

# **Hendon School**

## **Annual Report and Financial Statements**

31 August 2022

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



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## Reference and administrative information

**Members**  
F Ghaffari  
A Leslie  
S Mehigan  
L M Varley  
A Yates

**Governors**  
A Leslie +x  
M Adimi  
A Aeineh  
S Ahmed (elected 14 March 2022)  
S Anand x  
I Bailey +  
B Baumgartner-Cohen x  
M Dickie (resigned 18 November 2021)  
S Haddock (resigned 8 November 2021)  
G Lahiri (elected 14 March 2022, resigned 29 November 2022) x  
P Maynard +  
R Mohammed  
B Mylchreest +x  
R Povey (Headteacher) x  
S Reddy (resigned 11 February 2022)  
E Salim  
J Smith x  
N J Starling x  
L M Varley +  
R White (resigned 1 November 2022)  
C York (resigned 13 June 2022)

+ 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 (resigned 17 April 2022) Jonathan Kamyra
Deputy Head	Helen Langsam
Assistant Heads	Ron Spicer Noelle Doona Charlotte Williams (resigned 31 December 2021) Scott Slater (Acting Deputy Head from 1 January 2022, resigned 25 March 2022)

## Reference and administrative information

Lisa O'Connor  
Esa Roman (appointed 1 January 2022)  
Rachel Thacker (appointed 1 January 2022)  
Kirsty Downing (appointed 1 January 2022)  
Ashley Sackey (appointed 1 January 2022, resigned 31 August 2022)

**Registered address** Golders Rise  
Hendon  
NW4 2HP

**Company registration number** 07803827 (England and Wales)

**Auditors** Moore Kingston Smith LLP  
9 Appold Street  
London  
EC2A 2AP  
(External)

Landau Baker Ltd  
Mountcliff House  
154 Brent Street  
London  
NW4 2DR  
(Internal)

**Bankers** National Westminster Bank plc  
5 Central Circus  
London  
NW4 3LA

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 2022. 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 34 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 2021 to 2022, 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).

### **CONTINUED IMPACT OF THE CORONAVIRUS PANDEMIC**

During 2021/22 the School has continued to be impacted by the world-wide coronavirus pandemic and the after effects. The pandemic has had a huge impact on the wellbeing and mental health of staff and students. 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. A number of tutoring programmes and subject extensions have helped to support students as they work to close educational gaps. 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 longer-term education and well-being of the young people in our care.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

Hendon School is a single, converter-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 2022 was 1,251 students, updated by the October 2022 census reporting 1,255. Of these, there were 65 higher needs students on the School roll at 31 August 2022 and 59 higher needs students in the October 2022 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 4.

#### **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.

**STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

**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 'Good' by Ofsted in May 2022.

**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 2022 and served throughout the year except where shown.

<b>Governor</b>	<b>Date of appointment</b>	<b>Date of resignation</b>
M Adimi		
A Aeineh		
S Ahmed	14 March 2022	
S Anand		
I Bailey		
B Baumgartner-Cohen		
M Dickie		18 November 2021
S Haddock		8 November 2021
G Lahiri	14 March 2022	29 November 2022
A Leslie		
P Maynard		
R Mohammed		
B Mylchreest		
R Povey (Headteacher)		
S Reddy		11 February 2022
E Salim		
J Smith		
N J Starling		
L M Varley		
R White		1 November 2022
C York		13 June 2022

**Method of recruitment and appointment or election of governors**

In accordance with the Articles of Association, the Governing Board can be made of: up to nine community 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. Co-opted Governors may also have any Co-opted Governor appointed under Article 59. Governors are appointed by the Governing Board unless stated above.

**STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

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.

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 co-ordinator. For the year 2021/22 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). 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**

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

**Percentage of time spent on facility time**

<b>Percentage of time</b>	<b>Number of employees</b>
0%	—
1% - 50%	4
51% - 99%	—
100%	—

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (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 informal 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 and 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 values, 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 specific groups of students and the marking and assessment of students' work;
- ◆ To focus on relational practice to ensure positive pupil behaviour around school and the local community given changes in context;



**OBJECTIVES AND ACTIVITIES** (continued)

- ◆ To promote healthy emotional, physical and mental well-being of all students and staff;
- ◆ To improve HR systems and premises management.

In the last academic year, the School has worked exceptionally hard with students to maximise achievement and allow students in Year 13 to continue in education, training or the workplace. We are proud of the results that our students achieved during this academic year. The exceptional progress that our students make, can be evidenced in the outcomes from the externally sat examinations. Key Stage 4 students make progress above the national average and 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 25% 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 30% 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.

**OBJECTIVES AND ACTIVITIES** (continued)

**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 2021 – 31 Aug 2022	1 Sept 2020 – 31 Aug 2021
Cumulative surplus on unrestricted funds	£446,554	£384,668
Restricted general fund	£415,060	£462,471
Cash at bank and in hand	£1,368,153	£1,403,648
In year surplus / (deficit) before depreciation and actuarial gain on pensions and excluding capital grants and gains on investment assets	(£379,126)	£85,069
Total Income	£10,604,615	£10,157,688
Staff income ratio (including FRS 102 pension adjustment, and unused holiday accrual, but excluding capital funding)	86.4%	85.2%

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 has been used to support tutoring and recovery for our students. 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 a number of different projects. Considerable work has been undertaken to upgrade

**Financial review** (continued)

**Financial report for the year** (continued)

premises to a standard needed for the continued education of our students. Despite this, careful planning and achieving good value for money has allowed the School to make a surplus in this academic year. There is small surplus of recovery funding at the end of this academic year that has been carried forward. This is partly responsible for our overall 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 available secondary school places due to the opening of several new schools. We are acutely aware of the financial impact a falling roll 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 a considerable increase on last year, with the School almost full; this should result in an increase in funding for the next academic 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 2022 and the associated expenditure, are shown as restricted funds in the Statement of Financial Activities.

