENT ASSETS | | | | | |
| Stocks | 13 | 3,342 | | 8,265 | |
| Debtors | 14 | 219,336 | | 176,940 | |
| Cash at bank and in hand | | 388,647 | | 565,339 | |
| | | <u>611,325</u> | | <u>750,544</u> | |
| CREDITORS: amounts falling due within one year | 15 | (473,702) | | (481,357) | |
| NET CURRENT ASSETS | | | <u>137,623</u> | | <u>269,187</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>34,067,640</u> | | <u>34,620,980</u> |
| Defined benefit pension scheme liability | 20 | (1,783,000) | | (3,353,000) | |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITIES | | | <u><u>32,284,640</u></u> | | <u><u>31,267,980</u></u> |
| FUNDS OF THE ACADEMY | | | | | |
| Restricted income funds: | | | | | |
| Restricted income funds | 16 | - | | (158,415) | |
| Restricted fixed asset funds | 16 | 33,942,517 | | 34,351,793 | |
| Restricted income funds excluding pension liability | | <u>33,942,517</u> | | <u>34,193,378</u> | |
| Pension reserve | | <u>(1,783,000)</u> | | <u>(3,353,000)</u> | |
| Total restricted income funds | | | <u>32,159,517</u> | | <u>30,840,378</u> |
| Unrestricted income funds | 16 | | <u>125,123</u> | | <u>427,602</u> |
| TOTAL FUNDS | | | <u><u>32,284,640</u></u> | | <u><u>31,267,980</u></u> |

The financial statements on pages 29 to 55 were approved by the Trustees, and authorised for issue, on 13/12/2017 and are signed on their behalf, by:



 Mr C Costigan
 Chair of Governors



 Mr J Ireton
 Chair of Finance

The notes on pages 32 to 55 form part of these financial statements.

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

| | Note | 2017 £ | 2016 £ |
|--|------|-----------------------|-----------------------|
| Cash flows from operating activities | | | |
| Net cash used in operating activities | 18 | <u>(197,205)</u> | <u>(87,084)</u> |
| Cash flows from investing activities: | | | |
| Investment income | | 513 | 5,511 |
| Proceeds from the sale of tangible fixed assets | | 7,500 | - |
| Purchase of tangible fixed assets | | (368,247) | (20,555) |
| Capital grants from DfE/ESFA | | 380,747 | 10,881 |
| Net cash provided by/(used in) investing activities | | <u>20,513</u> | <u>(4,163)</u> |
| Change in cash and cash equivalents in the year | | (176,692) | (91,247) |
| Cash and cash equivalents brought forward | | <u>565,339</u> | <u>656,586</u> |
| Cash and cash equivalents carried forward | 19 | <u><u>388,647</u></u> | <u><u>565,339</u></u> |

The notes on pages 32 to 55 form part of these financial statements.

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy 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 2016 to 2017 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, and a company limited by guarantee incorporated in England. The address of the registered office and principal place of operation are detailed on page 1. The nature of the academy trust's operations and principal activity are detailed in the Trustees' Report.

The financial statements are prepared in £ sterling, the functional currency, rounded to the nearest £1.

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. The trustees have continued to adopt the going concern basis of accounting in preparing the financial statements, following their consideration of the uncertainties which are addressed in detail in note 25.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

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

Termination benefits are payable when an employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for termination benefits.

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, including support costs and those costs relating to governance of the academy trust appointed to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £3,000 are capitalised 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, a transfer is made to reflect these assets in the restricted fixed asset fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on leasehold 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 |
| Office equipment | - | 25% per annum on a straight line basis |
| Computer equipment | - | 25% per annum on a straight line basis |
| Leasehold property - land | - | Not depreciated |

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.

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.

1.9 Debtors

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

1.10 Cash at Bank and in hand

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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.

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.

1.12 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 and Skills Funding Agency.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.13 Liabilities and provisions

Liabilities and provisions 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.

