

Hendon School

Annual Report and Financial Statements

31 August 2021

Company Limited by Guarantee Registration
Number
07803827 (England and Wales)

Contents

Reports

Reference and administrative information	1
Governors' report	3
Governance statement	16
Statement on regularity, propriety and compliance	22
Statement of governors' responsibilities	23
Independent auditor's report on the financial statements	24
Independent reporting accountant's report on regularity	29

Financial statements

Statement of financial activities	31
Balance sheet	32
Statement of cash flows	33
Principal accounting policies	34
Notes to the financial statements	40

Reference and administrative information

Members
A Leslie
S Mehigan
L M Varley A
Yates

Governors
A Leslie +x
M Adimi (elected 16 March 2021)
A Aeineh (elected 14 May 2021)
S Anand +x
I Bailey +
B Baumgartner-Cohen x
M Dickie (resigned 18 November 2021)
S Haddock (resigned 8 November 2021)
C Maslin (resigned 2 March 2021) x
P Maynard (appointed 1 August 2021)
S Mehigan (resigned 23 July 2021) + R
Mohammed
B Mylchreest +x
R Povey (Headteacher) x
S Reddy (elected 16 March 2021)
E Salim
J Smith (appointed 1 August 2021)
N J Starling + x
L M Varley +
R White
C York (elected 16 March 2021)

+ denotes a member of the Audit Committee
x denotes a member of the Finance and General Purposes Committee

Senior Leadership Team

Headteacher	Rhona Povey
Deputy Head	Craig McGuire (Acting Headteacher from 16 September 2019 – 11 July 2021)
Deputy Head	Jonathan Kamya
Assistant Heads	Charlotte Williams
	Helen Langsam
	Noelle Doona
	Ron Spicer
	Scott Slater
	Lisa O'Connor (appointed 1 September 2020)

Reference and administrative information

Registered address	Golders Rise Hendon NW4 2HP
Company registration number	07803827 (England and Wales)
Auditors	Buzzacott LLP 130 Wood Street London EC2V 6DL (External)
	Landau Baker Ltd Mountcliff House 154 Brent Street London NW4 2DR (Internal)
Bankers	National Westminster Bank plc 95 Church Road London NW4 4DS

The governors of Hendon School ('the School') present their annual report together with the financial statements and the auditor's reports of the charitable company for the year to 31 August 2021. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies on pages 33 to 39 of the attached financial statements and comply with the Academy's Memorandum and Articles of Association, the Companies Act 2006, the Academies Accounts Direction 2020 to 2021, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounting in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT Constitution

Hendon School is a single, convertor-academy school for pupils aged 11-18, serving the Barnet catchment area in North London. It became an academy in November 2011. The School roll at 31 August 2021 was 1,250 students, updated by the October 2021 census reporting 1,249. Of these, there were 59 higher needs students on the School roll at 31 August 2021 and 64 higher needs students in the October 2021 census. Higher needs students include: Special Education Needs (SEN) students, Provision for Deaf (PDS) Students and Hendon Autistic Resource Provision (HARP) students.

Hendon School is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the School. The governors act as trustees for the charitable activities of Hendon School and are also directors of the charitable company for the purposes of company law.

Details of governors who served throughout the period are included on page 5.

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.

Principal activities

The principal activity of Hendon School is education. Hendon School is a vibrant community of students aged 11-18. The school is based in Hendon, North London and was rated 'Outstanding' by Ofsted in December 2011.

STRUCTURE, GOVERNANCE AND MANAGEMENT

(continued)

Indemnity Provision

In accordance with normal commercial practice, the School has purchased Risk Protection Arrangement (RPA) insurance from the DfE to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. This has been purchased as part of a wider global insurance premium. It is not possible to separately identify the portion of the overall insurance premium attributable to the indemnity policy. The insurance provides cover of up to £10 million on any one claim.

Governors

The governors (collectively referred to as the Governing Board) are directors of the charitable company for the purposes of the Companies Act 2006. The following governors were in office at 31 August 2021 and served throughout the year except where shown.

Governor	Date of appointment	Date of resignation	Method of recruitment and appointment or election of governors
M Adimi	16 March 2021		In accordance with the Articles of Association, the School Governing Board can be made of: up to nine community
A Aeineh	14 May 2021		
S Anand			
I Bailey			
B Baumgartner-Cohen			
M Dickie		18 November 2021	
S Haddock		8 November 2021	
A Leslie			
C Maslin		2 March 2021	
P Maynard	1 August 2021		
S Mehigan		23 July 2021	
R Mohammed			
B Mylchreest			
R Povey (Headteacher)			
S Reddy	16 March 2021		
E Salim			
J Smith	1 August 2021		
N J Starling			
L M Varley			
R White			
C York	16 March 2021		

governors; three staff governors elected by employees of the School; up to seven but no fewer than two parent governors elected by the parents of the students at the School and the Headteacher. Governors are appointed by the Governing Board unless stated above.

Where possible the School looks to appoint governors to ensure a mix of skills and selects new governors on the basis of background, experience and specialist skills. Governors are recruited from a number of different places.

(continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Method of recruitment and appointment or election of governors (continued)

All governors are assigned to one or more of the following committees: Admissions, Audit, Chairs, Curriculum, Finance and General Purposes, Staffing and/or Student Welfare. The terms of reference for each committee are agreed in the autumn term of each academic year.

Governors are provided with induction training and a wider programme of training events is organised according to needs. The Headteacher also invites governors to attend in-school training sessions and any other courses which may help to develop governor expertise in particular areas. The School appoints a serving governor as the governor training coordinator. For the year 2020/21 this was Ben Mylchreest.

The School also has a designated governors' strategy day every year where the governors review key aspects of the School Improvement Plan and general school strategy.

Organisational structure

The day-to-day running of the School is undertaken by the Headteacher, acting as Accounting Officer, and the Senior Leadership Team (SLT) who operate within the policies and procedures approved by the governors and based on guidance from the Department for Education (DfE). It should be noted that from September 2019 until July 2021, the Headteacher, Rhona Povey was on sick leave undergoing treatment for breast cancer. Craig McGuire was appointed as Acting Headteacher from September 2019 until her return. Major decisions in respect of significant expenditure and major capital projects continue to be referred to the governors for prior approval.

Arrangements for setting pay and remuneration of key management personnel

The Staffing Committee of the Governing Board sets and reviews the performance of the academy's key management personnel, including the Headteacher and all members of the SLT. Benchmarking is carried out on an ad hoc basis, by comparing the current salaries to salaries offered in advertisements made by similar institutions. Job grading for new or changed roles is carried out by an independent HR assessor,

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the period	Full-time equivalent employee number
4	3.8

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	—
1% - 50%	4
51% - 99%	—
100%	—

STRUCTURE, GOVERNANCE AND MANAGEMENT

(continued)

Trade union facility time (continued)

Percentage of pay bill spent on facility time

Union representatives meet with the headteacher during directed time. All co-ordination meetings occur outside of the school day. In addition, on occasions union representatives are required to attend meetings during directed time in order to support individual members. In the last 12 months the time taken for this activity was less than 30 hours and represents a negligible cost.

Connected organisations, including related party relationships

Hendon School works with the DfE and its agency the Education and Skills Funding Agency (ESFA). It also maintains close and regular links with the London Borough of Barnet (LBB) relating to student intake, statemented higher needs students and income-sharing relating to the Pursley Road sports facility. The school has an additional relationship with School Plus who manage our out of hours school lettings. Hendon School also has various links with Barnet secondary schools and neighbouring primary schools.

OBJECTIVES AND ACTIVITIES Objects and aims

The company's objects, as set out in the Memorandum and Articles of Association, are 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.

Hendon School aims to create an environment enabling all students to achieve their potential. The school vision, adopted in 2015, has four broad themes of: believe, achieve, lead and belong.

Through the vision, the school aims to provide students with a high-quality education and a wide range of opportunities. This is done in a way which is consistent with the ethos that every child will be valued, respected and cared for, and through a daily moral purpose, to provide the best learning experience for all.

The primary objective is to provide education for students of all abilities, between the ages of 11 and 18. All children who apply are admitted in accordance with the admissions arrangements that have been determined (which are in accordance with the School Admissions Code and the Funding Agreement).

Objectives, strategies and activities

This year there were five key aims:

- ◆ To maintain excellent achievement across all key stages;
- ◆ To maintain outstanding teaching and learning in all lessons, with increased focus on boys, specific groups of students and the marking and assessment of students' work;

OBJECTIVES AND ACTIVITIES

(continued)

Objectives, strategies and activities

- ◆ To focus on pupil behaviour around school and the local community given changes in context;
- ◆ To ensure an effective recovery from Covid, with attention to mental health, pastoral care and keeping safe
- ◆ To improve HR systems and premises management.

