

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members	Mr N Mottershead Mr C Costigan (resigned 20 December 2017) Mr J Ireton (resigned 15 October 2017, re-appointed 21 December 2017) Dr A Hind (appointed 16 October 2017)
Trustees	Mr C Costigan, Chair of Governors until 20 December 2017 (resigned 31 December 2017) ¹ Mr J Ireton, Vice Chair until 15 October 2017, Chair of Governors from 21 December 2017 ¹ Mr N Mottershead, Vice Chair ¹ Dr A Hind, Vice Chair from 16 October 2017 Mr N Christou, Headteacher & Accounting Officer (resigned 31 August 2018) ¹ Mrs L Barlow (resigned 3 April 2018) Mrs D Cuthbert ² Mr T Diamandis Mr S Harrison Miss S McDonald Mrs C Roncarati Ms H Smith ¹ Mrs J Tambourides Mrs D Brazier ^{1,2} Ms C Thomas ^{1,2} Mr S Sweeney (resigned 19 August 2018) ¹ Ms M Zaman Mr S Gates (appointed 1 April 2018) Mr T Williamson (appointed 31 January 2018) Miss I Zanchetta (appointed 24 January 2018)

- 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

EAST BARNET SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Company secretary Mrs S Waters

**Senior management
team**

Mr N Christou, Headteacher and Accounting Officer (resigned 31 August 2018)
Ms L Swaine, Associate Headteacher (resigned 31 August 2018),
Headteacher and Accounting Officer (appointed 1 September 2018)
Mrs F Hurst, Associate Deputy Headteacher
Mr G Roberts, Associate Deputy Headteacher (resigned 30 April 2018)
Mr S White, Associate Deputy Headteacher
Miss L Coffill, Associate Deputy Headteacher (appointed 1 September 2018)
Mrs S Waters, Bursar & Company Secretary

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
North Finchley (B Branch)
786 High Road
London
N12 9QT

EAST BARNET SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

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 2018. 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 (Planned Admission Number) and had a roll of 1399 in the school census on 18th January 2018.

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 2017 to 31st August 2018.

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'/GOVERNORS' 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.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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.

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 original 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.

The original Articles of Association for the Trust, effective from April 2011, will be superseded by the new DfE Model One Articles of Association from 18 December 2018. This change has been necessary as the Academies Financial Handbook indicates a strong preference for the trust to have at least five members. The Department for Education's Model One Articles of Association have been adopted as at 18 December 2018.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

The new Model One Articles of Association state:

12. The Members of the Academy Trust shall comprise:
- a. the signatories to the Memorandum;
 - b. not used;
 - c. up to 2 serving Trustees; and
 - d. any person appointed under Article 15A,
provided that at any time the minimum number of Members shall not be less than three.
- 12A. An employee of the Academy Trust cannot be a Member of the Academy Trust.
13. Each person entitled to appoint Members in Article 12 shall have the right from time to time by written notice delivered to the Office to remove any Member appointed by them and to appoint a replacement Member to fill a vacancy whether resulting from such removal or otherwise.
14. If any of the persons entitled to appoint Members in Article 12:
- a. in the case of an individual, die or become legally incapacitated;
 - b. in the case of a corporate entity, cease to exist and are not replaced by a successor institution;
 - c. becomes insolvent or makes any arrangement or composition with their creditors generally; or
 - d. ceases to themselves be a Member,
- their right to appoint Members under these Articles shall vest in the remaining Members.
15. Membership will terminate automatically if:
- a. a Member (which is a corporate entity) ceases to exist and is not replaced by a successor institution;
 - b. a Member (which is an individual) dies or becomes incapable by reason of illness or injury of managing and administering his or her own affairs; or
 - c. a Member becomes insolvent or makes any arrangement or composition with that Member's creditors generally.
- 15A. The Members may agree by passing a special resolution to appoint such additional Members as they think fit.
16. In addition to Article 13, the Members may agree by passing a special resolution to remove any Member(s) [other than the Foundation/Sponsor body or a Member appointed by the Foundation/Sponsor body under Article 12c or any replacement of that Member appointed pursuant to Article 13]. The Member whose proposed removal is the subject of the resolution shall not be entitled to vote on that resolution.
- 16A. In exercising their rights under these Articles and the Companies Act 2006, the Members shall not do anything or take any action which would cause the Academy Trust to contravene its Objects.
17. Every person nominated to be a Member of the Academy Trust shall sign a written consent to become a Member and sign the register of Members on becoming a Member.
18. Any Member may resign provided that after such resignation the number of Members is not less than three. A Member shall cease to be one immediately on the receipt by the Academy Trust of a notice in writing signed by the person or persons entitled to remove him under Articles 13 or 16 provided that no such notice shall take effect when the number of Members is less than three unless it contains or is accompanied by the appointment of a replacement Member.

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.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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.

From October 2018, Mr N Mottershead remains a Member as Original Signatory to the Memorandum. The additional Trust Members from October 2018 were determined at the Full Governing Body Meeting on 15th October 2018. Mr J Ireton, Chair from 21st December 2017, was re-elected as Chair. Two Vice Chairs were re-elected, Mr N Mottershead and Dr A Hind was elected. No other Trust Members have been appointed in the period to date.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

An Induction Policy has been implemented with procedures for training and induction of new Governors. Induction tends to be done informally and the exact nature of help and support to an individual will depend on their existing experience. 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. Following the retirement of the Headteacher, Nick Christou, as at 31st August 2018, the Associate Headteacher, Leann Swaine, was appointed Headteacher and Accounting Officer as at 1st September 2018. The post of Associate Headteacher has not been filled.

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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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.