1.14 Financial instruments

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

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

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

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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 judgment:

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 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|-------------------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Donations | 17,245 | 3,008 | - | 20,253 | 24,157 |
| Capital Grants | - | - | 380,747 | 380,747 | 10,881 |
| Grants | - | 25,397 | - | 25,397 | 24,618 |
| | <u>17,245</u> | <u>28,405</u> | <u>380,747</u> | <u>426,397</u> | <u>59,656</u> |
| <i>Total 2016</i> | <u>9,908</u> | <u>29,193</u> | <u>20,555</u> | <u>59,656</u> | |

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

3. OTHER TRADING ACTIVITIES

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|-------------------|--|--|---------------------------------------|---------------------------------------|
| Rental income | 98,842 | - | 98,842 | 88,632 |
| Catering income | 318,712 | - | 318,712 | 274,039 |
| Other income | 19,507 | 72,907 | 92,414 | 136,758 |
| | <u>437,061</u> | <u>72,907</u> | <u>509,968</u> | <u>499,429</u> |
| <i>Total 2016</i> | <u>386,846</u> | <u>112,583</u> | <u>499,429</u> | |

4. INVESTMENT INCOME

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|--------------------------|--|--|---------------------------------------|---------------------------------------|
| Bank interest receivable | 513 | - | 513 | 5,511 |
| | <u>513</u> | <u>-</u> | <u>513</u> | <u>5,511</u> |
| <i>Total 2016</i> | <u>5,511</u> | <u>-</u> | <u>5,511</u> | |

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|--------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| DfE/ESFA grants | | | | |
| General Annual Grant (GAG) | - | 7,143,164 | 7,143,164 | 7,248,923 |
| Pupil Premium | - | 267,738 | 267,738 | 254,795 |
| | <u>-</u> | <u>7,410,902</u> | <u>7,410,902</u> | <u>7,503,718</u> |
| Other government grants | | | | |
| Other government grants | - | 155,632 | 155,632 | 42,685 |
| SEN allocation | - | 429,347 | 429,347 | 415,311 |
| | <u>-</u> | <u>584,979</u> | <u>584,979</u> | <u>457,996</u> |
| Other funding | | | | |
| Trip income | - | 218,908 | 218,908 | 258,065 |
| | <u>-</u> | <u>218,908</u> | <u>218,908</u> | <u>258,065</u> |
| | <u>-</u> | <u>8,214,789</u> | <u>8,214,789</u> | <u>8,219,779</u> |
| <i>Total 2016</i> | <u>-</u> | <u>8,219,779</u> | <u>8,219,779</u> | |

There are no unfulfilled conditions or other contingencies attached to the government grants above.

6. EXPENDITURE

| | Staff costs 2017 £ | Premises 2017 £ | Other costs 2017 £ | Total 2017 £ | Total 2016 £ |
|--------------------------------|--------------------------|-----------------------|--------------------------|--------------------|--------------------|
| Educational operations: | | | | | |
| Direct costs | 6,417,772 | - | 800,940 | 7,218,712 | 7,406,793 |
| Support costs | 1,065,536 | 964,997 | 751,762 | 2,782,295 | 2,523,361 |
| | <u>7,483,308</u> | <u>964,997</u> | <u>1,552,702</u> | <u>10,001,007</u> | <u>9,930,154</u> |
| <i>Total 2016</i> | <u>7,384,044</u> | <u>966,145</u> | <u>1,579,965</u> | <u>9,930,154</u> | |

In 2017, of the total expenditure on charitable activities of £10,001,007 (2016 - £9,930,154), £330,893 (2016 - £297,021) was from unrestricted funds and £9,670,114 (2016 - £9,633,133) was from restricted funds.