The School's total income was £10,604,615 (2021 – £10,157,688) and the total expenditure was £11,036,311 (2021 – £10,491,407) for the year.

The year to 31 August 2022 saw an in-year deficit before transfers of £379,126 (2021 – £85,069 surplus) before capital income and depreciation, revaluation gains and actuarial gains on pensions, against a budgeted surplus of £2,835 (2021 – £756 surplus). This deficit includes an £574,000 interest and salary adjustment relating to the LGPS pension scheme (2021 – £394,000) and an unused holiday accrual of £7,410 (2021 – £26,460). The capital income consists of £26,303 of Devolved Formula Capital Grant, £312,331 of CIF funding for the Safeguarding project and £102,293 of CIF funding for the roof project. (2021 – Devolved Formula Capital Grant of £26,300 and £30,471 of CIF funding for the Safeguarding project).

The 2021/22 unfavourable variance from budget reflect additional Covid related grants received from the ESFA and the LGPS pension scheme adjustment, neither of which are included in the budget.

**STRATEGIC REPORT** (continued)

**Financial review** (continued)

**Financial report for the year** (continued)

Looking to the future, the approved budget for the year to 31 August 2022 is for an in-year surplus of £29,919 before depreciation and the actuarial adjustment on the pension fund.

**Financial position**

On 31 August 2022, the School held total funds of £14,955,522 (2021 – £10,961,218) comprising £14,508,968 (2021 – £10,576,550) of restricted funds, including a pension deficit of £199,000 (2021 – £4,051,000), and a cumulative surplus on unrestricted funds of £446,554 (2021 – £384,668). The total funds excluding the pension deficit are £15,154,522 (2021 – £15,012,218).

At 31 August 2022, the net book value of fixed assets was £14,292,908 (2021 – £14,165,079) 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 £1,000,000 per annum entitlement. These are typically paid quarterly in arrears. The cashflow forecast for the future nine months to May 2023 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.

**STRATEGIC REPORT** (continued)

**Financial review** (continued)

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

**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 2022 are £14,955,522 of which £14,508,968 are restricted and not available for general purposes. These comprised a restricted general fund of £415,060 (2021 – £462,471) and a restricted pension reserve holding a deficit balance of £199,000 (2021 – £4,051,000). 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 £14,292,908 (2021 – £14,165,079) which can only be realised by disposing of tangible fixed assets.

Unrestricted free reserves were therefore £446,554 at 31 August 2022 (2021 – £384,668). The GAG fund of £376,816 (2021 – £407,224), currently included in restricted general funds, can be applied to general educational purposes. The recovery premium fund of £14,583 will be used in 2022/23 to assist with further education recovery following Covid-19. Including these amounts the total reserves available gives £861,614 (2021 – £847,139), 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.

**STRATEGIC REPORT** (continued)

**Financial review** (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. 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 local authority 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 decreased by £3,852,000 in the year to £199,000 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 at least three times a year, 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. Difficulty in recruitment of teachers and wider school staff

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 leadership secondment positions in the Autumn Term to develop leaders and create a more sustainable succession route. Early Career Teachers and trainees will be supported by subject specialist mentors and also by a Professional Tutor.

Risk factor – 20 (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 staff pay awards may result in a real term decrease. There are considerable inflationary pressures, especially linked to salaries and utilities, which will considerably impact on our future as a going concern. The school is considering a range of staff reductions to be able to manage this change in income effectively,

Risk factor – 20 (High).

3. 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 could be decreasing numbers of potential students. Junior school spare places increase over the next 2 years, and this could 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).

**FUNDRAISING**

The School raises additional income through lettings, and whilst the pandemic temporarily stopped this revenue stream, this has now started to build up again.

**PLANS FOR FUTURE PERIODS**

Whilst the pandemic is hopefully behind us there are still a number of additional costs that the school has to cover in terms of health and safety and the impact that staff absences have on our supply budget. The School has increased student numbers this year and plans to maintain these in years 7 to 11 and to continue to grow sixth form numbers. There are also plans to improve the upkeep and further 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.

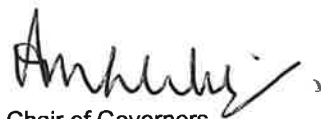
**Governors' report** 31 August 2022

**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.

The Governors' report, incorporating a strategic report was approved by order of the members of the Governing Board on 6 December 2022 and signed on its behalf by:



Chair of Governors

Date: 6/12/2022



**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:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
M Adimi	1	4
A Aeineh	3	4
S Ahmed (elected 14 March 2022)	1	2
S Anand	1	4
I Bailey	3	4
B Baumgartner-Cohen	2	4
M Dickie (resigned 18 November 2021)	0	1
S Haddock (resigned 8 November 2021)	0	0
G Lahiri (appointed 12 March 2022, resigned 29 November 2022)	1	2
A Leslie	3	4
P Maynard	4	4
R Mohammed	2	4
B Mylchreest	3	4
R Povey (Headteacher)	4	4
S Reddy (resigned 11 February 2022)	2	2
E Salim	2	4
J Smith	2	4
N J Starling	2	4
L M Varley	4	4
R White (resigned 1 November 2022)	2	4
C York (resigned 13 June 2022)	0	3

**Governance** (continued)

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. During the last academic year some Governing Board and Committee meetings were held remotely using 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. Moving forward the Board will continue to use a mixed model of virtual and face to face meetings.