TRADE UNION FACILITY TIME

Number of employees who were relevant union officials during the period: 0 number / 0 FTE

Percentage of time spent on facility time: 0 FTE / 0%

Total cost of facility time: £0 school staff

London Borough of Barnet Traded Service, provision of Trade Union Facility Time: £2,958.90

Total pay bill: £7,318,881

Percentage of total pay bill spent on facility time: $(\text{cost}/\text{bill}) \times 100$: 0.04 %

Time spent on paid trade union activities as percentage of total paid facility time hours: 0%

No employees were relevant trade union officials during the year and there was no trade union facility time incurred.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

- 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. Mrs Barlow resigned at the end of her term of office 4 April 2018.
- Mrs D Brazier is Director and Company Secretary of Signet Block Management Ltd, which manages real estate on a fee or contract basis.
- Mr N Christou is a trustee of East Barnet School PTA and a director of AP Barnet Multi Academy Trust, based in Barnet and receives funding for placement of pupils. Mr Christou's wife is a teacher at the school and his children are trustees of The Butterfly AVM Charity. Mr Christou resigned 31 August 2018.
- 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 Gates is a director of The Seasoned Grocer, online training courses for food business.
- 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 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.

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- Mrs J Tambourides is a former Governor/Director of Ashmole Academy, a member of the Management Committee of Friends in Need and a Trustee/Director 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). Mr Sweeney resigned 19 August 2018.
- Mr B Williamson works with the Department for Education.
- Ms I Zanchetta is employed in engineering programme development.

During the year:

- AP Barnet Multi Academy Trust were invoiced £4,585 (2017: £Nil) for the provision by East Barnet School of a relief caretaker, amount due at year end £nil.
- Butterfly AVM Charity, no funds were sent to this charity, £Nil (2017: £172).
- Busyperson Ltd, no purchases were made £Nil (2017: £2,500), amount due at year end £nil.
- Foster + Partners, no purchases were made £Nil (2017: £600), amount due at year end £nil.
- RPM Engineering provided servicing for the two minibuses, totalling £630 (2017: £561) and purchased two vans from East Barnet School £4,167 (2017: £Nil), 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;

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- d) teachers' levels of pay and conditions of service for all employees will be the responsibility of the Academy Trust save that when entering into a contract of employment with any person the Academy Trust shall be bound by and act in accordance with such guidance as the Secretary of State may publish in relation to the maximum salary that may be paid to employees of Academies;
- e) there will be an emphasis on the needs of the individual pupils including pupils with special education needs (SEN), both those with and without statements of SEN;
- f) there will be no charge in respect of admission to the school and the school will only charge pupils where the law allows maintained schools to charge;
- g) the Academy Trust shall as soon as reasonably practicable establish an appropriate mechanism for the receipt and management of donations and shall use reasonable endeavours to procure donations through that mechanism for the purpose of the objects specified in the Articles.

Governance

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

OBJECTIVES, STRATEGIES AND ACTIVITIES

The Academy's core vision is encompassed in its mission statement together with the aims of the Academy during the year ended 31st August 2018 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.

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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
- 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, to prepare students for the world of work and improve their behaviour.

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

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

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 – Noah's Ark Children's Hospice; 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.

£2,662 (2017: £3,008) was collected as charitable donations during the year and has been passed to the relevant charities as at 31 August 2018.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The school continued to achieve its maximum Planned Admissions Number with a school roll of 1350, rising to 1399 at the beginning of the new school year 2017/18 and in the census of January 2018. The total number of applications received for the 210 places in Year 7 starting September 2018 continued to be significantly high at 1019, more than four times the available places. An additional 30 places were offered for Year 7 starting September 2016, 2017 and 2018 as bulge classes funded by the Local Authority Growth Fund to meet demand for places (October 2018 census: 1412). The 1019 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 66% grades 4-9 in both Maths and English (nationally 59%), whilst 44% achieved grades 5-9, against 40% nationally. Other attainment indicators, such as Attainment 8 (48.56 against 44.3) and the percentage of students being entered for the English Baccalaureate (79% against 35.1%), with EBacc average point score being above national (4.59 v 3.83), 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 10% of schools nationally, and in the top 10% for AS Level.

The most recent Ofsted visit was 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.

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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: <i>(Total income excludes fixed assets and pension liabilities)</i>	Year ended:	
	August 2018	August 2017
Student numbers	1,399	1,399
Total income per Student	£6,453	£6,542
GAG income per Student	£5,236	£5,106
Staffing costs as a percentage of total income	81.2%	81.5%
Staffing costs per Student	£5,239	£5,332
Learning resources per Student	£411	£411
Premises costs per Student	£116	£125
Other costs per Student	£521	£537
Percentage of GAG/Restricted funds carried forward	0%	0%
Unrestricted reserves as a percentage of total income	1.8%	1.4%

Non-Financial Key Performance Indicator:	School	National for all students
% GCSE students achieving Grades 4-9 in both Maths and English	66%	59%
% achieving 5-9 in both English and Maths	44%	40%
% achieving the English Baccalaureate (5+ in Maths and English)	26%	2017: 19.7%
(4+ in Maths and English)	40%	2017: 23.8%
Progress 8	-0.14	0.00
Student Attendance	95.3%	94.6%

	Year Ended	
	August 2018	August 2017
Staff retention – Teaching Staff	91%	86%
Teachers taking Retirement	3%	7%
Staff retention – Support Staff	96%	90%
Support Staff taking Retirement	1.5%	3%

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GOING CONCERN

In the year to 31 August 2018, the academy has reported net expenditure of £838,648 (Aug 2017: £849,340), after depreciation of £729,372 (Aug 2017: £790,023) and pension adjustments of £249,000 (Aug 2017: £296,000) and before actuarial gains of £349,000 (Aug 2017 £1,866,000).