Impact of the coronavirus pandemic

During 2020/2021 the School has continued to be impacted by the world-wide coronavirus pandemic. At the beginning of this academic year the school fully reopened to all students. To be able to facilitate this safely the School developed a site-specific risk assessment, which included a number of measures that had a significant cost to the School. This included the purchasing of personal protective equipment, hiring additional cleaning staff, and using agency staff to cover teachers' isolation periods. In January, the School entered a second lockdown, which disrupted the academic progress and well-being of students. To support students' progress and their well-being the School invested in the use of Microsoft Teams to allow the normal timetable to continue, albeit remotely. This required staff to be trained and supported in delivering lessons through this new medium. When the School reopened fully again in March the school had to create and staff a lateral flow testing centre, to ensure that all students were tested for covid-19 before returning to school. Although some funding was made available it did have a management cost in terms of coordination which had to be met by the School.

After the return to face-face teaching, the cancellation of formal exams for the second year meant that the School was forced to create a system for final assessment that would be equally fair for all students. For the teaching staff to be able write papers, mark and moderate them successfully in a such a short period time was a significant challenge, especially whilst still providing high-quality lessons to the rest of the School population.

The pandemic has had a huge impact on the mental health of staff and students and the School has provided additional support to the whole community, including increasing the number of school counsellors and making more use of the employee assistance programme. The staff of Hendon School have shown true dedication and resilience in coping with the challenges of the global pandemic. The trustees are incredibly proud of the work that has been undertaken to minimise the impact on the education and well-being of the young people in our care.

(continued)

OBJECTIVES AND ACTIVITIES

Other Achievements

In last academic year the School has been responsible for issuing teacher assessed grades to students. The School is proud of the rigour and integrity with which staff have carried out this process. There was a shared moral purpose to ensure that students were awarded the most accurate grades and that as a result students progressed to the appropriate next stage of their education. We are proud of the results that our students achieved during this challenging academic year. The exceptional progress that our students make can be furthered evidenced in the outcomes from the last set of externally sat examinations. Our students make progress above the national average at Hendon School, evidenced by the positive progress 8 score which the School has secured each year since its introduction. The progress for children identified as pupil premium matches the national average for all students. The independent report into the progress at the end of key stage 4, carried out by ALPS, places the School in the top 40% of providers. The analysis of schools' performance report compiled by the department for education has shown that progress at KS5 is also in the top 25% nationally.

At Hendon School we have a very strong sense of community both in how we work in school, but also in our links with other schools and organisations. We are the proud winners of the European TES award which has been received in recognition of our Smart Futures programme. This programme is delivered to the whole school and educates students beyond the curriculum in order to provide them with the knowledge and skills to thrive in adult life. Before the pandemic our Mental Health Team ran an annual conference for 3 years, the only student-led mental health conference in the UK, and growing so big in its last year that it had to be held at Middlesex University and involved over 400 delegates. Additionally, last year we were shortlisted for the national final of the Goldsmiths' Company Award for our amazing community work, and in fact over the last three years our students have won 21 local, national and international awards for their commitment to community involvement.

Hendon School is a popular school where Year 7 applicants are required to take a standardised national test to allow us to ensure a fully comprehensive intake. On the basis of the results of the test, applicants are placed in one of three bands for allocation in proportion to the students in each band (further detail regarding our admissions programme can be found on the School's website).

Our inclusive school has two resourced provisions, providing outstanding support for students with special educational needs relating to Autism and for deaf students.

Sixth Form admissions

The School admits up to 300 students across Years 12 and 13. Academic entry requirements are set for entry into the Sixth Form. These entry requirements are the same for internal and external applicants, however students who attend Hendon School are given priority over external applicants. The highest priority for oversubscription criteria is given to looked-after children and previously-looked-after children who meet the academic entry criteria.

(continued)

OBJECTIVES AND ACTIVITIES

Public Benefit

In setting the School's objectives and planning its activities, the governors have carefully considered the Charity Commission's general guidance on public benefit.

STRATEGIC REPORT Key financial performance indicators

Key Performance Indicator	1 Sept 2020 – 31 Aug 2021	1 Sept 2019 – 31 Aug 2020
Cumulative surplus on unrestricted funds	£384,668	£346,030
Restricted general fund	£462,471	£151,361
Cash at bank and in hand	£1,403,648	£1,049,030
In year surplus / (deficit) before depreciation and actuarial gain on pensions and excluding capital grants and gains on investment assets	£85,069	(£15,880)
Total Income	£10,157,688	£9,519,854
Staff income ratio (including FRS 102 pension adjustment, and unused holiday accrual, but excluding capital funding)	85.2%	87.4%

Key financial targets for the coming year are to:

- ◆ Improve financial sustainability, specifically reducing the staff/income ratio through potential restructuring of staffing;
- ◆ Preserve solvency by maintaining sufficient cash balances to provide for critical expenditure, including salaries and supplier payments; and
- ◆ Ensure sufficient cash reserves are accumulated for necessary investment in IT and premises infrastructure, on a rolling-investment basis.

Financial review

Financial report for the year

The pandemic has impacted on the financial performance of the School. The additional funding received, and the savings made through delivering curriculum remotely have off-set the additional costs that the School needed to make to action the Covid-19 risk assessment. This results in the School making a surplus in this academic year. This has been achieved by careful planning and ensuring value for money for purchases related to Covid spending.

STRATEGIC REPORT (continued)

Financial review

(continued)

Financial report for the year (continued)

The catch-up funding was used to provide tutoring to students who had fallen behind in Maths and Science. These subject areas were identified when students were assessed on their return to school. The national tutoring programme was used to facilitate this intervention. Some of the funding was also used to support students for whom the biggest barrier to progress was their emotional, and mental health. These students received intensive mentoring delivered by the DBA project. There is surplus of catch-up funding at the end of the academic year 2021/22 that has been carried forward. This is partly responsible for our surplus at the year end.

The School is aware that there is overall falling roll in Barnet's Junior school provision. This will have an impact on all secondary school intake figures going forward. It should be noted that over the past 5 years there has been an increase in the number of secondary school places due to the opening of several new schools. We are acutely aware of the financial impact a falling roll has and are mitigating this by working hard to ensure that our school is full, through marketing and promoting our provision, as well as fostering a better understanding of the in-year admissions process to maximise numbers. The number of students for this academic year shows an increase on last year and this should result in significant increase in funding for the next academic year. We are also currently engaged in potential restructure proposals which will make significant savings next year.

The majority of the School's income is obtained from the ESFA in the form of recurrent grant, the use of which is restricted to particular purposes. The grants received during the year ended 31 August 2021 and the associated expenditure, are shown as restricted funds in the Statement of Financial Activities.

The School's total income was £10,157,688 (2020 – £9,519,854) and the total expenditure was £10,491,407 (2020 – £9,981,700) for the year.

The year to 31 August 2021 saw an in-year surplus before transfers of £17,616 (2020 – £15,880 deficit) before capital income and depreciation, revaluation gains and actuarial gains on pensions, against a budgeted surplus of £756 (2020 – £17,228 surplus). This surplus includes an £394,000 interest and salary adjustment relating to the LGPS pension scheme (2020 – £408,000) and an unused holiday accrual of £26,460 (2020 – £34,928). The capital income consists of £26,300 of Devolved Formula Capital Grant (2020 - £25,656), £67,453 capitalised in respect of The Wolfson Foundation funding and £30,471 of CIF funding for the Safeguarding project.

The 2020/21 favourable variance from budget reflects the additional Covid related grants received from the ESFA and LBB, none of which are included in the budget.

Looking to the future, the approved budget for the year to 31 August 2022 is for an in-year surplus of £29,002 before depreciation and the actuarial adjustment on the pension fund, and assuming Devolved Formula Capital Grant of £26,168 and £nil CIF capital grant income.

STRATEGIC REPORT (continued)

Financial review

However, the balance of the CIF funding for the safeguarding project will be received in the 2021/22 year for £312,331.

(continued)

Financial position

On 31 August 2021, the School held total funds of £10,961,218 (2020 – £11,834,937) comprising £10,576,550 (2020 – £11,488,907) of restricted funds, including a pension deficit of £4,051,000 (2020 – £3,117,000), and a cumulative surplus on unrestricted funds of £384,668 (2020 – £346,030). The total funds excluding the pension deficit are £15,012,218 (2020 – £14,951,937).

At 31 August 2021, the net book value of fixed assets was £14,165,079 (2020 – £14,454,546) and movements in tangible assets are shown in note 10 to the financial statements. Other than after hours School lettings and tenancy lease agreements, the assets were used exclusively for promoting and providing education and the associated support services to students of the School.

Financial and risk management objectives and policies

Reserves policy

The governors' policy is that the School should hold sufficient reserves in the form of cash balances to cover:

- ◆ Short term adverse cashflow needs (arising from delays between spending and receipt of grants); and
- ◆ Funds for unexpected emergencies such as urgent maintenance.