**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 November 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, medium term plans and virements against budget. During the year, the Committee met four times. Attendance at meetings in the year was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
S Anand	1	4
B Baumgartner-Cohen	2	4
A Leslie	4	4
B Mylchreest	4	4
R Povey	4	4
J Smith	1	2
N J Starling	1	4

**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 four times.

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
S Anand	0	2
I Bailey	3	4
A Leslie	3	4
P Maynard (Chair from 15 March 2022)	1	1
B Mylchreest (Chair to 14 March 2022)	4	4
L Varley	4	4
R Povey (Headteacher, in attendance)	4	4

**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. Advice given by a DfE advisor, through the SRMA programme was shared, considered and acted upon.

**(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 desire to focus resource on teaching standards and the educational benefit for pupils. It also reflects the support provided through two additional resources provision for deaf students and for those with autism. 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 staff pay rises and relatively low staff turnover levels ongoing cost reviews remain a necessary component in achieving financial sustainability.

The historic low investment in IT infrastructure (pre- and post- academy conversion) has in the past led to inefficiencies in support process administration. Continued investment in this area has started to create greater teaching impact and free up staff time for higher value-adding activities. It has been a significant step forward this year to be able to further update the school network and invest in area of premises to match curriculum demand with room capacities and requirements. This will continue next year, ensuring the most efficient use of money for the School and the taxpayer.

**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 2022 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 2022 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 12.

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.

**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 Academy Trust 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.

The Governing Board has appointed Landau-Baker as the 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:

- ◆ Purchase Systems and Standard Tests for Internal Scrutiny
- ◆ Review of Payroll and HR Systems
- ◆ Standard Tests for Internal Scrutiny

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 keep non – Purchase Order invoices to a minimum
- ◆ Ensure that all petty cash vouchers are authorised by budget holders
- ◆ Where a second signatory is required for BACS or other payroll payments this should be the Headteacher or Deputy Headteacher
- ◆ Ideally the payroll should be checked to source documentation monthly if at all practical

#### **Managing conflict of interest**

Our Conflict of Interest Policy is reviewed annually and was last updated and approved by the Governing Board in March 2022. Hendon School maintains an up-to-date and complete register of interests; this is completed annually and should circumstances change, by all Senior Leaders and Governors of Hendon School. Interests are reviewed after submission by the Headteacher and the Chair of Governors to ensure that any conflicts are recognised and controlled. There have been no conflicts of interests that have been relevant to decision making or the purchase of goods or services in the academic year 2021/2022.

#### **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 Academy Trust Handbook; and
- ◆ the work of the Senior Leadership Team who have responsibility for the development and maintenance of the internal control framework.

**Governance statement** 31 August 2022

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)

  
(Accounting Officer)

Approved on: 6/12/22

**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 Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

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.

A handwritten signature in black ink, appearing to be 'B. Smith', written in a cursive style.

Accounting Officer

Date: 6/12/22



## Statement of governors' responsibilities 31 August 2022

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 2021 to 2022;
- ◆ 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:



Chair of Governors

Date: 6/2/2022

**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 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and 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 2015) and the Academies Accounts Direction 2021 to 2022.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the academy trust's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Academies Accounts Direction 2021 to 2022 issued by the ESFA.

**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 academy trust'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.

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

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 course of 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 themselves. 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 strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the strategic report and the trustees' annual report have 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion: adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- ◆ adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- ◆ the financial statements are not in agreement with the accounting records and returns;  
or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

### **Responsibilities of governors**

As explained more fully in the governors' responsibilities statement set out on page 23, the governors (who are also the directors for the purpose 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 governors 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 governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- ◆ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the academy trust's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- ◆ Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence

obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.

- ◆ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the academy trust.

Our approach was as follows:

- ◆ We obtained an understanding of the legal and regulatory requirements applicable to the academy trust and considered that the most significant are the Companies Act 2006, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- ◆ We obtained an understanding of how the academy trust complies with these requirements by discussions with management and those charged with governance.
- ◆ We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- ◆ We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- ◆ Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

**Use of our report**

This report is made solely to the charitable company's members, as a, 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.

*Moore Kingston Smith LLP*

Shivani Kothari (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Date: 13 December 2022

9 Appold Street  
London  
EC2A 2AP

**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 17 March 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, 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 2021 to 31 August 2022 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 Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2021 to 2022 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.

## Notes to the Financial Statements Year to 31 August 2021

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

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

The work undertaken to draw to our conclusion includes:

- ◆ review of financial records for unusual transactions
- ◆ sample testing expenditure transactions were reasonable, appropriate and appropriately authorised in accordance with the trust's procurement policy
- ◆ review the minutes of the Board meetings
- ◆ review the processes and controls to identify related party transactions and potential conflicts
- ◆ obtaining formal representations from the Board and the accounting officer
- ◆ reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regulatory report.