The restricted fixed asset fund was £33,311,376 (Aug 2017: £33,942,517).

The Local Government Pension fund deficit was £1,683,000 (Aug 2017: £1,783,000).

At 31 August 2018, other restricted funds were £0 (Aug 2017: £Nil) and the unrestricted fund balance was £166,616 (Aug 2017: £125,123) which is carried forward to 2018-19.

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 deficit budget for 2019 (estimated £145-150K) at year end, sufficient cash should be available for payment of salaries and related costs for the year to 31st August 2019 and in the subsequent months to December 2019.
- The ESFA allocation from 1st September 2018 includes funding for the additional cohorts of 30 Year 7 students from 2017-18 and 2016-17, as they progress to Years 8 and 9 respectively.
- Whilst Barnet funded the two bulge years of 30 new Year 7 students starting September 2016 and 2017, no funding has been made available for the 30 Year 7 students starting September 2018. Lagged funding for these students will not be available until September 2019.
- Sixth Form funding is based on lagged numbers from the previous October census which increased for 2017/18 based on numbers of 328 but reduced for 2018/19 based on 302.
- Barnet's "soft" transition to the National Funding Formula from September 2018 has resulted in capping of funding for East Barnet School and further reductions are being proposed for September 2019 against the High Needs funding. This will be balanced by the lagged funding for the September 2018 cohort.
- The Headteacher has been meeting with the ESFA since 2015 and has provided forecasts of expenditure for 2018-19. The ESFA have indicated that East Barnet School may apply for financial assistance, if necessary.

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 Accounting Policies.

EAST BARNET SCHOOL
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 2018 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 2018, GAG and other Restricted Funds were overspent by £128,873. This balance has now been cleared partially by a windfall of £70,000, being a reimbursement from London Borough of Barnet for replacement boilers that had been paid for by East Barnet School in 2012, £50,000 of which was transferred from the Restricted Fixed Asset Funds. The balance of £78,873 was transferred from Unrestricted Funds, leaving an unrestricted reserve of £166,616 (2017: £125,124).

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 2018 the net book value of fixed assets was £33,287,235 (2017: £33,930,015) 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.

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 £166,616 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 £1,683,000 as at 31st August 2018 (2017: £1,783,000) 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.

EAST BARNET SCHOOL
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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.

INVESTMENT POLICY

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

The Trust's investment policy is to invest surplus cash reserves on deposit with High Street banks with a high credit rating where the capital invested is guaranteed. Investment returns are reviewed during the year to ensure that returns are maximised whilst safeguarding the funds invested. Bank interest received this year amounted to £379 (2017: £513) 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 standard
- Performance risk – mitigated by ensuring best possible examination success for all students. The Academy undertakes regular internal quality assurance reviews and self-assessments to maintain high standards of teaching and learning.
- Financial Risk – The principal financial risks are a reduction in pupil numbers, reduction in central government funding, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs and a reserve which is not at the level that the reserves policy determines is necessary. The risks presented here are mitigated by careful planning, monitoring and review of the Academy's budget, including attendance at government funding agency conferences and participation in focus groups to keep up to date with and influence as far as possible Academy funding methodology. Governors have also identified other potential risks: a) the LGPS pension deficit which is managed according to the

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 and reductions in funding.

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.

FUNDRAISING

East Barnet PTA is a registered charity, number 291368, whose aims include advancing the education of the pupils of the School by providing and assisting in the provision of facilities for education at the School (not normally provided by the local authority). It is independent of the academy and is not controlled by the academy.

The PTA engage in activities which support the School and the pupils attending it and at the same time try to foster more extended relationships between the staff, parents, and others associated with the School.

East Barnet PTA organises fund-raising events to pay for equipment and facilities that the school could not otherwise afford to buy. The PTA operates the PTA Lottery and also arranges events where the wider school community can come together socially and raise money for our appeals. The PTA also generates free donations when subscribers shop online through TheGivingMachine and also operates the Gift Aid scheme on regular or one-off payments.

No professional fundraisers were used by the academy in the year. The Trustees monitor all fundraising.

EAST BARNET SCHOOL
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

PLANS FOR FUTURE PERIODS

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

Total school numbers will increase to capacity as the school remains extremely popular (1019 applications received for 210 places from September 2018), although funding for these additional students will not be available until September 2019.

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 "want to learn" philosophy

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 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. The Headteacher is working with the ESFA and Governors to continue to reduce costs.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

No funds are held as custodian trustee on behalf of others.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

DISCLOSURE OF INFORMATION TO AUDITORS

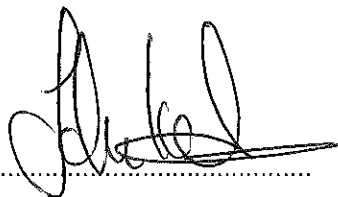
In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the 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.

The Governors' Report, incorporating a strategic report, was approved by order of the members of the board of trustees, as the company directors, on 12/12/18 and signed on their behalf by:



A handwritten signature in black ink, appearing to read 'John Ireton', is written over a horizontal dotted line.

John Ireton
Chair of Governors

EAST BARNET SCHOOL
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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

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 resigned 31 December 2018	2	2
Mr N Mottershead	Vice Chair from 12 October 2015	4	4
Mr J Ireton	Vice Chair until 16 October 2017	4	4
	Chair of Governors from 21 December 2017		
Dr A Hind	Vice Chair from 16 October 2017	2	4
Mr N Christou	Headteacher & Accounting Officer	4	4
Mrs L Barlow	(resigned 3 April 2018)	3	3
Mrs D Cuthbert		3	4
Mr T Diamandis		3	4
Mr S Harrison		3	4
Miss S McDonald		3	4
Mrs C Roncarati		3	4
Mrs H Smith		4	4
Mrs J Tambourides		2	4
Mrs D Brazier		4	4
Ms C Thomas		4	4
Mr S Sweeney	(resigned 19 August 2018)	4	4
Ms M Zaman		3	4
Mr S Gates	(appointed 1 April 2018)	1	1
Mr T Williamson	(appointed 31 January 2018)	2	2
Miss I Zanchetta	(appointed 24 January 2018)	1	2

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

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Vacancies were filled in January 2018 by two new Parent Governors: Mr T Williamson, an architect with experience in ESFA capital allocation, and Miss I Zanchetta, a strategic project manager experienced in business strategies and transformation. Their strengths complement both the Resources Committee and those of the Governing Body, fulfilling the requirements of the Skills Audit.