◆ A rolling nine-month cashflow forecast projection is maintained, indicating some level of expected monthly fluctuations arising from reliance upon quarterly payments for high needs and pupil premium, totalling approximately £1,300,000 per annum entitlement. These are typically paid quarterly in arrears. The cashflow forecast for the future nine months to May 2022 indicates a buffer above the £350,000 cash reserves policy.

Note that the biggest contributor to the cashflow fluctuation is likely to be any funds received and spent relating to capital grant funding.

Hendon School's management will work to ensure that the capital-works cash outflows match capital-works cash inflows as closely as possible, such that the reserves policy is maintained.

Related to the cashflow forecast are IT and Premises Plans for capital spending. In turn, the Premises Plan is informed by the design for future building improvements and the timing of capital works projects.

(continued)

Financial and risk management objectives and policies (continued)

STRATEGIC REPORT (continued)

Financial review

Reserves policy(continued)

The Governors are required to review the reserve levels of the School on a regular basis. This is done by delegating this review task to the Finance and General Purposes Committee to consider at each of its scheduled meetings. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and consider the nature of School reserves (restricted/unrestricted). The general funds/free reserves target has been increased to £350,000 which represents approximately two weeks' worth of salary expenditure. This is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a short term cushion to deal with unexpected emergencies, such as urgent maintenance.

Total funds at 31 August 2021 are £10,961,218 of which £10,576,550 are restricted and not available for general purposes. These comprised a restricted general fund of £462,471 (2020 – £151,361) and a restricted pension reserve holding a deficit balance of £4,051,000 (2020 – £3,117,000). The pension reserve deficit is being managed by the Local Government Pension Scheme (LGPS) and is not directly under the control of the School. The restricted fund also includes a fixed assets fund totalling £14,165,079 (2020 – £14,454,546) which can only be realised by disposing of tangible fixed assets.

Unrestricted free reserves were therefore £384,668 at 31 August 2021 (2020 – £346,030). The GAG fund of £407,224 (2020 – £151,361), currently included in restricted general funds, can be applied to general educational purposes. The catch-up premium fund of £55,247 will be used in 2021/22 to assist with further catch-up tutoring. Including these amounts the total reserves available gives £847,139 (2020 – £497,391), which is above the increased target level reserves of £350,000 stated above.

Hendon School's leaders consider these reserve levels to be appropriate, given the cyclical needs of the School for premises and IT infrastructure spending and the need to provide for a pension fund deficit.

The IT and Premises plans are approved by the Finance and General Purposes Committee. They are updated each year in light of educational need. Hendon School's leadership will ensure that cash outflows relating to such plans are actioned in a way that preserves compliance with the reserves policy. It is likely that reductions in staffing and income diversification will bridge the gap between capital needs and funding sources.

After making appropriate enquiries, the Governing Board has a reasonable expectation that the School has the basic resources, management skills and plans to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going-concern basis in preparing the financial statements. Further details regarding the adoption of the going-concern basis can be found in the Statement of Accounting Policies. The School will manage budgets going forward to ensure that it remains within its reserves policy. (continued)

Financial and risk management objectives and policies (continued) **Investment policy**

The School's liquid assets are held as cash balances, including a 35-day notice account. The School does not invest these balances in longer term deposits, or other investment vehicles.

STRATEGIC REPORT (continued)

Financial review

Should it wish to do so in the future, the governors will consider such a recommendation by the School's management.

PRINCIPAL RISKS AND UNCERTAINTIES

In common with every school in the country, funding is dependent on government policy. Hendon School is working with the London Borough of Barnet (LBB) to identify the potential implications of any Government proposals to change funding methodology for state-funded schools. The Governors have accordingly been prudent in their budgeting for the future.

The deficit in the Local Government Pension Scheme increased by £934,000 in the year to £4,051,000 and there is continuing uncertainty in any defined benefit scheme of this type. Please refer to note 22 for more details.

Risk management

Hendon School has a formal risk management process in place to assess all risks and implement risk management strategies. The process, which is overseen and reviewed by the Governing Board on an annual basis, and the Audit committee termly, identifies the types of risk the School faces. These risks are then assessed and prioritised in terms of their potential impact and the likelihood of occurrence. Where necessary, actions to mitigate the risks identified are put in place. The School Risk Register supporting the process, holds the details of these risks, the risk owners, risk ratings, and a summary of the mitigations. Key risks are assigned to the relevant Governor committees to review at their meetings.

Further details of the School's processes to manage risk are provided within the Governance Statement.

A recent re-evaluation indicates the following to be the principal risks to which the school is exposed:

1. Demand for student places diminishes because of demographic trends and/or new schools in the local area

Current demographic trends for the area suggest that in both the medium and long term there will be decreasing numbers of potential students. Junior school spare places increase over the next 4 years, and this will result in decreased demand for secondary places. The school is working hard to ensure that we are competing effectively with our local schools to remain full. This year we have seen an increase in the number of students in school which will increase our income in the following year.

Risk factor – 16 (High).

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Risk management (continued)

2. Financial income from government and local authority decreases in real terms and is therefore insufficient to meet need

Although the expectation is that the funding from government and local authority will remain flat, the increase in national insurance contributions and potential staff pay awards may result in a real term decrease. The school is moving ahead with potential restructuring of key departments to be able to manage this change in income effectively, Risk factor – 16 (High).

3. Reliance on key staff creates undue disruption when they leave & impacts on efficiency

The school is planning to put in place a number of training opportunities, including support for the national professional qualifications in leadership (NPQs) and creating Associate Assistant Headteacher positions in the Spring Term 2022 to develop leaders and create a more sustainable succession route.

Risk factor – 12 (Medium).

FUNDRAISING

The School raises additional income through lettings, and whilst the pandemic temporarily stopped this revenue stream, it is hoped that this will now recommence.

PLANS FOR FUTURE PERIODS

As we hopefully are moving out of the pandemic there are still a number of additional cost that the school has to cover in terms of health and safety and the impact that staff absences has on our supply budget. We are also concerned as we move into the winter months that additional protocols will need to be brought into keep the school community safe. In the longer term, the School plans to maintain student numbers in years 7 to 11 and to continue to grow sixth form numbers. There are also plans for the effective upkeep and modernisation of old school buildings to allow the School to provide a comprehensive curriculum offering to students. Due to the complexities of running a school in a fast-paced, rapidly-changing environment, the school has learned to integrate its activities, continually update its plans, invest in staff skills development and keep communicating well with its stakeholders.

AUDITOR

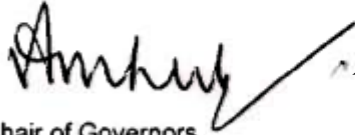
In so far as the governors are aware:

- ◆ 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.

Governors' report 31 August 2021

AUDITOR (continued)

The Governors' report, incorporating a strategic report was approved by order of the members of the Governing Board on 7 December 2021 and signed on its behalf by:



Andrew Leslie

Chair of Governors

Date: 7/12/21

Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Hendon 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 Board have delegated the day-to-day responsibility of running the school to the Headteacher and, as Accounting Officer, the Headteacher has responsibility 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 the School and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Governing Board any material weaknesses, or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' responsibilities. The Governing Board has formally met four times during the year (both in face to face meetings and virtually) Attendance during the year at meetings of the Governing Board was as follows:

Governor	Meetings attended	Out of a possible
M Adimi (elected 16 March 2021)	1	2
A Aeineh (elected 14 May 2021)	1	1
S Anand	3	4
I Bailey	4	4
B Baumgartner-Cohen	4	4
M Dickie (resigned 18 November 2021)	2	4
S Haddock (resigned 8 November 2021)	3	4
A Leslie	4	4
C Maslin (resigned 2 March 2021)	1	2
S Mehigan (resigned 23 July 2021)	0	4
R Mohammed	1	4
B Mylchreest	3	4
R Povey (Headteacher)	1	1
S Reddy (elected 16 March 2021)	2	2
E Salim	4	4
N J Starling	2	4
L M Varley	4	4
R White	3	4
C York (elected 16 March 2021)	1	2

Governance statement 31 August 2021

The Board maintains effective oversight over the Trust's finances by meeting four times per year and reviewing the reports of its dedicated Finance and General Purposes and Audit Committees.

Governance (continued)

During the last academic year full governing body and committee meetings were held remotely using Zoom and latterly Microsoft Teams. This allowed the board to maintain its agreed meeting cycle and ensured that it was able to maintain oversight of the Trust's finances and provide challenge and support to school leaders during this difficult time.

Governance Review

The Governing Board carried out an annual self-evaluation of its performance and effectiveness. This was shared and discussed as part of the Governor Strategy Day in May 2021. The Governing Board also undertook both a skills audit and training needs analysis co-ordinated by the link Governor for Training and Development. The results were reviewed and are being used to steer future Governor recruitment and training.