### 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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Moore Kingston Smith LLP*

Shivani Kothari (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Date: 13 December 2022

Moore Kingston Smith LLP  
Chartered Accountants  
9 Appold Street  
London  
EC2A 2AP



Hendon School

Statement of Financial Activities  
for the year ended 31 August 2022  
(including Income and Expenditure account)

	Notes	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	2021/22	2020/21
		£	£	£	£	£
<b>Income and endowments from:</b>						
Donations and capital grants	1	169	35,411	440,927	<b>476,507</b>	197,908
Charitable activities:						
Funding for the academy trust's educational operations	2	109,989	9,984,294	-	<b>10,094,283</b>	9,943,073
Other trading activities	3	32,086	-	-	<b>32,086</b>	16,093
Investments	4	1,739	-	-	<b>1,739</b>	614
<b>Total</b>		<b>143,983</b>	<b>10,019,705</b>	<b>440,927</b>	<b>10,604,615</b>	<b>10,157,688</b>
<b>Expenditure on:</b>						
Charitable activities:						
Academy trust educational operations	6	82,097	10,460,717	493,497	<b>11,036,311</b>	10,491,407
<b>Total</b>		<b>82,097</b>	<b>10,460,717</b>	<b>493,497</b>	<b>11,036,311</b>	<b>10,491,407</b>
<b>Net income / (expenditure)</b>		<b>61,886</b>	<b>(441,012)</b>	<b>(52,570)</b>	<b>(431,696)</b>	<b>(333,719)</b>
<b>Transfers between funds</b>	14	-	(180,399)	180,399	-	-
<b>Other recognised gains / (losses)</b>						
Actuarial gains (losses) on defined benefit pension schemes	19	-	4,426,000	-	<b>4,426,000</b>	(540,000)
<b>Net movement in funds</b>		<b>61,886</b>	<b>3,804,589</b>	<b>127,829</b>	<b>3,994,304</b>	<b>(873,719)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		384,668	(3,588,529)	14,165,079	<b>10,961,218</b>	11,834,937
<b>Total funds carried forward</b>		<b>446,554</b>	<b>216,060</b>	<b>14,292,908</b>	<b>14,955,522</b>	<b>10,961,218</b>

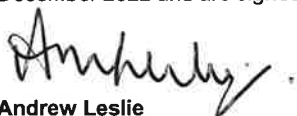
All of the Academy's activities derived from continuing operations during the above two financial years. All recognised gains and losses are included in the Statement of Financial Activities.

Hendon School

Balance Sheet  
as at 31 August 2022

	Notes	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Tangible assets	10		14,292,908		14,165,079
<b>Current assets</b>					
Debtors	11	436,178		314,619	
Cash at bank and in hand		1,368,153		1,403,648	
		<u>1,804,331</u>		<u>1,718,267</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	12	(915,080)		(835,226)	
<b>Net current assets</b>			<u>889,251</u>		<u>883,041</u>
<b>Total assets less current liabilities</b>			<u>15,182,159</u>		<u>15,048,120</u>
Creditors: Amounts falling due after more than one year	13		(27,637)		(35,902)
<b>Net assets excluding pension scheme liability</b>			<u>15,154,522</u>		<u>15,012,218</u>
Defined benefit pension scheme liability	19		(199,000)		(4,051,000)
<b>Total net assets</b>			<u>14,955,522</u>		<u>10,961,218</u>
<b>Funds of the Academy</b>					
<b>Restricted funds</b>					
Fixed asset fund	14		14,292,908		14,165,079
Restricted income fund	14		415,060		462,471
Pension reserve	14		(199,000)		(4,051,000)
<b>Total restricted funds</b>			<u>14,508,968</u>		<u>10,576,550</u>
<b>Unrestricted income funds</b>					
General fund	14		446,554		384,668
<b>Total funds</b>			<u>14,955,522</u>		<u>10,961,218</u>

The financial statements on pages 31 to 55 were approved by the governors, and authorised for issue on 6 December 2022 and are signed on their behalf by:



**Andrew Leslie**  
Chair of the Governors  
Hendon School  
Company Limited by Guarantee  
Registration number: 07803827 (England and Wales)

Hendon School

Statement of Cash Flows  
for the period ended 31 August 2022

	Notes	2022 £	2021 £
<b>Net cash inflow from operating activities</b>			
Net cash provided by (used in) operating activities	22	136,106	358,635
<b>Cash flows from investing activities</b>	22	(16,602)	12,585
<b>Cash flows from financing activities</b>	22	(154,999)	(16,602)
		<b>(35,495)</b>	<b>354,618</b>
<b>Change in cash and cash equivalents in the year</b>			
<b>Reconciliation of net cash flow to movement in net funds:</b>			
Cash and cash equivalents at 1 September 2021		1,403,648	1,049,030
<b>Cash and cash equivalents at 31 August 2022</b>		<b>1,368,153</b>	<b>1,403,648</b>

## Notes to the Financial Statements Year to 31 August 2022

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 2021 to 2022 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 2022/23 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 non-recoverability. 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 or 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 2022. 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.

Hendon School

Notes to the financial statements  
for the year ended 31 August 2022

**1 Donations and capital grants**

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Assets Funds £	2022 Total Funds £	2021 Total Funds £
Capital grants	-	-	440,927	440,927	131,771
Donated fixed assets	-	23,661	-	23,661	66,292
Other donations	169	11,750	-	11,919	(155)
	<u>169</u>	<u>35,411</u>	<u>440,927</u>	<u>476,507</u>	<u>197,908</u>