Mr S Gates was appointed as a Community Governor on 1 April 2018, whose strengths include corporate governance, business development, fundraising, coaching and mentoring young people and the ability to develop external partnerships.

Resignations were received from Parent Governor, Mrs L Barlow, at the end of her term of office on 3 April and Staff Governor, Mr S Sweeney, on leaving the school on 19 August 2018.

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 period was as follows:

Trustee:		Meetings attended	Out of a possible
Mrs D Brazier	Vice Chair of Resources from 17 January 2018	6	6
Mr N Christou	Headteacher & Accounting Officer	5	6
Mr C Costigan	Chair of Governors to 20 December 2017, resigned 31 December 2017	0	2
Mr S Gates	From 1 April 2018	2	2
Mr J Ireton	Vice/Chair of Governors/Chair of Resources Committee	6	6
Mr N Mottershead	Vice Chair of Governors	4	6
Ms H Smith	Resources Committee: Vice Chair until 17 January 2018/ Chair from 17 January 2018	3	6
Mr S Sweeney		4	6
Ms C Thomas		6	6
Mr T Williamson		1	2
Miss I Zanchetta		1	2
Mrs S Waters	Company Secretary/Bursar	6	6

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 until becoming Chair of Governors on 21 December 2017.

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.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

The Audit Committee met once during the year to review the 2016-17 Accounts and was attended by:

Trustee:		Meetings attended	Out of a possible
Mrs D Brazier	Chair of Audit	1	1
Ms C Thomas		1	1
Mrs D Cuthbert		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.

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.

New Initiatives

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 which was purchased March 2018. The PTA are now funding some of the much needed IT system updates.

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 or frameworks, when appropriate, to obtain economies of scale. Budget holders manage their own budgets, assisted by the Finance team to ensure best value. Contracts are awarded following a competitive tendering process.

EAST BARNET SCHOOL
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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

The annual best value exercise for supply of paper established that our current supplier provides good quality paper with an excellent next day delivery service. Greater discounts are 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. There is a Whistle-blowing Policy in place and the system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in East Barnet School for the year ended 31 August 2018 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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

THE RISK AND CONTROL FRAMEWORK

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

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

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

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 EFA's requirements. No material control issues have been identified.

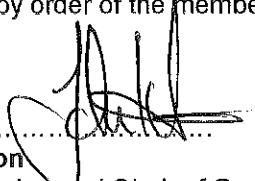
REVIEW OF EFFECTIVENESS

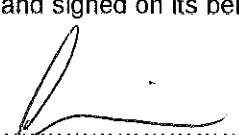
As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the Responsible Officer;
- the work of the external auditor;
- 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 12/12/18 and signed on its behalf by:


.....
Mr J Iretton
Trust Member and Chair of Governors


.....
Ms L Swaine
Accounting Officer


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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2018**

As Accounting Officer of East Barnet School I have considered my responsibility to notify the academy trust's Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust's Governing Body 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 2017.

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



.....
Ms L Swaine
Accounting Officer

Date: 12/12/18

EAST BARNET SCHOOL
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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

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 & 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:

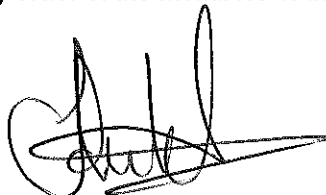
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring 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 J Ireton
Trust Member and Chair of Governors

Date: 12/12/18

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

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 (the 'academy') for the year ended 31 August 2018 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 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 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

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.

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

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 Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the 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.

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

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

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

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.

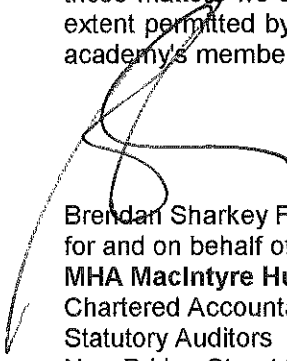
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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



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: 17th December 2018

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 4 September 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of East Barnet School's funding agreement with the Secretary of State for Education dated 31 March 2011, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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

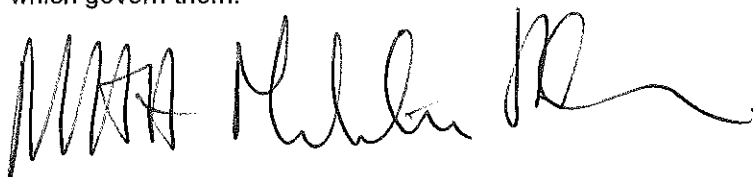
EAST BARNET SCHOOL
(A Company Limited by Guarantee)

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 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: 17th December 2018