Finance and General Purposes

The Finance and General Purposes Committee is a committee of the main Governing Board. Its purpose is to oversee finance, premises, health and safety and other business management issues; approving the annual budget for ratification by the Governing Board, medium term plans and virements against budget. During the year, the Committee met four times. Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
S Anand	4	4
B Baumgartner-Cohen	4	4
A Leslie	3	4
C Maslin (resigned 2 March 2021)	0	1
B Mylchreest	4	4
R Povey	0	0
N J Starling	2	4
L Varley (Ex officio from December 2018)	1	1

Audit

The Audit Committee's purpose is to monitor internal controls and risk management systems, the effectiveness of internal and external audit activity and the integrity of the financial statements. During the year, the Committee met three times.

Governor	Meetings attended	Out of a possible
L Varley (Chair)	3	3
S Anand	0	1
I Bailey	3	3
A Leslie	3	3
S Mehigan	0	3

Governance statement 31 August 2021

R Povey (Headteacher, in	0	0 attendance)	
N Starling		1	2

Review of Value for Money

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

The Accounting Officer considers how Hendon School's use of its resources has provided good value for money during the academic year, and reports to the Governing Board where value for money can be improved, including via the use of benchmarking data where available.

The Accounting Officer for Hendon School has delivered and improved value for money during the year in the following areas:

(1) Financial governance and oversight

Through the provision of more accurate and timely financial data and analysis, decision making on spending proposals has been made more effective. Time was also spent developing the detail of financial operating plans for the next three years, modelling planned changes, dependencies, assumptions and potential initiatives to manage change.

During the pandemic the Trust was able to maintain its procedures and protocols for procurement. This ensured that value for money was not impacted by the challenges of the pandemic. The same meeting schedule for the Governing Body was maintained by moving to remote meetings. This included meetings of the Finance and General Purposes and Audit committees.

(2) Improved procurement (cost and quality improvements)

During the year, the School devoted time to the scrutiny of invoices, contracts and services received. The school continues to review and renegotiate contracts with vigour. The School is a member of the Barnet School Business Managers' forum, which amongst other things, shares information about local suppliers for various school services.

(3) Reviewing controls and managing risks

Ensuring value for money is arguably also about avoiding costs and penalties. During the year, the School continued its internal controls and in-year forecasting processes. Monthly management reports continue to be reviewed, with spending variances from budget identified early and followed up with intervention. Regular cashflow forecasts are produced and liquid resources are managed to secure a reasonable low-risk return. Governors regularly review management accounts and forecasts.

The risk register is reviewed and updated regularly at Senior Leadership and Governor level. Specific Governing Board Committees are assigned one or more of the risks from the register as appropriate, with responsibility to follow up on actions taken to mitigate these risks. Please refer to the section below on Capacity to handle risk for further details.

Review of Value for Money (continued) (4) Cost reviews

Pre- and post-academy conversion date, Hendon School has operated with a high staff / income ratio, with staff costs being by far the largest School operating cost. This reflected the

Governance statement 31 August 2021

desire to focus resource on teaching standards and the educational benefit for pupils. It has, however, meant insufficient cash reserves were accumulated for necessary capital investment in IT and premises infrastructure, on a rolling-investment basis, causing premises repair and maintenance costs to rise unduly.

With likely ESFA 'flat funding' per student in future, coupled with a modest number of staff retirements, low staff turnover levels and rising staff costs, ongoing cost reviews remain a necessary component in achieving financial sustainability.

The historic low investment in IT infrastructure (pre- and post- academy conversion) continues to lead to inefficiencies in support process administration. Continued investment in this area will act to create greater teaching impact and free up staff time for higher valueadding activities. It has been a significant step forward this year to be able to replace the aging school network. A future programme of investment in premises to match curriculum demand with room capacities and requirements, will also enable the most efficient use of money for the School and the taxpayer.

The School has not made use of the furlough scheme given that Government funding has been maintained. The School does not consider that the impact of the pandemic on value for money obtained has been significant during the period.

Internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable, and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the School's 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 at Hendon School for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Board and its Committees have reviewed the key risks to which the School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the School's significant risks that has been in place for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Board and further details of the principal risks are given on page 14.

Capacity to handle risk (continued)

The School continues to improve its controls and procedures to address any significant risks. Each significant risk (based on a combination of probability and magnitude) has been assigned to a committee of the Governing Board to monitor and review the risk mitigations concerned.

Governance statement 31 August 2021

The risk and control framework

The School'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. It is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should be realised, and to manage them efficiently, effectively and economically.

Work continues to review operating costs, both staffing and non-staffing in nature and to improve supplier contract management. Further income diversification and income improvement initiatives will likely result in improved levels of income in the future.

The Governing Board is satisfied that it has a plan in place to improve processes and controls to improve compliance with the standards expected under the Academies Financial Handbook and internal policies and to improve the achievement of value for money. The School employs an adequately resourced and experienced team to maintain these changes and implement further improvements in the business management function.

The framework for risk and control has been improved by the operation of the Audit Committee in overseeing the improvements necessary and includes:

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

declaration of member conflicts of interest.

Governance statement 31 August 2021

The risk and control framework (continued)

The Governing Board has appointed Landau-Baker as the Trust's internal auditors. The internal control checks include giving advice on financial matters and performing a range of checks on the School's financial systems. In particular, the checks carried out during the year include:

- ◆ Standard Tests for Internal Scrutiny
- ◆ Governance and Management Systems
- ◆ Payroll and Purchasing Systems

Three times a year Landau-Baker report to the governors via the Audit Committee, on the operation of the systems of control and on the discharge of the Governing Board's financial responsibilities.

The recommendations from the internal audit are:

- ◆ To close year end promptly in the accounting system
- ◆ To ensure that the payroll costs can be accurately verified
- ◆ Ensure actions are taken to mitigate identified risks
- ◆ Ensure all staff contracts are signed by relevant parties

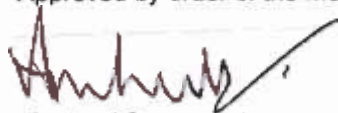
Review of effectiveness

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

- ◆ the work of the external auditor;
- ◆ the additional internal control checks completed by the external auditor;
- ◆ an internal review of compliance with internal policies and The Academies Financial Handbook; and
- ◆ the work of the Senior Leadership Team who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised by the Audit Committee of the implications of their review of the system of internal control, and a plan to address weaknesses and ensure continuous improvement of School systems is in place.

Approved by order of the members of the Governing Board and signed on their behalf by:

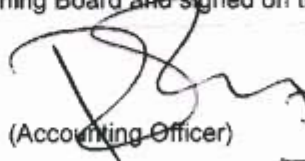


(Chair of Governors)

Andrew Leslie

Approved on:

7/12/21



(Accounting Officer)

Rhona Povey

7.12.21

Hendon School 21

Statement on regularity, propriety and compliance 31 August 2021

As Accounting Officer of Hendon School, I have considered my responsibility to notify the academy trust Governing Board and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration, I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust Governing Board 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 2020.

I confirm that no other 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 Governing Board and ESFA.



Rhona Povey
Accounting Officer

Date: 7.12.21

Statement of governors' responsibilities 31 August 2021

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

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP 2015 and the Academies Accounts Direction 2020 to 2021;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) 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 School will continue in operation.

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the School's transactions and disclose with reasonable accuracy at any time the financial position of the School 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 School and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The governors are responsible for the maintenance and integrity of the charity and financial information included on the School'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 Board and signed on its behalf by:



Andrew Leslie

Chair of Governors

Date:

7/12/21

Independent auditor's report on the financial statements to the members of Hendon School Opinion

We have audited the financial statements of Hendon School (the 'charitable company') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP FRS 102) and the Academies Accounts Direction 2020 to 2021.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its income and expenditure, for the period then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Conclusions relating to going concern (continued)

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law and includes the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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;
Matters on which we are required to report by exception (continued) ◆ 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 trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge of the academy trust sector;
Auditor's responsibilities for the audit of the financial statements (continued)
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;

- ◆ we considered the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2020 to 2021, the Academies Financial Handbook 2020, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ we understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of trustees' meetings and papers provided to the trustees
- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure as part of our substantive testing thereon;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ used data analytics to identify any significant or unusual transactions and identify the rationale for them.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- Auditor's responsibilities for the audit of the financial statements** (continued) ◆
- ◆ reviewing the minutes of trustees' meetings;
 - ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;

- ◆ reviewing any available correspondence with ESFA; and
- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. International Standards on Auditing also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

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 auditor's report.