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

7. CHARITABLE EXPENDITURE

| | Direct costs 2017 £ | Support costs 2017 £ | Total 2017 £ | Total 2016 £ |
|-----------------------|---------------------------|-------------------------------|--------------------|--------------------|
| Charitable activities | 7,218,712 | 2,782,295 | 10,001,007 | 9,930,154 |
| <i>Total 2016</i> | <u>7,406,793</u> | <u>2,523,361</u> | <u>9,930,154</u> | |

Analysis of support costs

| | Educational operations £ | Total 2017 £ | Total 2016 £ |
|---------------------------------------|--------------------------------|--------------------|--------------------|
| Staff costs | 1,077,095 | 1,077,095 | 824,129 |
| Depreciation | 790,023 | 790,023 | 792,502 |
| Security and transport | 4,723 | 4,723 | 6,697 |
| Maintenance of premises and equipment | 174,974 | 174,974 | 173,643 |
| Energy | 141,409 | 141,409 | 145,135 |
| Insurance | 33,644 | 33,644 | 44,115 |
| Catering | 154,120 | 154,120 | 130,292 |
| Other support costs | 241,971 | 241,971 | 247,457 |
| Cleaning | 129,314 | 129,314 | 122,259 |
| Recruitment and support | 18,296 | 18,296 | 11,463 |
| Governance costs | 16,726 | 16,726 | 25,669 |
| | <u>2,782,295</u> | <u>2,782,295</u> | <u>2,523,361</u> |
| <i>At 31 August 2016</i> | <u>2,523,361</u> | <u>2,523,361</u> | |

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

| | 2017 £ | 2016 £ |
|--|----------------|------------------|
| Depreciation of tangible fixed assets: | | |
| - owned by the charity | 790,023 | 792,502 |
| Auditors' remuneration - audit | 8,490 | 8,400 |
| Auditors' remuneration - non-audit | 5,230 | 3,790 |
| Responsible Officer costs | 1,500 | 1,500 |
| Operating lease rentals | 20,530 | 16,116 |
| Profit on sale of fixed assets | 7,500 | - |
| | <u>833,273</u> | <u>1,631,608</u> |

EAST BARNET SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

9. STAFF COSTS

Staff costs were as follows:

| | 2017 £ | 2016 £ |
|--|-------------------------|-------------------------|
| Wages and salaries | 5,529,752 | 5,717,908 |
| Social security costs | 516,298 | 467,637 |
| Operating costs of defined benefit pension schemes | 1,239,685 | 1,021,691 |
| | <u>7,285,735</u> | <u>7,207,236</u> |
| Apprenticeship levy | 11,559 | - |
| Supply teacher costs | 181,172 | 176,808 |
| Staff restructuring costs | 4,842 | - |
| | <u><u>7,483,308</u></u> | <u><u>7,384,044</u></u> |

Staff restructuring costs comprise:

| | | |
|---------------------|--------------|----------|
| Redundancy payments | <u>4,842</u> | <u>-</u> |
|---------------------|--------------|----------|

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

| | 2017 No. | 2016 No. |
|----------------------------|-------------|-------------|
| Teachers | 105 | 107 |
| Administration and support | 67 | 71 |
| Management | 5 | 5 |
| | <u>177</u> | <u>183</u> |

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

| | 2017 No. | 2016 No. |
|---------------------------------|-------------|-------------|
| In the band £60,001 - £70,000 | 2 | 4 |
| In the band £70,001 - £80,000 | 1 | 0 |
| In the band £100,001 - £110,000 | 1 | 1 |

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2017, pension contributions for these staff amounted to £42,023 (2016: £59,574).

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 £396,433 (2016: £423,197).

EAST BARNET SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
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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 including employers national insurance, was as follows:

| | | 2017 | 2016 |
|---|----------------------------|------------------------|-----------------|
| | | £ | £ |
| 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 | 40,000-45,000 | 30,000-35,000 |
| | Pension contributions paid | 5,000-10,000 | 5,000-10,000 |
| Ms J Wolf (resigned 21 July 2017) | Remuneration | 20,000-25,000 | 45,000-50,000 |
| | Pension contributions paid | 0-5,000 | 5,000-10,000 |
| Ms N Weatherley (resigned 21 July 2017) | Remuneration | 15,000-20,000 | 15,000-20,000 |
| | Pension contributions paid | 0-5,000 | 0-5,000 |
| S Sweeney (appointed 22 July 2017) | Remuneration | 0-5,000 | |
| | Pension contributions paid | 0-5,000 | |
| M Zaman (appointed 22 July 2017) | Remuneration | 0-5,000 | |
| | Pension contributions paid | 0-5,000 | |

During the year ended 31 August 2017, expenses totalling £87 (2016 - £14) were reimbursed to 1 Trustee (2016 - 1).