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	12,718	25,537	148,231	186,486	426,397
Charitable activities	5	-	8,323,762	-	8,323,762	8,214,789
Other trading activities	3	452,759	64,720	-	517,479	509,968
Investments	4	379	-	-	379	513
TOTAL INCOME		465,856	8,414,019	148,231	9,028,106	9,151,667
EXPENDITURE ON:						
Charitable activities		345,490	8,791,892	729,372	9,866,754	10,001,007
TOTAL EXPENDITURE	6	345,490	8,791,892	729,372	9,866,754	10,001,007
NET EXPENDITURE BEFORE TRANSFERS						
Transfers between funds	16	120,366 (78,873)	(377,873) 128,873	(581,141) (50,000)	(838,648) -	(849,340) -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		41,493	(249,000)	(631,141)	(838,648)	(849,340)
Actuarial gains/(losses) on defined benefit pension schemes	20	-	349,000	-	349,000	1,866,000
NET MOVEMENT IN FUNDS		41,493	100,000	(631,141)	(489,648)	1,016,660
RECONCILIATION OF FUNDS:						
Total funds brought forward		125,123	(1,783,000)	33,942,517	32,284,640	31,267,980
TOTAL FUNDS CARRIED FORWARD		166,616	(1,683,000)	33,311,376	31,794,992	32,284,640

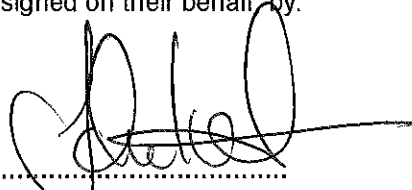
The notes on pages 34 to 58 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	12		33,287,235		33,930,015
CURRENT ASSETS					
Stocks	13	5,111		3,344	
Debtors	14	251,630		219,336	
Cash at bank and in hand		353,988		388,647	
		<u>610,729</u>		<u>611,327</u>	
CREDITORS: amounts falling due within one year	15	(419,972)		(473,702)	
NET CURRENT ASSETS			190,757		137,625
TOTAL ASSETS LESS CURRENT LIABILITIES			33,477,992		34,067,640
Defined benefit pension scheme liability	20		(1,683,000)		(1,783,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			31,794,992		32,284,640
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted funds excluding pension liability		33,311,376		33,942,517	
Pension reserve		<u>(1,683,000)</u>		<u>(1,783,000)</u>	
Total restricted income funds			31,628,376		32,159,517
Unrestricted income funds	16		166,616		125,123
TOTAL FUNDS			31,794,992		32,284,640

The financial statements on pages 31 to 58 were approved by the Trustees, and authorised for issue, on 12/12/18 and are signed on their behalf by:



 Mr J Ireton
 Chair of Governors



 Mrs D Brazier
 Chair of Finance

The notes on pages 34 to 58 form part of these financial statements.

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash used in operating activities	18	<u>(81,914)</u>	<u>(197,205)</u>
Cash flows from investing activities:			
Investment income		379	513
Proceeds from the sale of tangible fixed assets		-	7,500
Purchase of tangible fixed assets		(86,592)	(368,247)
Capital grants from DfE Group		133,468	380,747
Net cash provided by investing activities		<u>47,255</u>	<u>20,513</u>
Change in cash and cash equivalents in the year		(34,659)	(176,692)
Cash and cash equivalents brought forward		<u>388,647</u>	<u>565,339</u>
Cash and cash equivalents carried forward	19	<u><u>353,988</u></u>	<u><u>388,647</u></u>

The notes on pages 34 to 58 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 2018

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 2017 to 2018 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

East Barnet School is a charitable company limited by guarantee incorporated in England and Wales. The address of the registered office is on page 1.

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 2018

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 meeting any performance-related conditions, there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the 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 2018

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 apportioned 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 2018

1. ACCOUNTING POLICIES (continued)

Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	2% per annum on a straight line basis
Motor vehicles	-	25% per annum on a straight line basis
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 2018

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 an unfunded multi-employer scheme with no underlying assets to assign between employers. 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 multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each 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 2018

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 2018

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 2017 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	12,718	1,537	14,763	29,018	20,253
Capital Grants	-	-	133,468	133,468	380,747
Grants	-	24,000	-	24,000	25,397
	<u>12,718</u>	<u>25,537</u>	<u>148,231</u>	<u>186,486</u>	<u>426,397</u>
Total 2017	<u>17,245</u>	<u>28,405</u>	<u>380,747</u>	<u>426,397</u>	

EAST BARNET SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Rental income	102,436	-	102,436	98,325
Catering income	331,979	-	331,979	318,712
Other income	18,344	64,720	83,064	92,931
	<u>452,759</u>	<u>64,720</u>	<u>517,479</u>	<u>509,968</u>
Total 2017	<u>437,061</u>	<u>72,907</u>	<u>509,968</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest receivable	379	-	379	513
Total 2017	<u>513</u>	<u>-</u>	<u>513</u>	

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5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	7,324,603	7,324,603	7,143,164
Pupil Premium	-	254,900	254,900	267,738
	-	7,579,503	7,579,503	7,410,902
Other government grants				
Other government grants	-	148,284	148,284	155,632
SEN allocation	-	386,367	386,367	429,347
	-	534,651	534,651	584,979
Other funding				
Trip income	-	209,608	209,608	218,908
	-	209,608	209,608	218,908
	-	8,323,762	8,323,762	8,214,789
Total 2017	-	8,214,789	8,214,789	

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

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Educational operations:					
Direct costs	6,363,274	-	789,347	7,152,621	7,218,712
Support costs	1,099,919	891,906	722,308	2,714,133	2,782,295
	7,463,193	891,906	1,511,655	9,866,754	10,001,007
Total 2017	7,483,308	964,997	1,552,702	10,001,007	

In 2018, of the total expenditure on charitable activities of £9,866,754 (2017 - £10,001,007), £345,490 (2017 - £330,893) was from unrestricted funds and £9,521,264 (2017 - £9,670,114) was from restricted funds.