Use of our report

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



13.12.2021

Hugh Swainson (Senior Statutory Auditor) for and on
behalf of Buzzacott LLP, Statutory Auditor 130
Wood Street
London
EC2V 6DL

Independent reporting accountant's report on regularity

Independent reporting accountant's assurance report on regularity to Hendon School and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 13 July 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hendon School during the period from 1 September 2020 to 31 August 2021 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 Hendon School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Hendon 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 the Hendon School and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Hendon School's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Hendon School's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Independent reporting accountant's report on regularity

Approach (continued)

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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

In the course of our work, nothing else has come to our attention which suggests that in all material respects, the expenditure disbursed and income received during the period from 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Buzzacott LLP

13.12.2021

Buzzacott LLP

Chartered Accountants

130 Wood Street

London

EC2V 6DL

Statement of financial activities (including income and expenditure account) Year to 31 August 2021

Notes	Un-restricted general fund £	Restricted funds		2021 Total funds £	2020 Total funds £
		General £	Fixed assets fund £		
<hr/>					

Income from:

Donations and capital grants	1	225	73,459	124,224	197,908	26,146
Charitable activities						
. Funding for the School's educational operations	2	32,529	9,910,544	—	9,943,073	9,439,916
Other trading activities	3	16,093	—	—	16,093	49,780
Investments	4	614	—	—	614	4,012
Total income		<u>49,461</u>	<u>9,984,003</u>	<u>124,224</u>	<u>10,157,688</u>	<u>9,519,854</u>
Expenditure on:						
Charitable activities:						
. School's educational operations	6	10,823	10,005,025	475,559	10,491,407	9,981,700
Total expenditure	5	<u>10,823</u>	<u>10,005,025</u>	<u>475,559</u>	<u>10,491,407</u>	<u>9,981,700</u>
Net income (expenditure)						
before transfers		38,638	(21,022)	(351,335)	(333,719)	(461,846)
Transfers between funds						
	14	<u>—</u>	<u>(61,868)</u>	<u>61,868</u>	<u>—</u>	<u>—</u>
Net income (expenditure)		<u>38,638</u>	<u>(82,890)</u>	<u>(289,467)</u>	<u>(333,719)</u>	<u>(461,846)</u>
Actuarial (losses) gains on defined benefit pension scheme	22	<u>—</u>	<u>(540,000)</u>	<u>—</u>	<u>(540,000)</u>	<u>334,000</u>
			<u>(622,890)</u>	<u>(289,467)</u>	<u>(873,719)</u>	<u>(127,846)</u>
Net movement in funds		<u>38,638</u>				
Reconciliation of funds						
Total fund balances brought forward at 1 September 2020		346,030	(2,965,639)	14,454,546	11,834,937	11,962,783
Total fund balances carried forward at 31 August 2021		<u>384,668</u>	<u>(3,588,529)</u>	<u>14,165,079</u>	<u>10,961,218</u>	<u>11,834,937</u>

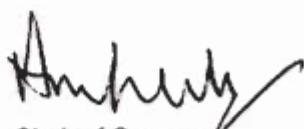
All of the School's activities derived from continuing operations during the above two financial periods.

All gains and losses are included in the Statement of Financial Activities.

Balance sheet 31 August 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible fixed assets	10		14,165,079		14,454,546
Current assets					
Debtors	11	314,619		271,097	
Cash at bank and in hand		<u>1,403,648</u>		<u>1,049,030</u>	
		1,718,267		1,320,127	
Liabilities					
Creditors: amounts falling due within one year	12	<u>(835,226)</u>		<u>(770,232)</u>	
Net current liabilities			<u>883,041</u>		<u>549,895</u>
Total assets less current liabilities			15,048,120		15,004,441
Creditors: amounts falling due after more than one year	13		<u>(35,902)</u>		<u>(52,504)</u>
Net assets excluding pension scheme liability			<u>15,012,218</u>		<u>14,951,937</u>
Pension scheme liability	22		<u>(4,051,000)</u>		<u>(3,117,000)</u>
Net assets including pension scheme liability			<u>10,961,218</u>		<u>11,834,937</u>
Funds of the School					
Restricted income funds					
Fixed assets fund	14	14,165,079		14,454,546	
General fund		462,471		151,361	
Pension reserve		<u>(4,051,000)</u>		<u>(3,117,000)</u>	
			10,576,550		11,488,907
Unrestricted funds					
General fund			384,668		346,030
Total funds			<u>10,961,218</u>		<u>11,834,937</u>

The financial statements on pages 30 to 58 were approved by the governors, and authorised for issue on 7 December 2021 and are signed on their behalf by:



Andrew Leslie

Chair of Governors

Hendon School

Company Limited by Guarantee

Registration Number: 07803827 (England and Wales)

Statement of cash flows Year to 31 August 2021

	Notes	2021 £	2020 £
<hr/>			
Cash flows from operating activities			
Net cash provided by operating activities	17	358,635	432,246
Cash flows from investing activities	18	12,585	(209,682)
Cash flows from financing activities	19	(16,602)	16,714
<hr/>			
Change in cash and cash equivalents in the reporting period	20	354,618	239,278
Cash and Cash equivalents at 1 September 2020		1,049,030	809,752
Cash and cash equivalents at the end of the period		<u>1,403,648</u>	<u>1,049,030</u>
<hr/>			

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

Basis of preparation

The financial statements of the academy trust, 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 (FRS102), 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 (FRS102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are presented in sterling and are rounded to the nearest pound.

Going concern

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

The Governors have confidence in the ability of the School to operate within budget for 2021/22 and going forwards to make the necessary adjustments to spending to continue to operate within a balanced budget in the future. The financial pressure experienced in the sector at this moment are understood and considered by the governors. These projections are based on prudent assumptions regarding income and expenditure.

The Governors have considered the impact of the current coronavirus pandemic on the School's operations. While they acknowledge the disruption caused by the pandemic to the School's day-to-day operations, they do not consider the pandemic to be cause for material uncertainty in respect to the School's ability to continue as a going concern. The School has and is continuing to develop contingency plans which are being implemented successfully and the Governors have therefore concluded that consider that the School has sufficient resources to continue for the foreseeable future, despite the current situation, and there are no material uncertainties about the School's ability to continue as a going concern. Thus, the Governors continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All income is recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

◆ **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement 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.



Donations

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



Other Income

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

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity.

◆ **Charitable Activities**

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

All expenditure is inclusive of irrecoverable VAT.

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the School's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost/valuation of each asset on a straight-line basis over its expected useful economic life, as follows:

◆ Freehold buildings	2 – 10 % per annum
◆ Fixtures, fittings and equipment	20% per annum
◆ Computer equipment	25% per annum
◆ Motor vehicles	20% per annum

Depreciation is charged from the month of acquisition.

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.

Debtors

Debtors are recognised at their settlement amount less any provision for nonrecoverability. Prepayments are valued at the amounts prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand. Notice deposits are included on the balance sheet as short term deposits.

Liabilities

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

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust 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. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

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

Taxation

The School 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 School is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions benefits

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

Pensions benefits (continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School 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 quinquennial valuations using a prospective benefit method. As stated in Note 22, the TPS is a multi-employer scheme and the School is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the School in separate governor administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other grants received from the Education and Skills Funding Agency and the Local Authority.

Critical accounting estimates and areas of judgement

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

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.

Critical accounting estimates and areas of judgement (continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

Notes to the Financial Statements Year to 31 August 2021

1 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted Fixed asset fund £	2021 Total funds £	2020 Total funds £
Capital grants	—	7,547	124,224	131,771	25,656
Donated assets	—	66,292	—	66,292	—
Other donations	225	(380)	—	(155)	490
	<u>225</u>	<u>73,459</u>	<u>124,224</u>	<u>197,908</u>	<u>26,146</u>

	Unrestricted funds £	Restricted funds £	Restricted Fixed asset fund £	2020 Total funds £
Capital grants	—	—	25,656	25,656
Donated assets	—	—	—	—
Other donations	110	—	380	490
	<u>110</u>	<u>—</u>	<u>26,036</u>	<u>26,146</u>

2 Funding for School's educational operations

	Unrestricted funds £	Restricted funds £	Total funds £	2020* Total funds £
DfE / ESFA revenue grant				
. General Annual Grant (GAG)	—	7,880,304	7,880,304	7,645,127
. Pupil Premium	—	446,661	446,661	429,498
. Others	—	445,319	445,319	385,403
	<u>—</u>	<u>8,772,284</u>	<u>8,772,284</u>	<u>8,460,028</u>

Other government grants

Notes to the Financial Statements Year to 31 August 2021

. Local authority grants	—	999,835	999,835	923,498
. Other grant income	—	16,207	16,207	1,260
	—	1,016,042	1,016,042	924,758
Exceptional government funding				
Coronavirus Job Retention Scheme grant	—	—	—	6,191
Other coronavirus funding	—	268	268	1,320
	—	268	268	7,511
COVID-19 additional funding (DfE/ESFA)				
Catch-up premium	—	85,200	85,200	—
Other DfE/ESFA COVID-19 funding	—	36,750	36,750	—
	—	121,950	121,950	—
Other income from the academy trust's educational operations				
. Music income	4,522	—	4,522	5,184
. Trip income	4,783	—	4,783	16,310
. Exam fees	3,040	—	3,040	13,532
. Other income	20,184	—	20,184	12,593
	32,529	—	32,529	47,619
	32,529	9,910,544	9,943,073	9,439,916

*Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for Pupil Premium is no longer reported under the Other DfE Group grants heading, but as a separate line under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

2 Funding for School's educational operations (continued)

- The trust received £85,200 of funding for catch-up premium and costs incurred in respect of this funding totalled £29,953, with the remaining £55,247 to be spent in 2021/22.
- The trust did not furlough any staff in 2021/22.