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
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

12. TANGIBLE FIXED ASSETS

| | Leasehold land and property £ | Motor vehicles £ | Office equipment £ | Computer equipment £ | Total £ |
|-----------------------|--|------------------------|--------------------------|----------------------------|--------------------------|
| Cost | | | | | |
| At 1 September 2016 | 37,575,819 | 18,000 | 818,254 | 522,880 | 38,934,953 |
| Additions | 291,137 | - | 36,524 | 40,586 | 368,247 |
| Disposals | - | - | - | (25,446) | (25,446) |
| At 31 August 2017 | <u>37,866,956</u> | <u>18,000</u> | <u>854,778</u> | <u>538,020</u> | <u>39,277,754</u> |
| Depreciation | | | | | |
| At 1 September 2016 | 3,544,103 | 18,000 | 573,408 | 447,649 | 4,583,160 |
| Charge for the year | 623,643 | - | 126,397 | 39,983 | 790,023 |
| On disposals | - | - | - | (25,446) | (25,446) |
| At 31 August 2017 | <u>4,167,746</u> | <u>18,000</u> | <u>699,805</u> | <u>462,186</u> | <u>5,347,737</u> |
| Net book value | | | | | |
| At 31 August 2017 | <u><u>33,699,210</u></u> | <u><u>-</u></u> | <u><u>154,973</u></u> | <u><u>75,834</u></u> | <u><u>33,930,017</u></u> |
| At 31 August 2016 | <u><u>34,031,716</u></u> | <u><u>-</u></u> | <u><u>244,846</u></u> | <u><u>75,231</u></u> | <u><u>34,351,793</u></u> |

Included in leasehold land and property is leasehold land at valuation of £6,583,250 (2016 - £6,583,250) which is not depreciated.

The leasehold property was valued on conversion to academy status in 2011 by Alan Palmer Assoc RICS, using the depreciated replacement cost method. The trustees consider that this valuation remains appropriate at 31 August 2017.

The leasehold land and buildings are owned by Barnet Council. The academy trust holds a 125 year Leasehold at a peppercorn rent from 2012.

13. STOCKS

| | 2017 £ | 2016 £ |
|-------|---------------------|---------------------|
| Stock | <u><u>3,342</u></u> | <u><u>8,265</u></u> |

EAST BARNET SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

14. DEBTORS

| | 2017 £ | 2016 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 7,761 | 15,870 |
| Other debtors | 21,179 | 20,011 |
| Prepayments and accrued income | 190,396 | 141,059 |
| | <u>219,336</u> | <u>176,940</u> |

15. CREDITORS: Amounts falling due within one year

| | 2017 £ | 2016 £ |
|------------------------------------|----------------|----------------|
| Trade creditors | 108,424 | 90,667 |
| Other taxation and social security | 142,257 | 142,894 |
| Other creditors | 8,846 | 5,281 |
| Accruals and deferred income | 214,175 | 242,515 |
| | <u>473,702</u> | <u>481,357</u> |

| | 2017 £ | 2016 £ |
|--|----------------|----------------|
| Deferred income | | |
| Deferred income at the start of the year | 188,804 | 151,821 |
| Resources deferred during the year | 156,047 | 188,804 |
| Amounts released from previous years | (188,804) | (151,821) |
| Deferred income at 31 August 2017 | <u>156,047</u> | <u>188,804</u> |

Deferred income held at 31 August 2017 represents funds received in advance for the following purposes:

| | 2017 £ | 2016 £ |
|-------------------------|----------------|----------------|
| Trips | 34,287 | 32,499 |
| Capital grants | - | 41,131 |
| Other government grants | 86,564 | 79,962 |
| Other deferred income | 35,196 | 35,212 |
| | <u>156,047</u> | <u>188,804</u> |