**2 Funding for the Academy Trust's educational operations**

	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	2021 Total Funds £
<b>DfE / ESFA grants</b>				
General Annual Grant (GAG)	-	8,088,431	8,088,431	7,880,304
Other DfE / ESFA grants				
Pupil Premium	-	452,562	452,562	446,661
Others	-	175,540	175,540	445,319
	<u>-</u>	<u>8,716,533</u>	<u>8,716,533</u>	<u>8,772,284</u>
<b>Other grants</b>				
Local authority grants	-	997,053	997,053	999,835
Other Grant income	-	102,186	102,186	16,207
	<u>-</u>	<u>1,099,239</u>	<u>1,099,239</u>	<u>1,016,042</u>
<b>Other income from the academy trust's educational operations</b>				
Music Income	4,866	-	4,866	4,522
Trip Income	27,414	-	27,414	4,783
Exam Fees	46,665	-	46,665	3,040
Other income	31,044	-	31,044	20,184
	<u>109,989</u>	<u>-</u>	<u>109,989</u>	<u>32,529</u>
<b>COVID-19 additional funding (DfE/ESFA)</b>				
Catch-up premium	-	69,933	69,933	85,200
School Led Tutoring	-	75,398	75,398	-
Other DfE/ESFA COVID-19 funding	-	23,191	23,191	36,750
	<u>-</u>	<u>168,522</u>	<u>168,522</u>	<u>121,950</u>
<b>COVID-19 additional funding (non-DfE/ESFA)</b>				
Other COVID-19 funding	-	-	-	268
	<u>-</u>	<u>-</u>	<u>-</u>	<u>268</u>
<b>2022 Total Funds</b>	<u>109,989</u>	<u>9,984,294</u>	<u>10,094,283</u>	<u>9,943,073</u>

Hendon School

Notes to the financial statements  
for the year ended 31 August 2022

3 Other trading activities

	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	2021 Total Funds £
Hire of facilities/ lettings income	28,658	-	28,658	13,093
Graduate training income	3,428	-	3,428	3,000
	<u>32,086</u>	<u>-</u>	<u>32,086</u>	<u>16,093</u>

4 Investment income

	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	2021 Total Funds £
Short term deposits	1,739	-	1,739	614
	<u>1,739</u>	<u>-</u>	<u>1,739</u>	<u>614</u>

Hendon School

Notes to the financial statements  
for the year ended 31 August 2022

5 Expenditure

	Staff costs £	Premises £	Other £	2022 Total funds £	2021 Total funds £
Charitable activities					
Academy's educational operations:					
Direct costs	6,956,057	493,497	464,832	7,914,386	7,944,498
Allocated support costs	1,825,609	559,799	736,517	3,121,925	2,546,909
	<u>8,781,666</u>	<u>1,053,296</u>	<u>1,201,349</u>	<u>11,036,311</u>	<u>10,491,407</u>

Net income / (expenditure) for  
the year includes:

Operating lease rentals				19,772	19,772
Depreciation				493,497	475,559
Fees payable to auditor for Audit				11,700	14,150
Other services				1,950	3,390

6 Charitable activities

	2022 Total funds £	2021 Total funds £
Direct costs - educational operations	7,914,386	7,944,498
Support costs - educational operations	3,121,925	2,546,909
	<u>11,036,311</u>	<u>10,491,407</u>

	2022 Total funds £	2021 Total funds £
<b>Analysis of support costs</b>		
Support staff costs	1,825,609	1,520,587
Technology costs	259,638	294,384
Premises costs	559,799	325,767
Legal costs - other	1,710	330
Other support costs	451,854	382,046
Governance costs	23,315	23,795
<b>Total support costs</b>	<u>3,121,925</u>	<u>2,546,909</u>

Hendon School

Notes to the financial statements  
for the year ended 31 August 2022

7 Staff

(a) Staff costs

Staff costs during the period were:

	2022 Total funds £	2021 Total funds £
Wages and salaries	5,742,722	5,949,812
Social security costs	623,003	618,649
Operating costs of defined benefit pension schemes	1,727,123	1,601,396
	<b>8,092,848</b>	<b>8,169,857</b>
Supply staff costs	675,862	435,813
Staff restructuring costs	12,956	-
	<b>8,781,666</b>	<b>8,605,670</b>
<b>Staff restructuring costs comprise:</b>		
Redundancy payments	12,956	-
	<b>12,956</b>	<b>-</b>

(b) Staff numbers

The average numbers of persons (including senior management team) employed by the Academy during the period expressed as average headcount and as full time equivalents was as follows:

	2022 No.	2021 No.
Teachers	91	93
Administration and support	84	89
Management	3	3
	<b>178</b>	<b>185</b>
	2022 FTE.	2021 FTE.
Teachers	83	86
Administration and support	54	56
Management	3	3
	<b>140</b>	<b>145</b>

(c) Higher paid staff

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

	2022 No.	2021 No.
£60,001 - £70,000	5	6
£70,001 - £80,000	1	1
£100,001 - £110,000	0	1
£110,001 - £120,000	0	0
£120,001 - £130,000	1	1
£190,001 - £200,000	0	0

(d) 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 £913,722 (2021: £969,654).

**Notes to the financial statements  
for the year ended 31 August 2022**

**8 Related Party Transactions - Trustees' remuneration and expenses**

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. If this is not the case payments must be disclosed separately. The value of trustees' remuneration and other benefits was as follows:

	2022 £	2021 £
<hr/>		
Rhona Povey, Headteacher and Governor		
Remuneration	£120,000 - £125,000	£120,000 - £125,000
Employer's pension contributions	£25,000 - £30,000	£25,000 - £30,000
M Dickie, Staff Governor		
Remuneration	£5,000 - £10,000	£30,00 - £35,000
Employer's pension contributions	£0 - £10,000	£5,000 - £10,000
A Aeineh, Staff Governor		
Remuneration	£30,000 - £35,000	£5,000 - £10,000
Employer's pension contributions	£nil	£nil
<hr/>		

During the year ended 31 August 2022, there were no travel and subsistence expenses reimbursed to governors (2021 — none).