	2020	Unrestricted	Restricted
	Total funds	funds	funds
<i>DfE / ESFA revenue grant</i>			
. General Annual Grant (GAG)	—	7,645,127	7,645,127
. Pupil Premium	—	429,498	429,498
. Others	—	385,403	385,403
	—	8,460,028	8,460,028
<i>Other government grants</i>			
. Local authority grants	—	923,498	923,498

Notes to the Financial Statements Year to 31 August 2021

. Other grant income	—	1,260	1,260
	—	924,758	924,758
<i>Exceptional government funding</i>			
Coronavirus Job Retention Scheme grant	—	6,191	6,191
Other coronavirus funding	—	1,320	1,320
	—	7,511	7,511
<i>Other income from the academy trust's educational operations</i>			
. Music income	5,184	—	5,184
. Trip income	16,310	—	16,310
. Exam fees	13,532	—	13,532
. Other income	12,593	—	12,593
	£	£	£
	47,619	—	47,619
	47,619	9,392,297	9,439,916

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under “exceptional government funding”.

- ◆ Other coronavirus funding relates to £268 (2020- £1,320) received in respect of statutory sick pay costs for staff suffering from Covid-19. These costs are included in notes 5 and 6, below.
- ◆ In 2021 the academy did not furlough any staff. In 2020 the academy furloughed certain long-term teaching staff under the government’s Coronavirus Job Retention Scheme. The funding received of £6,191 relates to staff costs in respect of these staff, which are included within note 7, below.

3 Other trading activities

	Unrestricted funds £	Restricted funds £	Total funds £	2020 Total funds £
Hire of facilities	13,093	—	13,093	34,480
Graduate training income	3,000	—	3,000	15,300

Notes to the Financial Statements Year to 31 August 2021

		Unrestricted funds £	Restricted funds £	2020 Total funds £
	16,093	—	16,093	<u>49,780</u>
4 Investment Income				
<i>Hire of facilities</i>		34,480	—	34,480
<i>Graduate training income</i>		15,300	—	<u>15,300</u>
		<u>49,780</u>	—	<u>49,780</u>

Unrestricted funds	Restricted funds	Total funds	Total funds	
			£	£
				£
			614	<u>4,012</u>
<u>Interest receivable</u>			—	<u>614</u>

	Unrestricted funds £	Restricted funds £	2020 Total funds £
<u>Interest receivable</u>	4,012	—	<u>4,012</u>

5 Expenditure

	2021	2020	Non pay expenditure		Total funds	Total costs
			Staff	Other		
	£	£	£	£	£	£
Academy's educational operations:						
. Direct costs	7,085,083	475,559	383,856	7,944,498	7,601,411	
. Allocated support costs	<u>1,520,587</u>	<u>325,767</u>	700,555	2,546,909	<u>2,380,289</u>	
	<u>8,605,670</u>	<u>801,326</u>	1,084,411	10,491,407	9,981,700	

	2021 Total funds £	2020 Total funds £
Net expenditure for the period includes:		
Operating lease rentals	19,772	21,841
Depreciation	475,559	471,622
Fees payable to auditor for:		
. Audit	14,150	13,520
. Other services	3,390	<u>3,490</u>

5 Expenditure (continued)

<i>Non pay expenditure</i>				
<i>Staff costs £</i>				
		<i>Premises £</i>	<i>Other costs £</i>	<i>2020 Total of all funds £</i>

6 Charitable Activities – School’s educational operations

			2021 Total funds £	Restated 2020 Total funds £
<i>Academy’s educational operations:</i>				
<i>. Direct costs</i>	6,786,090	471,622	343,699	7,601,411
	<u>1,507,405</u>			
Direct costs			7,944,498	7,601,411
Direct costs			7,944,498	7,601,411
	<u>331,195</u>	<u>541,689</u>	<u>2,380,289</u>	<i>. Allocated support costs</i>
	<u>8,293,495</u>	<u>802,817</u>	<u>885,388</u>	<u>9,981,700</u>
			<u>2,546,909</u>	<u>2,380,289</u>
Support costs			<u>10,491,407</u>	<u>9,981,700</u>
Analysis of support costs				
Support staff costs			1,520,587	1,507,405
Technology costs			294,384	203,542
Premises costs			325,767	331,195
Legal cost			330	8,950
Other support costs			382,046	308,911
Governance costs			23,795	20,286
			<u>2,546,909</u>	<u>2,380,289</u>

7 Staff costs

Staff costs during the year were:

			2021 funds £	Total	2020 Total funds £
1,601,396	1,569,324				
8,169,857	8,035,101	Wages and salaries	5,949,812	5,868,681	
		Social security costs	618,649	597,096	
	5,000	Supply staff costs	435,813	253,394	
	8,293,495	Staff restructuring costs	—		
			8,605,670		

Staff restructuring costs comprise:	2021 Total fund £	2020 Total funds £
	—	
	—	

Pension costs

Severance Payments	<u>5,000</u>
	<u>5,000</u>

7 Staff costs (continued)

a) Staff severance payments

During the year there was no non-contractual severance payments. (2020 – one for £5,000).

b) Staff numbers

The average numbers of persons (including the Senior Leadership Team) employed by the School during the year was as follows:

Charitable activities	2021 No.	2020 No.
Teachers	93	92

Administration and support	89	95
Management	3	4
	185	191

The average numbers of persons (including the Senior Leadership Team) employed by the School during the year expressed on a full time equivalent basis was as follows:

Charitable activities	2021 No.	2020 No.
Teachers	86	85
Administration and support	56	59
Management 3 3 d) Higher paid staff	3	—
	145	147

The number of employees whose benefits (excluding employer's pension contributions) exceeded £60,000 was:

	2021 No.	2020 No.
£60,001 – £70,000	6	5
£70,001 – £80,000	1	1
£100,001 – £110,000	1	1
£110,001 – £120,000	—	1
£120,001 – £130,000	1	—

In 2021 all nine of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2021, pension contributions for these nine staff amounted to £162,293 (2020 – £144,101 for eight staff). In 2021 none of the above employees participated in the Local Government Pension Scheme (2020 – £nil).

It should be noted that from September 2019, the Headteacher, Rhona Povey was on sick leave undergoing treatment for breast cancer. Craig McGuire was appointed as Acting Headteacher from September 2019. Major decisions in respect of significant expenditure and major capital projects continue to be referred to the governors for prior approval. Rhona Povey returned to school in June 2021.

7 Staff costs (continued)

e) Key management personnel

The key management personnel of the academy trust comprise the governors and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer's national insurance and pension contributions) received by key management personnel for their services to the academy trust was £969,654 (2020: £932,923).

8 Governors' remuneration and expenses

The Headteacher and staff governors (who are trustees) only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as governors. Other governors did not receive any payments, from the School in respect of their role as governors. The value of governors' remuneration and other benefits was as follows:

	2021	2020	£	£
Rhona Povey, Headteacher and Governor				
. Remuneration	£120,001 - £125,000		£115,001 - £120,000	
. Employer's pension contributions	£25,000 - £30,000		£25,000 - £30,000	
A Aeineh, Staff Governor (appointed 14 May 2021)				
. Remuneration	£5,001 - £10,000		—	
. Employer's pension contributions	—		—	
M Dickie, Staff Governor				
. Remuneration	£30,001 - £35,000		£25,001 - £30,000	
. Employer's pension contributions	£5,001 - £10,000		£5,001 - £10,000	
I Bailey, Community Governor				
. Remuneration	—		£0 - £5,000	
. Employer's pension contributions	—		—	

In 2020, Mr I Bailey was employed by the School for approximately 2 months to cover a HR Partner vacancy and was remunerated at the market rate based on the salaries paid to previous HR Partners.

During the year ended 31 August 2021, there were no travel and subsistence expenses reimbursed to governors (2020 — none).

Other related party transactions involving the governors are set out in note 23.