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

16. STATEMENT OF FUNDS

| | Balance at 1 September 2016 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2017 £ |
|-------------------------------------|--|-------------------------|----------------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General funds | 427,602 | 454,819 | (330,893) | (426,405) | - | 125,123 |
| Restricted funds | | | | | | |
| Restricted Funds | (212,020) | 7,143,163 | (7,357,548) | 426,405 | - | - |
| Other Grants | 3,498 | 251,640 | (255,138) | - | - | - |
| Trip income | - | 218,908 | (218,908) | - | - | - |
| Other income | 50,107 | 702,390 | (752,497) | - | - | - |
| Pension reserve | (3,353,000) | - | (296,000) | - | 1,866,000 | (1,783,000) |
| | <u>(3,511,415)</u> | <u>8,316,101</u> | <u>(8,880,091)</u> | <u>426,405</u> | <u>1,866,000</u> | <u>(1,783,000)</u> |
| Restricted fixed asset funds | | | | | | |
| Restricted fixed asset funds | 34,351,793 | 380,747 | (790,023) | - | - | 33,942,517 |
| Total restricted funds | <u>30,840,378</u> | <u>8,696,848</u> | <u>(9,670,114)</u> | <u>426,405</u> | <u>1,866,000</u> | <u>32,159,517</u> |
| Total of funds | <u><u>31,267,980</u></u> | <u><u>9,151,667</u></u> | <u><u>(10,001,007)</u></u> | <u><u>-</u></u> | <u><u>1,866,000</u></u> | <u><u>32,284,640</u></u> |

STATEMENT OF FUNDS - PRIOR YEAR

| | Balance at 1 September 2015 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2016 £ |
|---------------------------|--|----------------|------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General funds | 322,358 | 402,265 | (297,021) | - | - | 427,602 |
| | <u>322,358</u> | <u>402,265</u> | <u>(297,021)</u> | <u>-</u> | <u>-</u> | <u>427,602</u> |

EAST BARNET SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

16. STATEMENT OF FUNDS (continued)

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>-</u> | <u>(1,668,000)</u> | <u>(3,511,415)</u> |

Restricted fixed asset funds

| | | | | | | |
|------------------------------|-------------------|------------------|--------------------|----------|--------------------|-------------------|
| Restricted fixed asset funds | 35,123,740 | 20,555 | (792,502) | - | - | 34,351,793 |
| | <u>35,123,740</u> | <u>20,555</u> | <u>(792,502)</u> | <u>-</u> | <u>-</u> | <u>34,351,793</u> |
| Total restricted funds | <u>33,759,401</u> | <u>8,382,110</u> | <u>(9,633,133)</u> | <u>-</u> | <u>(1,668,000)</u> | <u>30,840,378</u> |
| Total of funds | <u>34,081,759</u> | <u>8,784,375</u> | <u>(9,930,154)</u> | <u>-</u> | <u>(1,668,000)</u> | <u>31,267,980</u> |

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

The unrestricted general funds represent the Trust's unrestricted fund activities.

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 2017.

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 and is the fund through which all pension scheme movements are recognised. The fund is in deficit, but given the nature of the liability this is not payable immediately. Plans are in place to address the deficit.

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.

The difference of £12,500 (2016 - £NIL) between restricted fixed asset funds and the net book value of fixed assets represents capital income not yet spent.

The transfer from unrestricted general funds of £426,405 to the restricted funds was required in order to meet the expenditure requirements of the restricted fund.

EAST BARNET SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Total funds 2017 £ |
|-------------------------------|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 33,930,017 | 33,930,017 |
| Current assets | 125,123 | 473,702 | 12,500 | 611,325 |
| Creditors due within one year | - | (473,702) | - | (473,702) |
| Pension scheme liability | - | (1,783,000) | - | (1,783,000) |
| | <u>125,123</u> | <u>(1,783,000)</u> | <u>33,942,517</u> | <u>32,284,640</u> |

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

| | Unrestricted funds 2016 £ | Restricted funds 2016 £ | Restricted fixed asset funds 2016 £ | Total funds 2016 £ |
|-------------------------------|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 34,351,793 | 34,351,793 |
| Current assets | 427,602 | 322,942 | - | 750,544 |
| Creditors due within one year | - | (481,357) | - | (481,357) |
| Pension scheme liability | - | (3,353,000) | - | (3,353,000) |
| | <u>427,602</u> | <u>(3,511,415)</u> | <u>34,351,793</u> | <u>31,267,980</u> |