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NOTES TO THE FINANCIAL STATEMENTS
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7. CHARITABLE EXPENDITURE

	Direct costs 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Charitable activities	7,152,621	2,714,133	9,866,754	10,001,007
Total 2017	<u>7,218,712</u>	<u>2,782,295</u>	<u>10,001,007</u>	

Analysis of support costs

	Educational operations £	Total 2018 £	Total 2017 £
Staff costs	1,093,767	1,093,767	1,077,095
Depreciation	729,372	729,372	790,023
Security and transport	6,790	6,790	4,723
Maintenance of premises and equipment	162,534	162,534	174,974
Energy	144,742	144,742	141,409
Insurance	35,759	35,759	33,644
Catering	147,723	147,723	154,120
Other support costs	228,127	228,127	241,971
Cleaning	134,135	134,135	129,314
Recruitment and support	10,335	10,335	18,296
Governance costs	20,849	20,849	16,726
	<u>2,714,133</u>	<u>2,714,133</u>	<u>2,782,295</u>
At 31 August 2017	<u>2,782,295</u>	<u>2,782,295</u>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	729,372	790,023
Auditors' remuneration - audit	8,550	8,490
Auditors' remuneration - non-audit	3,610	5,230
Responsible Officer costs	1,500	1,500
Operating lease rentals	19,917	20,530
Profit on sale of fixed assets	-	7,500
	<u>763,469</u>	<u>857,273</u>

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9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	5,564,579	5,529,752
Social security costs	570,341	527,857
Pension costs	1,183,961	1,239,685
	<u>7,318,881</u>	<u>7,297,294</u>
Staff restructuring costs	10,000	4,842
Agency staff costs	134,312	181,172
	<u>7,463,193</u>	<u>7,483,308</u>

Staff restructuring costs comprise:

Redundancy payments	-	4,842
Severance payments	10,000	-
	<u>10,000</u>	<u>4,842</u>

During the year, a severance payment of 10,000 was paid to one individual.

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	101	105
Administration and support	68	67
Management	4	5
	<u>173</u>	<u>177</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	1	1
In the band £100,001 - £110,000	0	1
In the band £110,001 - £120,000	1	0

All of the above employees (2017 - 4) participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for these staff amounted to £41,413 (2017: £42,023).

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NOTES TO THE FINANCIAL STATEMENTS
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9. STAFF COSTS (continued)

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £414,743 (2017: £396,433).

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:

		2018 £	2017 £
Mr N Christou, Headteacher & Accounting Officer	Remuneration	110,000-120,000	105,000-110,000
	Pension contributions paid	15,000-20,000	15,000-20,000
Mrs C Roncarati	Remuneration	35,000-40,000	40,000-45,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Mr S Sweeney	Remuneration	35,000-40,000	0-5,000
	Pension contributions paid	0-5,000	0-5,000
Ms M Zaman	Remuneration	40,000-45,000	0-5,000
	Pension contributions paid	5,000-10,000	0-5,000
Ms J Wolf (resigned 21 July 2017)	Remuneration	-	20,000-25,000
	Pension contributions paid	-	0-5,000
Ms N Weatherley (resigned 21 July 2017)	Remuneration	-	15,000-20,000
	Pension contributions paid	-	0-5,000

During the year ended 31 August 2018, expenses totalling £87 (2017 - £87) were reimbursed to 2 trustees (2017 - 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. The cost of this insurance is included in the total insurance cost.

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12. TANGIBLE FIXED ASSETS

	Leasehold land and property £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost					
At 1 September 2017	37,866,955	18,000	854,777	538,020	39,277,752
Additions	21,309	14,763	27,375	23,145	86,592
Disposals	-	(10,000)	-	-	(10,000)
At 31 August 2018	<u>37,888,264</u>	<u>22,763</u>	<u>882,152</u>	<u>561,165</u>	<u>39,354,344</u>
Depreciation					
At 1 September 2017	4,167,746	18,000	699,805	462,186	5,347,737
Charge for the year	625,791	1,538	62,151	39,892	729,372
On disposals	-	(10,000)	-	-	(10,000)
At 31 August 2018	<u>4,793,537</u>	<u>9,538</u>	<u>761,956</u>	<u>502,078</u>	<u>6,067,109</u>
Net book value					
At 31 August 2018	<u>33,094,727</u>	<u>13,225</u>	<u>120,196</u>	<u>59,087</u>	<u>33,287,235</u>
At 31 August 2017	<u>33,699,209</u>	<u>-</u>	<u>154,972</u>	<u>75,834</u>	<u>33,930,015</u>

Included in leasehold land and property is leasehold land at valuation of £6,583,250 (2017 - £6,583,250) which is not depreciated.

The leasehold property was valued on conversion to academy status in 2011 by Alan Palmer Associates RICS, using the depreciated replacement cost method. The trustees consider that this valuation remains appropriate at 31 August 2018.

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

	2018 £	2017 £
Stock	<u>5,111</u>	<u>3,344</u>

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NOTES TO THE FINANCIAL STATEMENTS
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14. DEBTORS

	2018 £	2017 £
Trade debtors	10,148	7,761
Other debtors	20,007	21,179
Prepayments and accrued income	221,475	190,396
	<u>251,630</u>	<u>219,336</u>

15. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	100,673	108,424
Other taxation and social security	139,793	142,257
Other creditors	6,962	8,846
Accruals and deferred income	172,544	214,175
	<u>419,972</u>	<u>473,702</u>

	2018 £	2017 £
Deferred income		
Deferred income at the start of the year	156,047	188,804
Resources deferred during the year	93,648	156,047
Amounts released from previous years	(156,047)	(188,804)
	<u>93,648</u>	<u>156,047</u>

Deferred income held at 31 August 2018 represents funds received in advance for the following purposes:

	2018 £	2017 £
Trips	32,275	34,287
Other government grants	18,383	86,564
Other deferred income	42,990	35,196
	<u>93,648</u>	<u>156,047</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

16. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General funds	125,123	465,856	(345,490)	(78,873)	-	166,616
Restricted funds						
GAG	-	7,324,603	(7,453,476)	128,873	-	-
Pupil Premium	-	247,350	(247,350)	-	-	-
Other grants and income	-	842,066	(842,066)	-	-	-
Pension reserve	(1,783,000)	-	(249,000)	-	349,000	(1,683,000)
	<u>(1,783,000)</u>	<u>8,414,019</u>	<u>(8,791,892)</u>	<u>128,873</u>	<u>349,000</u>	<u>(1,683,000)</u>
Restricted fixed asset funds						
Restricted fixed asset funds	33,942,517	148,231	(729,372)	(50,000)	-	33,311,376
Total restricted funds	<u>32,159,517</u>	<u>8,562,250</u>	<u>(9,521,264)</u>	<u>78,873</u>	<u>349,000</u>	<u>31,628,376</u>
Total of funds	<u><u>32,284,640</u></u>	<u><u>9,028,106</u></u>	<u><u>(9,866,754)</u></u>	<u><u>-</u></u>	<u><u>349,000</u></u>	<u><u>31,794,992</u></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 2018.

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 £24,141 (2017 - £12,500) 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 £78,873 (2017 - £426,405) to the restricted funds was

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

16. STATEMENT OF FUNDS (continued)

required in order to meet the expenditure requirements of the restricted fund.

The transfer from the restricted fixed asset fund to the restricted fund was required to reflect expenditure of £50,000 on repairs and renewals out of capital grant funding.

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
General funds	427,602	454,819	(330,893)	(426,405)	-	125,123
Restricted funds						
GAG	(212,020)	7,143,163	(7,357,548)	426,405	-	-
Trip income	-	218,908	(218,908)	-	-	-
Pupil Premium	3,498	251,640	(255,138)	-	-	-
Other grants and 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 of funds	<u>31,267,980</u>	<u>9,151,667</u>	<u>(10,001,007)</u>	<u>-</u>	<u>1,866,000</u>	<u>32,284,640</u>

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A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General funds	427,602	920,675	(676,383)	(505,278)	-	166,616
Restricted funds						
GAG	(212,020)	14,467,766	(14,811,024)	555,278	-	-
Trip income	-	218,908	(218,908)	-	-	-
Pupil Premium	3,498	498,990	(502,488)	-	-	-
Other grants and income	50,107	1,544,456	(1,594,563)	-	-	-
Pension reserve	(3,353,000)	-	(545,000)	-	2,215,000	(1,683,000)
	<u>(3,511,415)</u>	<u>16,730,120</u>	<u>(17,671,983)</u>	<u>555,278</u>	<u>2,215,000</u>	<u>(1,683,000)</u>
Restricted fixed asset funds						
Restricted fixed asset funds	34,351,793	528,978	(1,519,395)	(50,000)	-	33,311,376
	<u>30,840,378</u>	<u>17,259,098</u>	<u>(19,191,378)</u>	<u>505,278</u>	<u>2,215,000</u>	<u>31,628,376</u>
Total of funds	<u><u>31,267,980</u></u>	<u><u>18,179,773</u></u>	<u><u>(19,867,761)</u></u>	<u><u>-</u></u>	<u><u>2,215,000</u></u>	<u><u>31,794,992</u></u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	33,287,235	33,287,235
Current assets	166,616	419,972	24,141	610,729
Creditors due within one year	-	(419,972)	-	(419,972)
Pension scheme liability	-	(1,683,000)	-	(1,683,000)
	<u>166,616</u>	<u>(1,683,000)</u>	<u>33,311,376</u>	<u>31,794,992</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2017	2017	2017	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>

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

	2018	2017
	£	£
Net expenditure for the year (as per Statement of Financial Activities)	(838,648)	(849,340)
Adjustment for:		
Depreciation charges	729,372	790,023
Dividends, interest and rents from investments	(379)	(513)
Profit on the sale of fixed assets	-	(7,500)
(Increase)/decrease in stocks	(1,767)	4,923
Increase in debtors	(32,294)	(42,396)
Decrease in creditors	(53,730)	(7,655)
Capital grants from DfE and other capital income	(133,468)	(380,747)
FRS102 pension adjustments	249,000	296,000
Net cash used in operating activities	(81,914)	(197,205)

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	2017
	£	£
Cash in hand	353,988	388,647
Total	353,988	388,647

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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 2017.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £683,000 (2017 - £698,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website

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

www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £318,000 (2017 - £310,000), of which employer's contributions totalled £252,000 (2017 - £246,000) and employees' contributions totalled £66,000 (2017 - £64,000). 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:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.70 %	2.70 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %
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:

	2018	2017
Retiring today		
Males	21.9	21.9
Females	24.3	24.3
Retiring in 20 years		
Males	23.9	23.9
Females	26.5	26.5

	At 31 August 2018	At 31 August 2017
Sensitivity analysis	£	£
Salary Increase Rate +0.5%	99,000	105,000
Discount rate -0.5%	539,000	501,000
Pension Increase Rate +0.5%	432,000	387,000

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20. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,752,000	1,899,000
Debt instruments	906,000	776,000
Cash	363,000	-
	<u>3,021,000</u>	<u>2,675,000</u>
Total market value of assets	<u>3,021,000</u>	<u>2,675,000</u>

The actual return on scheme assets from 1 October 2017 to 30 June 2018 was 3.0% (2017 - 7.1%).