Other related party transactions involving the governors are set out in note 20.

**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.

Hendon School

Notes to the financial statements  
for the year ended 31 August 2022

10 Tangible fixed assets

	Freehold land and buildings £	Assets under construction £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total funds £
<b>Cost/valuation</b>						
At 1 September 2021	17,287,810	45,389	334,566	395,580	40,363	<b>18,103,708</b>
Additions	453,797	135,981	1,495	30,053	-	<b>621,326</b>
Disposals/ Transfers	45,389	(45,389)	-	-	-	-
At 31 August 2022	<u>17,786,996</u>	<u>135,981</u>	<u>336,061</u>	<u>425,633</u>	<u>40,363</u>	<b><u>18,684,671</u></b>
<b>Depreciation</b>						
At 1 September 2021	3,261,831	-	309,452	326,983	40,363	<b>3,938,629</b>
Charge in year	455,848	-	13,009	24,640	-	<b>493,497</b>
Disposals	-	-	-	-	-	-
At 31 August 2022	<u>3,717,679</u>	<u>-</u>	<u>322,461</u>	<u>351,623</u>	<u>40,363</u>	<b><u>4,391,763</u></b>
<b>Net book value</b>						
At 31 August 2022	<u>14,069,317</u>	<u>135,981</u>	<u>13,600</u>	<u>74,010</u>	<u>-</u>	<b><u>14,292,908</u></b>
At 31 August 2021	<u>14,025,979</u>	<u>45,389</u>	<u>25,114</u>	<u>68,597</u>	<u>-</u>	<b><u>14,165,079</u></b>

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 rent is £34,614 per annum (2021 - £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 2021/22, the school received the balance of the Condition Improvement Funding for the Safeguarding project for £312,331. In addition the school received £102,293 of CIF funding for the roof project. The total value of CIF funding approved for the project is £895,063 with the remainder of the balance to be received in the 22/23 financial year.

11 Debtors

	2022 £	2021 £
Trade debtors	13,040	1001
VAT recoverable	145,371	241536
Prepayments and accrued income	277,767	72082
	<u>436,178</u>	<u>314,619</u>

Hendon School

Notes to the financial statements  
for the year ended 31 August 2022

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	329,926	162,106
Taxation and social security	152,677	154,880
Loans	8,266	16,602
Other creditors	159,671	213,483
Accruals	219,578	248,612
Deferred income	44,962	39,543
	<u>915,080</u>	<u>835,226</u>
<b>Deferred income</b>		
Deferred income at 1 September 2021	39,543	33,109
Released during the year	(39,543)	(33,109)
Resources deferred in the year	44,962	39,543
Deferred income at 31 August 2022	<u>44,962</u>	<u>39,543</u>

Deferred income of £44,962 relates to Devolved Formula Grant and Barnet Borough resource provision funding (2021 £39,543 related to DfE income, London Sports grant, SEN income and London Higher grant funding received in advance).

13 Creditors: amounts falling due in greater than one year

	2022 £	2021 £
Loans	27,637	35,902
Other creditors	-	-
	<u>27,637</u>	<u>35,902</u>
<b>Analysis of loans</b>		
Wholly repayable in more than five years	-	7,403
Wholly repayable within five years	35,903	45,101
Less: included in current liabilities	(8,266)	(16,602)
Amounts included above	<u>27,637</u>	<u>35,902</u>
<b>Loan maturity</b>		
Debt due in one year or less	8,266	16,602
In more than one year but not more than two years	20,234	8,266
In more than two years but not more than five years	7,403	20,233
In more than five years	-	7,403
	<u>35,903</u>	<u>52,504</u>



Hendon School

Notes to the financial statements  
for the year ended 31 August 2022

14 Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	407,224	8,088,431	(7,999,396)	(95,782)	<b>400,477</b>
Pupil Premium	-	452,562	(452,562)	-	-
Catch-up premium	55,247	-	(30,338)	(24,909)	-
Recovery premium	-	69,933	(50,303)	(5,047)	<b>14,583</b>
School Led Tutoring	-	75,398	(20,737)	(54,661)	-
Other DfE/ESFA COVID-19 funding	-	23,191	(23,191)	-	-
Other grants	-	301,387	(301,387)	-	-
LA Grants	-	997,053	(997,053)	-	-
Other restricted funds	-	11,750	(11,750)	-	-
Pension reserve	(4,051,000)	-	(574,000)	4,426,000	<b>(199,000)</b>
	<u>(3,588,529)</u>	<u>10,019,705</u>	<u>(10,460,717)</u>	<u>4,245,601</u>	<u><b>216,060</b></u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	11,145,805	-	(281,508)	-	<b>10,864,297</b>
DfE/ESFA capital grants	1,927,535	440,927	(127,379)	-	<b>2,241,083</b>
Capital expenditure from GAG	365,634	-	(49,010)	180,399	<b>497,023</b>
Drama Studio	599,840	-	(26,080)	-	<b>573,760</b>
Funding from Unrestricted Reserves	63,813	-	(2,775)	-	<b>61,038</b>
The Wolfson Foundation	62,452	-	(6,745)	-	<b>55,707</b>
	<u>14,165,079</u>	<u>440,927</u>	<u>(493,497)</u>	<u>180,399</u>	<u><b>14,292,908</b></u>
<b>Total restricted funds</b>	<u>10,576,550</u>	<u>10,460,632</u>	<u>(10,954,213)</u>	<u>4,426,000</u>	<u><b>14,508,968</b></u>
<b>Unrestricted funds</b>					
General funds	384,668	143,983	(82,097)	-	<b>446,554</b>
<b>Total unrestricted funds</b>	<u>384,668</u>	<u>143,983</u>	<u>(82,097)</u>	<u>-</u>	<u><b>446,554</b></u>
<b>Total funds</b>	<u>10,961,218</u>	<u>10,604,615</u>	<u>(11,036,311)</u>	<u>4,426,000</u>	<u><b>14,955,522</b></u>

**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 funds 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 2022.