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

| | 2017 £ | 2016 £ |
|---|------------------|-----------------|
| Net expenditure for the year (as per Statement of Financial Activities) | (849,340) | (1,145,779) |
| Adjustment for: | | |
| Depreciation charges | 790,023 | 792,502 |
| Dividends, interest and rents from investments | (513) | (5,511) |
| Profit on the sale of fixed assets | (7,500) | - |
| Decrease in stocks | 4,923 | 3,449 |
| (Increase)/decrease in debtors | (42,396) | 92,604 |
| (Decrease)/increase in creditors | (7,655) | 115,532 |
| Capital grants from DfE and other capital income | (380,747) | (10,881) |
| FRS102 pension adjustments | 296,000 | 71,000 |
| Net cash used in operating activities | <u>(197,205)</u> | <u>(87,084)</u> |

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FOR THE YEAR ENDED 31 AUGUST 2017

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2017 | 2016 |
|--------------|----------------|----------------|
| | £ | £ |
| Cash in hand | 388,647 | 565,339 |
| Total | <u>388,647</u> | <u>565,339</u> |

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 2016.

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

Teachers' Pension Scheme

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

The latest actuarial review 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

20. PENSION COMMITMENTS (continued)

The valuation report was published by the Department on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

The employer's pension costs paid to TPS in the period amounted to £698,000 (2016 - £700,000).

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuationreport.aspx>

Scheme Changes

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

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NOTES TO THE FINANCIAL STATEMENTS
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20. PENSION COMMITMENTS (continued)

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 2017 was £310,000 (2016 - £307,000), of which employer's contributions totalled £246,000 (2016 - £251,000) and employees' contributions totalled £64,000 (2016 - £56,000). The agreed contribution rates for future years are 23.8% 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:

| | 2017 | 2016 |
|--|----------------|-------------|
| Discount rate for scheme liabilities | 2.50 % | 2.00 % |
| Rate of increase in salaries | 2.70 % | 4.10 % |
| Rate of increase for pensions in payment / inflation | 2.40 % | 2.10 % |
| Commutation of pensions to lump sums (pre April 2008) | 50.00 % | 50.00 % |
| Commutation of pensions to lump sums (post April 2008) | 50.00 % | 50.00 % |

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

| | 2017 | 2016 |
|----------------------|-------------|-------------|
| Retiring today | | |
| Males | 21.9 | 22.1 |
| Females | 24.3 | 24.4 |
| Retiring in 20 years | | |
| Males | 23.9 | 24.2 |
| Females | 26.5 | 26.8 |

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NOTES TO THE FINANCIAL STATEMENTS
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20. PENSION COMMITMENTS (continued)

| Sensitivity analysis | At 31 August 2017 £ | At 31 August 2016 £ |
|-----------------------------|------------------------------------|------------------------------------|
| Salary Increase Rate +0.5% | 105,000 | 421,000 |
| Discount rate -0.5% | 501,000 | 915,000 |
| Pension Increase Rate +0.5% | 387,000 | 453,000 |

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

| | Fair value at 31 August 2017 £ | Fair value at 31 August 2016 £ |
|-------------------------------------|---|---|
| Equities | 1,899,000 | 1,776,000 |
| Debt instruments | 776,000 | 538,000 |
| Cash | - | 23,000 |
| Total market value of assets | <u>2,675,000</u> | <u>2,337,000</u> |

The actual return on scheme assets from 1 October 2016 to 30 June 2017 was 7.1% (2016 - 23.1%).