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

	2018 £	2017 £
Current service cost	(454,000)	(473,000)
Interest income	70,000	49,000
Interest cost	(117,000)	(118,000)
	<u>(501,000)</u>	<u>(542,000)</u>
Total	<u>(501,000)</u>	<u>(542,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	4,458,000	5,690,000
Current service cost	454,000	473,000
Interest cost	117,000	118,000
Employee contributions	66,000	64,000
Actuarial gains	(317,000)	(1,825,000)
Benefits paid	(74,000)	(62,000)
	<u>4,704,000</u>	<u>4,458,000</u>
Closing defined benefit obligation	<u>4,704,000</u>	<u>4,458,000</u>

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20. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	2,675,000	2,337,000
Interest income	70,000	49,000
Actuarial losses	32,000	41,000
Employer contributions	252,000	246,000
Employee contributions	66,000	64,000
Benefits paid	(74,000)	(62,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	<u>3,021,000</u>	<u>2,675,000</u>

21. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	16,032	19,204
Between 1 and 5 years	31,967	47,999
	<hr/>	<hr/>
Total	<u>47,999</u>	<u>67,203</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the Governing Body being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

Income and expenditure Related Party Transactions

During the previous year, purchases totalling £30,395 and income totalling £6,132 were made from BEAT Music School. Ms F Armstrong, a former Trustee of the Academy, is on the management committee of BEAT Music School in her capacity as a Barnet Council representative. 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. Ms F Armstrong resigned as a Trustee on 9 February 2017 and any transactions with BEAT Music School in the current year are not disclosed.

During the year the academy purchased repair services of £630 (2017: £561) and made sales of £4,167 (2017: £Nil) to R.P.M. Engineering, a business owned by Mr R Seller, the father of the trustee Ms C Roncarati. The transactions were made on normal commercial terms. The amount due to R.P.M. Engineering at the year end was £Nil (2017: £Nil). Ms C Roncarati had no involvement in the transaction which was, as a matter of policy, conducted on an arms length basis.

Income Related Party Transactions

Mr T Diamandis, a Trustee of the Academy, is a manager at Foster and Partners. During the year, £Nil (2017: £625) 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 (2017: £Nil).

Mr N Christou, a Trustee of the Academy is a director of AP Barnet Multi Academy Trust, an academy trust which is based in Barnet and receives funding for placement of pupils. During the year, £4,585 (2017: £Nil) was invoiced to AP Barnet Trust, in respect of the provision of a relief caretaker. The sale was made on normal commercial terms. The amount due from AP Barnet Trust at the year end was £Nil (2017: £Nil).

Expenditure Related Party Transactions

During the previous year, purchases totalling £3,850 were made from Barnet Education Business Partnership. Ms F Armstrong, a former Trustee of the Academy, is on the management committee of Barnet Education Business Partnership in her capacity as a Barnet Council representative. 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. Ms F Armstrong resigned as a Trustee on 9 February 2017 and any transactions with Barnet Education Business Partnership in the current year are not disclosed.

During the year, students of the school held fundraising events and raised £Nil (2017: £172) 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. The amount due to Butterfly AVM charity at the year end was £Nil (2017: £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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. RELATED PARTY TRANSACTIONS (continued)

Mr N Mottershead, a Trustee of the Academy, is a director of BusyPerson Limited. During the year, purchases of £Nil (2017: £2,500) 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 (2017: £Nil).

During the year, a teacher at the school was the wife of Mr N Christou, a trustee. The employment was under normal commercial terms and the trustee was not involved in her recruitment.

During the year, an exam invigilator at the school was the father of Mrs L Barlow, a trustee. The employment was under normal commercial terms and the trustee was not involved in his recruitment.

During the year, a data analyst at the school was the husband of Ms H Smith, a trustee. The employment was under normal commercial terms and the trustee was not involved in his recruitment.

23. COMPANY LIMITED BY GUARANTEE

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

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

25. GOING CONCERN

The academy trust was formed in April 2011. In the year to 31 August 2018, the academy has reported:

- Net expenditure of £838,648 (Aug 2017: £849,340), after depreciation of £729,372 (Aug 2017: £790,023) and pension adjustments of £249,000 (Aug 2017: £296,000) and before actuarial gains of £349,000 (Aug 2017 -£1,866,000).
- The restricted fixed asset fund was £33,311,376 (Aug 2017: £33,942,517).
- The Local Government Pension fund deficit was £1,683,000 (Aug 2017: £1,783,000).
- At 31 August 2018, other restricted funds were £0 (Aug 2017: £Nil) and the unrestricted fund balance was £166,616 (Aug 2017: £125,123) which is carried forward to 2018-19.

The academy budget for the year to 31 August 2018 projected a reserves deficit of £69,117, but reductions against staffing and resources during 2017-18 have resulted in a balance carried forward at 31 August 2018 of £166,616, together with the restricted fixed asset fund of £33,311,376 and the pension deficit of £1,683,000.

The budget for the year to 31 August 2019 was considered by the trustees in July 2018, the estimated reserves deficit as at 31 August 2019 was £313,617. As a result of the improvement in the current year and amendments to the budget the position has improved to a predicted reserve deficit of £238,517 as at 31 August 2019. Cash at bank projections indicate that the bank account should remain in credit beyond August 2019.

The National Funding Formula is due to take effect from 2018/19 with some uncertainty regarding levels of funding. However, the deficit for the year to 31 August 2019 is estimated at £145,000-150,000.

Expenditure on staff salaries is high in comparison to some academies due to the experience profile of the teachers employed. Savings have been achieved through replacement of staff with newly qualified teachers and changes to the Senior Leadership Team. Further savings on the salary budget can only be made with a reduction in staff but this must be consistent with the academy's educational quality standards and 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, unless additional income can be secured, without additional reductions in staffing, the academy may not be in a position to meet ongoing commitments from September 2019 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, although the Teachers' Pay Grant has now been confirmed as £70,000. 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 additional reductions in staffing.

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