## Hendon School

### Notes to the financial statements for the year ended 31 August 2022

#### 14 Funds

##### 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.

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	151,361	7,880,304	(7,562,573)	(61,868)	407,224
UFSM	-	-	-	-	-
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)	-	-
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	-	-
Pension reserve	(3,117,000)	-	(394,000)	(540,000)	(4,051,000)
<b>Total restricted funds</b>	<b>(2,965,639)</b>	<b>9,984,003</b>	<b>(10,005,025)</b>	<b>(601,868)</b>	<b>(3,588,529)</b>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	11,427,313	-	(281,508)	-	11,145,805
DfE/ESFA 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 Wolson Foundation	-	67,453	(5,001)	-	62,452
	<b>14,454,546</b>	<b>124,224</b>	<b>(475,559)</b>	<b>61,868</b>	<b>14,165,079</b>
<b>Unrestricted funds</b>					
General funds	346,030	49,461	(10,823)	-	384,668
Designated funds	-	-	-	-	-
<b>Total unrestricted funds</b>	<b>346,030</b>	<b>49,461</b>	<b>(10,823)</b>	<b>-</b>	<b>384,668</b>
<b>Total funds</b>	<b>11,834,937</b>	<b>10,157,688</b>	<b>(10,491,407)</b>	<b>(540,000)</b>	<b>10,961,218</b>

**Hendon School**

**Notes to the financial statements  
for the year ended 31 August 2022**

**15 Analysis of net assets between funds**

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
<b>Fund balances at 31 August 2022 are represented by:</b>				
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	14,292,908	<b>14,292,908</b>
Current assets	446,554	1,357,777	0	<b>1,804,331</b>
Current liabilities	-	(915,080)	-	<b>(915,080)</b>
Non-current liabilities	-	(27,637)	-	<b>(27,637)</b>
Pension scheme liability	-	(199,000)	-	<b>(199,000)</b>
<b>Total net assets</b>	<b>446,554</b>	<b>216,060</b>	<b>14,292,908</b>	<b>14,955,522</b>

**16 Capital commitments**

	2022 £	2021 £
Contracted for, but not provided in the financial statements.	<b>859,640</b>	371,486

**17 Commitments under operating leases**

At 31 August 2022 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	<b>10,086</b>	8,520
Amounts due between one and five years	<b>22,586</b>	6,035
Amounts due after five years	-	-
	<b>32,672</b>	14,555

**18 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.

## Hendon School

### Notes to the financial statements for the year ended 31 August 2022

#### 19 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 £136,135 were payable to the schemes at 31 August 2022 (2021 - £144,998) and are included within creditors.

#### Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £881,027 (2021: £918,829) and at the year-end £136,135 (2021 - £144,998) was accrued in respect of contributions to this scheme

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

## **Hendon School**

### **Notes to the financial statements for the year ended 31 August 2022**

#### **19 Pension and similar obligations**

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

#### **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 2022 was £405,000 (2021-£475,000) of which employer's contributions totalled £321,000 (2021-£377,000) and employees' contribution totalled £84,000 (2021-£98,000). 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 of Education. The guarantee came into force on 18 July 2013.

Hendon School

Notes to the financial statements  
for the year ended 31 August 2022

19 Pensions

Principal actuarial assumptions

	At 31 August 2022	At 31 August 2021
Rate of increase of salaries	3.75%	3.6%
Rate of increase for pensions in payment/inflation	3.05%	2.9%
Discount rate for scheme liabilities	4.25%	1.65%
Inflation assumption (CPI)	3.05%	2.9%

Current mortality rates

	At 31 August 2022	At 31 August 2021
<i>Retiring today</i>		
Males	21.7	21.9
Females	24.3	24.4
<i>Retiring in 20 years</i>		
Males	23.1	23.3
Females	26.1	26.4

Sensitivity analysis

	At 31 August 2022	At 31 August 2021
Discount rate +0.1%	(147)	(238)
Discount rate -0.1%	147	238
Mortality assumption - 1 year increase	264	420
Mortality assumption - 1 year decrease	(264)	(420)
CPI rate +0.1%	137	216
CPI rate -0.1%	(137)	(216)

The academy trust's share of the assets in the scheme were:

	2022	2021
	Fair value at 31 August 2022 £'000	Fair value at 31 August 2021 £'000
Equities	4,424	4,195
Corporate bonds	1,538	1,742
Property	385	258
Cash and other liquid assets	64	258
<b>Total market value of assets</b>	<b>6,411</b>	<b>6,453</b>
<b>Present value of scheme liabilities</b>		
- Funded	(6,610)	(10,504)
<b>Deficit in the scheme</b>	<b>(199)</b>	<b>(4,051)</b>

Amount recognised in the statement of financial activities

	2022	2021
	£'000s	£'000s
Current service cost	771	715
Past service cost	53	-
Interest income	(109)	(88)
Interest cost	180	144
<b>Total amount recognised in the SOFA</b>	<b>895</b>	<b>771</b>

Analysis of pension finance income/(costs)

Expected return on pension scheme assets	(109)	(88)
Interest on pension liabilities	180	144
<b>Pension finance income/(costs)</b>	<b>71</b>	<b>56</b>