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

| | 2017 £ | 2016 £ |
|----------------------|-------------------------|-------------------------|
| Current service cost | (473,000) | (259,000) |
| Interest income | 49,000 | 71,000 |
| Interest cost | (118,000) | (134,000) |
| Total | <u>(542,000)</u> | <u>(322,000)</u> |

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

| | 2017 £ | 2016 £ |
|---|-------------------------|-------------------------|
| Opening defined benefit obligation | 5,690,000 | 3,315,000 |
| Current service cost | 473,000 | 259,000 |
| Interest cost | 118,000 | 134,000 |
| Employee contributions | 64,000 | 56,000 |
| Actuarial (gains)/losses | (1,825,000) | 2,014,000 |
| Benefits paid | (62,000) | (88,000) |
| Closing defined benefit obligation | <u>4,458,000</u> | <u>5,690,000</u> |

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

20. PENSION COMMITMENTS (continued)

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

| | 2017 £ | 2016 £ |
|-------------------------------------|------------------|------------------|
| Opening fair value of scheme assets | 2,337,000 | 1,701,000 |
| Interest income | 49,000 | 71,000 |
| Actuarial losses | 41,000 | 346,000 |
| Employer contributions | 246,000 | 251,000 |
| Employee contributions | 64,000 | 56,000 |
| Benefits paid | (62,000) | (88,000) |
| | <hr/> | <hr/> |
| Closing fair value of scheme assets | <u>2,675,000</u> | <u>2,337,000</u> |

21. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

| | 2017 £ | 2016 £ |
|-------------------------|---------------|---------------|
| Amounts payable: | | |
| Within 1 year | 19,204 | 12,738 |
| Between 1 and 5 years | 47,999 | 10,972 |
| | <hr/> | <hr/> |
| Total | <u>67,203</u> | <u>23,710</u> |

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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 £3,850 (2016: £3,800) 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 (2016: £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 £30,395 (2016: £25,123) and income totalling £6,132 (2016: £5,841) 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 (2016: £Nil). BEAT Music School is involved in Saturday music coaching.

During the year the academy purchased repair services of £561 (2016: £2,539) 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 (2016: £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 £172 (2016: £206) 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 (2016: £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 £2,500 (2016: £825) 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 (2016: £Nil).

Mr T Diamandis, a Trustee of the Academy, is a manager at Foster and Partners. During the year, £625 (2016: £Nil) was invoiced to Foster and Partners, in respect of mindfulness training. The sale was made on normal commercial terms. The amount due from Foster and Partners at the year end was £Nil (2016: £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 2017

24. 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.

25. GOING CONCERN

The academy trust was formed in April 2011. In the year to 31 August 2017, the academy has reported:

- Net expenditure of £849,340 (Aug 2016: £1,145,779), after depreciation of £790,023 (Aug 2016: £792,502) and pension adjustments of £296,000 (Aug 2016: £71,000) and before actuarial gains of £1,866,000 (Aug 2016: loss of £1,668,000).
- The restricted fixed asset fund was £33,942,517 (Aug 2016: £34,351,793).
- The Local Government Pension fund deficit was £1,783,000 (Aug 2016: £3,353,000).
- At 31 August 2017, other restricted funds were £0 (Aug 2016: deficit £158,415) and the unrestricted fund balance was £125,123 (Aug 2016: £427,602) which is carried forward to 2017-18.

The academy budget for the year to 31 August 2017 originally projected a deficit of £239,000 but funds brought forward from August 2016 and further reductions against staffing and resources during 2016-17 have resulted in a balance carried forward at 31 August 2017 of £125,123, together with the restricted fixed asset fund of £33,942,517 and the pension deficit of £1,783,000.

In the forecasts considered by the trustees in July 2017, the budget for the year to 31 August 2018, estimated as a deficit of £137,000, has improved by the balance brought forward to a deficit of £79,292. Cash at bank projections indicate that the bank account should remain in credit beyond August 2018.

The National Funding Formula is due to take effect from 2018/19 with some uncertainty regarding levels of funding. However, it is anticipated that the deficit for the year to 31 August 2019 will be substantial.

Expenditure on staff salaries is high in comparison to some academies due to the experience 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 ESFA and provided forecasts of expenditure to the ESFA. The trustees have advised the ESFA that, without redundancies, the academy may not be in a position to meet ongoing commitments from September 2018 and that further funds are required in order to provide the required cash flows to meet on-going requirements.

The ESFA are not able to provide 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 ESFA such that the academy may continue without redundancies.

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