9 Trustees' and Officers' insurance

In accordance with normal commercial practice, the School has purchased Risk Protection Arrangement (RPA) insurance from the DfE to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. This has been purchased as part of a wider global insurance premium. It is not possible to separately identify the portion of the overall insurance premium attributable to the indemnity policy. The insurance provides cover of up to £10 million on any one claim.

10 Tangible fixed assets

Freehold & leasehold	Facilities, Fittings and Motor	Total
Assets under land and equipment vehicles	Construction buildings equipment	Total

Notes to the Financial Statements Year to 31 August 2021

	£	£	£	£	£	£
Cost/valuation						
At 1 September 2020	—	17,206,167	348,560	322,526	40,363	17,917,616
81,643 17,287,810	45,389		47,020	12,040	—	186,092
						18,103,708
Depreciation						
At 1 September 2020	—	2,824,961	310,740	287,006	40,363	3,463,070
At 31 August 2021	45,389		395,580	334,566	40,363	475,559
						3,938,629
Charge in year	—	436,870	16,243	22,446	—	
At 31 August 2021	—	3,261,831	326,983	309,452	40,363	
Net book value						
At 31 August 2021	45,389	14,025,979	68,597	25,114	—	14,165,079
At 31 August 2020	—	14,381,206	37,820	35,520	—	14,454,546

The Golders Rise land on which the School is sited has not been included in these financial statements, because the site is designated for educational purposes and has no open market value.

The academy trust owns and leases out playing fields land at Pursley Road, Hendon to a commercial tenant at a rate of £20,000 per annum, subject to a five year, inflation-indexed rental review, on a 99 year lease commencing in 1998. The current rent is £34,614 per annum (2020 – £34,614). Under the terms of the lease agreement, 50% of the gross rental income is payable to the London Borough of Barnet.

During the year 2020/21, the school received Condition Improvement Funding for the Safeguarding project for £30,471. The total value of CIF funding approved for the project is £342,802 with the remainder of the balance expected to be received in the 21/22 financial year.

11 Debtors

	2021 £	2020 £
Trade debtors	1,001	38,216
Prepayments and accrued income	241,536	139,882
Other debtors	—	—
		92,999
		271,097
	VAT recoverable	72,082
	72,082	314,619

12 Creditors: amounts falling due within one year

	2021	2020
Trade creditors	162,107	76,413
Payroll, taxation and social security	299,877	281,377
Accruals	248,612	298,687

Notes to the Financial Statements Year to 31 August 2021

Other creditors	68,485	64,044
SALIX loan	16,602	16,602
Deferred income	39,543	33,109
	<u>835,226</u>	<u>770,232</u>

Deferred income

Deferred income at 1 September 2020	33,109	38,072
Amounts release from previous years	(33,109)	(38,072)
Resources deferred in the year	39,543	33,109
	<u>39,543</u>	<u>33,109</u>
Deferred income at 31 August 2021	<u>£</u>	<u>£</u>

Deferred income of £39,543 relates to DfE income, London Sports grant, SEN income and London Higher grant funding received in advance. (2020 – £33,109 DfE income and Business Rates Reimbursement received in advance).

13 Creditors: amounts falling due in more than one year

	2021 £	2020 £
SALIX Loans	35,902	<u>52,504</u>
	<u>35,902</u>	<u>52,504</u>
Loan Maturity		
Debt due in one year or less (note 12)	16,602	16,602
In more than one year but not more than two years	8,266	16,602
In more than two years but not more than five years	20,233	24,797
In more than five years	7,403	<u>11,105</u>
	<u>52,504</u>	<u>69,106</u>

There is no interest payable on the SALIX loan.

Notes to the Financial Statements		Restricted general fund				Year to 31 August 2021	
	. General Annual Grant (GAG)	151,389	7,880,304	(7,562,573)	(61,868)		407,224
	. Pupil Premium	—	446,661	(446,661)	—		—
	Catch-up premium	—	85,200	(29,953)	—		55,247
	Other DfE/ESFA COVID-19 funding	—	36,750	(36,750)	—		—
14 Funds	Other COVID-19 funding	—	268	(268)	—		—
	. Other grants	—	535,365	(535,365)	—		—
	. Local authority grants	—	929,579	(929,579)	—		—
	. Other COVID-19 LA grants	—	70,256	(70,256)	—		—
	. Other restricted funds	—	(380)	380	—		—
	Balance at 1 September 2020					Gains, (losses) and transfers	Balance at 31 August 2021
		£	£	£	£	£	£
		(3,117,000)					
		(2,965,639)					

. Pension reserve							(394,000)
	(540,000)	(4,051,000)					

9,984,003 (10,005,025) (601,868) **(3,588,529)**

Fixed assets fund

. Items on conversion	11,427,313	—	(281,508)	—			11,145,805
. DfE/EFSA Capital grants	1,988,887	56,771	(118,123)	—			1,927,535
. Capital expenditure from GAG	342,838	—	(39,072)	61,868			365,634
. Drama Studio	625,920	—	(26,080)	—			599,840
. Funding from Unrestricted Reserves	66,588	—	(2,775)	—			63,813
. Donation	3,000	—	(3,000)	—			—
. The Wolfson Foundation	67,453	(5,001)	—	14,454,546	124,224	(475,559)	61,868
	62,452						
	14,165,079						

Total restricted funds 11,488,907 10,108,227 (10,480,584) (540,000) **10,576,550**

Unrestricted funds

. General funds	346,030	49,461	(10,823)	—			384,668
Total unrestricted funds	346,030	49,461	(10,823)	—			384,668

Total funds 11,834,937 10,157,688 (10,491,407) (540,000) **10,961,218**

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

ESFA revenue grant fund and other restricted funds

General Annual Grant (GAG)

The GAG is provided by the Secretary of State through the Education and Skills Funding Agency (ESFA) to cover the normal running costs of the School. Transfers from this fund to the fixed assets fund represents the purchase of fixed assets from GAG funding. Under the funding agreement with the Secretary of State, the School was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

14 Funds

(continued)

ESFA revenue grant fund and other restricted funds (continued)

Other revenue grants

These funds comprise other revenue grants received from the Education and Skills Funding Agency and Local Authorities which are provided for specific purposes and includes the Pupil Premium grant.

Pension reserve

The pension reserve relates to the deficit on the School's share of the London Borough of Barnet Pension Scheme liability for support staff. Whilst the fund is currently in deficit, the liability is not expected to crystallise in the short-term.

Fixed asset fund

These funds relate to the School's holding of tangible fixed assets. Transfers from the General Annual Grant fund to this fund represent the purchase of tangible fixed assets from GAG funding.

Notes to the Financial Statements Year to 31 August 2021

14 Funds

(continued)

Comparative information

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, (losses) and transfers £	Balance at 31 August 2020 £
Restricted general fund					
. General Annual Grant (GAG)	—	7,645,127	(7,280,072)	(213,694)	151,361
. Pupil Premium	—	429,498	(429,498)	—	—
. Coronavirus Job Retention Scheme grant	—	6,191	(6,191)	—	—
. Other COVID-19 funding	—	1,320	(1,320)	—	—
. Other grants	—	386,663	(386,663)	—	—
. Local authority grants	—	923,498	(923,498)	—	—
. Other restricted funds	—	380	(380)	—	—
. Pension reserve	—	(3,043,000)	—	—	(408,000)
	<u>334,000</u>	<u>(3,117,000)</u>	<u>(3,043,000)</u>	<u>—</u>	<u>(408,000)</u>
	120,306	(2,965,639)			9,392,677
					(9,435,622)
Fixed assets fund					
. Items on conversion	11,708,821	—	—	(281,508)	11,427,313
. DfE/EFSA Capital grants	2,082,435	25,656	—	(119,204)	1,988,887
. Capital expenditure from GAG	168,199	—	—	(39,055)	342,838
. Drama Studio	652,000	—	—	(26,080)	625,920
. Funding from Unrestricted Reserves	69,363	—	—	(2,775)	66,588
. Donation	6,000	—	—	—	—
	<u>14,686,818</u>	<u>(3,000)</u>	<u>—</u>	<u>3,000</u>	<u>—</u>
	213,694	14,454,546		25,656	(471,622)
Total restricted funds	<u>11,643,818</u>	<u>9,418,333</u>	<u>(9,907,244)</u>	<u>334,000</u>	<u>11,488,907</u>
Unrestricted funds					
. General funds	318,965	101,521	(74,456)	—	346,030
Total unrestricted funds	<u>318,965</u>	<u>101,521</u>	<u>(74,456)</u>	<u>—</u>	<u>346,030</u>
Total funds	<u>11,962,783</u>	<u>9,519,854</u>	<u>(9,981,700)</u>	<u>334,000</u>	<u>11,834,937</u>

15 Analysis of net assets between funds

	Restricted Restricted Unrestricted	Fixed Asset Total	Restricted Funds	Fixed Funds	Total Fund	2021
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Notes to the Financial Statements Year to 31 August 2021