**Notes to the financial statements  
for the year ended 31 August 2022**

**19 Pensions**

**Changes in the present value of defined benefit obligations were as follows:**

	<b>2022</b>	2021
	<b>£'000s</b>	£'000s
Scheme obligations as at 1 September 2021	<b>10,504</b>	8,098
Current service cost	<b>771</b>	715
Interest cost	<b>180</b>	144
Employee contributions	<b>84</b>	98
Actuarial (gain)/loss	<b>(4,884)</b>	1,555
Benefits paid	<b>(98)</b>	(106)
Past service cost	<b>53</b>	-
<b>At 31 August 2022</b>	<b>6,610</b>	10,504

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

	<b>2022</b>	2021
	<b>£'000s</b>	£'000s
Fair value of scheme assets at 1 September 2021	<b>6,453</b>	4,981
Inherited on conversion	<b>-</b>	-
Interest income	<b>109</b>	88
Actuarial gain/(loss)	<b>(458)</b>	1,015
Employer contributions	<b>321</b>	377
Employee contributions	<b>84</b>	98
Benefits paid	<b>(98)</b>	(106)
Estimated unfunded benefits paid	<b>-</b>	-
Estimated contribution in respect of unfunded benefits paid	<b>-</b>	-
<b>At 31 August 2022</b>	<b>6,411</b>	6,453

**20 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 Board 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 2022, other than those disclosed in note 8.

**21 Agency arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2022 the academy trust received £15,411 (2021 - £25,516) and disbursed £16,889 (2021 - £23,198) from the fund. An amount of £1,482 (2021 - £2,970) is included in other creditors relating to undistributed funds that is repayable to ESFA.

Hendon School

Notes to the financial statements  
for the year ended 31 August 2022

22a Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2022	2021
	£	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	<b>(431,696)</b>	(333,719)
Adjusted for:		
Depreciation charges	<b>493,497</b>	475,559
Capital grants from DfE and other capital income	<b>(464,588)</b>	(198,063)
Interest receivable	<b>(1,739)</b>	(614)
contributions payable	<b>503,000</b>	338,000
Defined benefit pension scheme finance cost	<b>71,000</b>	56,000
(Increase)/decrease in debtors	<b>(121,559)</b>	(21,522)
Increase/(decrease) in creditors	<b>88,191</b>	42,994
<b>Net cash provided by / (used in) Operating</b>	<b><u>136,106</u></b>	<b><u>358,635</u></b>

22b Cash flows from financing activities

	2022	2021
	£	£
Repayments of borrowing	<b>(16,602)</b>	(16,602)
<b>Net cash provided by / (used in) Financing</b>	<b><u>(16,602)</u></b>	<b><u>(16,602)</u></b>

Cash flows from investing activities

	2022	2021
	£	£
Dividends, interest and rents from investments	<b>1,739</b>	614
Purchase of tangible fixed assets	<b>(621,326)</b>	(186,092)
Capital grants from DfE/ESFA	<b>464,588</b>	198,063
<b>Net cash provided by / (used in) Operating Activities</b>	<b><u>(154,999)</u></b>	<b><u>12,585</u></b>

22c Analysis of cash and cash equivalents

	2022	2021
	£	£
Cash in hand and at bank	<b>1,368,153</b>	1,403,648
Short-term deposits (less than 3 months)	-	-
<b>Total cash and cash equivalents</b>	<b><u>1,368,153</u></b>	<b><u>1,403,648</u></b>

23 Analysis of changes in net equity/debt

	At 1 September 2021	Cash flows	At 31 August 2022
	£	£	£
Cash	1,403,648	(35,495)	<b>1,368,153</b>
	1,403,648	(35,495)	<b>1,368,153</b>
Loans falling due within one year	(16,602)	8,336	<b>(8,266)</b>
Loans falling due after more than one year	(35,902)	8,265	<b>(27,637)</b>
Finance lease obligations	-	-	-
<b>Total</b>	<b>1,351,144</b>	<b>(18,894)</b>	<b><u>1,323,914</u></b>



Hendon School

Comparative Statement of Financial Activities

	Unrestricte £	Restricted £	Restricted £	2020/21 £
<b>Income and endowments from:</b>				
Donations and capital grants	225	73,459	124,224	197,908
Charitable activities:				
Funding for the academy trust's educational operations	32,529	9,910,544	-	9,943,073
Other trading activities	16,093	-	-	16,093
Investments	614	-	-	614
<b>Total</b>	<u>49,461</u>	<u>9,984,003</u>	<u>124,224</u>	<u>10,157,688</u>
<b>Expenditure on:</b>				
Charitable activities:	10,823	10,005,025	475,559	10,491,407
<b>Total</b>	<u>10,823</u>	<u>10,005,025</u>	<u>475,559</u>	<u>10,491,407</u>
<b>Net income / (expenditure)</b>	38,638	(21,022)	(351,335)	(333,719)
<b>Transfers between funds</b>	-	(61,868)	61,868	-
<b>Other recognised gains / (losses)</b>				
Actuarial gains (losses) on defined benefit pension schemes	-	(540,000)	-	(540,000)
<b>Net movement in funds</b>	38,638	(622,890)	(289,467)	(873,719)
<b>Reconciliation of funds</b>				
Total funds brought forward	346,030	(2,965,639)	14,454,546	11,834,937
<b>Total funds carried forward</b>	<u>384,668</u>	<u>(3,588,529)</u>	<u>14,165,079</u>	<u>10,961,218</u>