14 Funds

	£	£	£	£
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	—	—	14,165,079	14,165,079
Current assets	384,668	1,333,599	—	1,718,267
Current liabilities	—	(835,226)	—	(835,226)
Non-current liabilities	—	(35,902)	—	(35,902)
Pension scheme liability	—	<u>(4,051,000)</u>	—	<u>(4,051,000)</u>
Total net assets	384,668	(3,588,529)	14,165,079	10,961,218

Notes to the Financial Statements Year to 31 August 2021

15 Analysis of net assets between funds (continued)

	Unrestricted £	Restricted General Asset £	Restricted Fixed Total funds £	Fund 2020 £
<i>Fund balances at 31 August 2020 are represented by:</i>				
Tangible fixed assets	—	—	14,454,546	14,454,546
Current assets	363,391	956,736	—	1,320,127
Current liabilities	(17,361)	(752,871)	—	(770,232)
Non-current liabilities	—	(52,504)	—	(52,504)
Pension scheme liability	—	(3,117,000)	—	(3,117,000)
Total net assets	346,030	(2,965,639)	14,454,546	11,834,937

16 Financial commitments

Operating leases

At 31 August 2021 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	Furniture and Equipment	
	2021 £	2020 £
Amounts due within one year	8,520	8,348
Amounts due between one and five years	6,035	8,125
Amounts due after five years	—	257
14,555	16,730	

Capital commitments

The school had £371,486 of capital commitments that had been contracted for but not provided in the financial statements (2020 – £nil).

17 Reconciliation of net expenditure to net cash provided by operating activities

	2021 £	2020 £
Net expenditure for the year	(333,719)	(461,846)
Depreciation (note 10)	475,559	471,622
Capital grants from DfE and other capital income	(198,063)	(25,656)
Interest receivable (note 4)	(614)	(4,012)
Local government pension cost less contributions payable (note 22)	338,000	350,000
Local government pension finance income (note 22)	56,000	58,000
(Increase) / decrease in debtors	(21,522)	540,896
Increase / (decrease) in creditors	42,994	(496,758)
Net cash provided by operating activities	358,635	432,246

18 Cash flows from investing activities

22 Pension and similar obligations (continued)

	2020	2019
	£	£
Dividends, interest and rents from investments	614	4,012
Purchase of tangible fixed assets	(186,092)	(239,350)
25,656 Capital grants from DfE/ESFA	198,063	
(209,682) Net cash provided by investing activities	12,585	

19 Cash flows from financing activities

	2021	2020
	£	£
Repayments of borrowing	(16,602)	(12,900)
Cash inflow from new borrowing	—	29,614
Net cash provided by (used in) financing activities	(16,602)	16,714

20 Analysis of cash and changes in net debt

	At 1 September 2020 £	Cashflows £	At 31 August 2021 £
Cash in hand and at bank	1,049,030	338,016	1,387,046
Loans falling due within one year	(16,602)	—	(16,602)
Loans falling due after more than one year	(52,504)	16,602	(35,902)
Total change in net debt	979,924	354,618	1,334,542

21 Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

22 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2019. Contributions amounting to £144,998 were payable to the schemes at 31 August 2021 (2020 – £137,535) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- ◆ employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- ◆ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and
- ◆ the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £918,829 (2020 - £882,686).

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

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

22 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was

£475,000 (2020 – £428,000) of which employer's contributions totalled £377,000 (2020 – £340,000) and employees' contributions totalled £98,000 (2020 – £88,000). The agreed contribution rate is 23.8% for employers until 31 March 2023. The current employee contribution rates are between 5.5% and 12.5%. The employee contribution rates and / or pay bands will be reviewed periodically and may change in future. This is to maintain the average contribution from employees at 6.5% and to ensure the long term costs of the scheme are managed.

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

	At 31 August 2021	At 31 August 2020
Principal Actuarial Assumptions		
Rate of increase in salaries	3.6%	2.9%
Rate of increase for pensions in payment / inflation	2.9%	2.2%
Discount rate for scheme liabilities	1.65%	1.7%
Inflation assumption (CPI)	2.9%	2.2%

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

	At 31 August 2021	At 31 August 2020
<i>Retiring today</i>		
Males	21.9	21.7
Females	24.4	24.0
<i>Retiring in 20 years</i>		
Males	23.3	22.9
Females	26.4	25.7

Discount rate +0.1%	(238)	(189)
Discount rate -0.1%	238	189
Mortality assumption – 1 year increase (estimate 3%)	420	243
Mortality assumption – 1 year decrease (estimate 3%)	(420)	(243)
CPI rate +0.1%	216	170
CPI rate -0.1%	(216)	(170)

22 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS)

	At 31 August 2021	At 31 August 2020
	£'000	£'000
Sensitivity Analysis: Impact on the net pension liability from changes in assumptions		
	<i>(continued)</i>	
The School's share of the assets and liabilities in the scheme and the expected rates of return were:		
	Fair value value at 31 August 2021	Fair value at 31 August 2020
	£'000	£'000
Equities	4,195	2,790
Corporate bonds	1,742	1,494
Property	258	249
Cash and other liquid assets	258	448
Total market value of assets	6,453	4,981
Present value of scheme liabilities	(10,504)	(8,098)
	(4,051)	(3,117)
	Deficit in the scheme	

For accounting years beginning on or after 1 January 2015, the expected return and the interest cost will be replaced with a single net interest cost, which will effectively set the expected return equal to the discount rate.

	2021	2020
	£'000	£'000
Amounts recognised in statement of financial activities		
Current service cost	715	690
Interest income	(88)	(86)
Interest cost	144	144
Total amount recognised in the SOFA	771	748
Movements in the present value of defined benefit obligations were as follows:		
At 1 September 2020	8,098	7,688
Current service cost	715	690
Interest cost	144	144
Employee contributions	98	88
Actuarial (gains) losses	1,555	(347)
Benefits paid	(106)	(163)
Unfunded pension payments	—	(2)
At 31 August 2021		8,098
	10,504	

(continued)

22 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS)

	2021	2020
Movements in the fair value of School's share of scheme assets:	£'000	£'000
At 1 September 2020	4,981	4,645
Expected return on assets	88	86
Actuarial (losses) gains	1,015	(13)
Employer contributions	377	338
Employee contributions	98	88
Benefits paid	(106)	(163)
Estimated unfunded benefits paid	—	(2)
Estimated contribution in respect of unfunded benefits paid	—	2
At 31 August 2021	6,453	4,981

23 Related party transactions

Owing to the nature of the School's operations and the composition of the Governing Board being drawn from local public and private sector organisations, transactions may take place with organisations in which a member of the governor has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the School's financial regulations and normal procurement procedures. There were no transactions during the year ended 31 August 2021, other than those disclosed in note 8.

During the year ended 31 August 2021, there were no Governor donations to the School (2020 – £nil).

24 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period 31 August 2021, the school received £25,516 (2020 – £34,421) and disbursed £23,198 (2020 – £39,676) from the fund. An amount of £2,970 (2020 – £651) is included in other creditors relating to undistributed funds that will be distributed in the accounting period ending 31 August 2022.

Notes to the Financial Statements Year to 31 August 2021

25 Comparative information

Analysis of income and expenditure in the year ended 31 August 2020 between restricted and unrestricted funds:

	Notes	Un-restricted general fund £	Restricted funds		2020 Total funds £
			General £	Fixed assets fund £	
Income from :					
Donations and capital grants	1	110	380	25,656	26,146
Charitable activities					
. Funding for the School's educational operations	2				
		47,619	9,392,297	—	9,439,916
Other trading activities	3	49,780	—	—	49,780
		107,509	9,392,677	25,656	9,519,854
Expenditure on:					
Charitable activities:					
. School's educational operations	6				
		74,456	9,435,622	471,622	9,981,700
Total expenditure	5	74,456	9,435,622	471,622	9,981,700
 Net income (expenditure) before transfers					
		27,065	(42,945)	(445,966)	(461,846)
		4,012			4,012
		101,521	9,392,677	25,656	9,519,854
 Investments	4	—	—	—	—
Total income		—	—	—	—
 Net income (expenditure)		27,065	(256,639)	(232,272)	(461,846)
 Actuarial gains on defined benefit pension scheme	22	—	334,000	—	334,000
Transfers between funds	14	—	(213,694)	213,694	—

Notes to the Financial Statements Year to 31 August 2021

Net movement in funds	<u>27,065</u>	<u>77,361</u>	<u>(232,272)</u>	<u>(127,846)</u>
Reconciliation of funds				
Total fund balances brought forward at 1 September 2019	318,965	<u>(3,043,000)</u>	<u>14,686,818</u>	<u>11,962,783</u>
Total fund balances carried forward at 31 August 2020	<u>346,030</u>	<u>(2,965,639)</u>	<u>14,454,546</u>	<u>11,834,937</u>