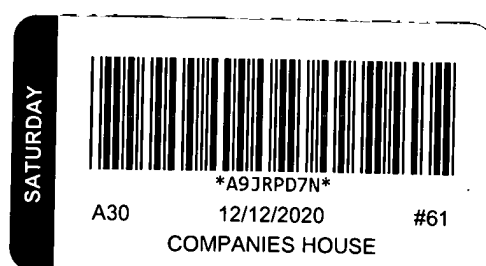


**Queen Elizabeth's School,
Barnet**

**Annual Report and Financial
Statements**

Year ended 31 August 2020

Company Limited by Guarantee
Registration Number
07351253 (England and Wales)



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Reference and administrative information

Members

Mr A Binstock (appointed 23 October 2020)
Mr K Cooper (resigned 25 April 2020)
Mr N Gaskell
Mrs M Hooley (appointed 23 October 2020)
Mr B Martin
Mr D Norris (appointed 25 April 2020)

Trustees

Mrs E Aghdiran (appointed 2 November 2020)
Mr M Beard (term expired 31 August 2020)
Mr A Binstock (resigned 23 October 2020)
Mr M Bradish*
Mr D Burton (term expired 3 November 2020)
Mr R Delves
Mr N Enright*
Mr D Farrer
Mrs J Ferguson
Rev C Ferris (resigned 2 January 2020)
Mr N Gaskell* (Vice Chairman)
Mrs M Hooley (resigned 23 October 2020)
Mr E Houston
Mr D Lowen (appointed 31 October 2019)
Mrs A Macdonald (term expired 3 October 2020)
Mr B Martin* (Chairman)
Dr C Martin
Mr C Price *
Mr N Raval
Mrs P Reid (term expired 31 August 2020)
Dr V Wong (term expired 31 August 2020)

*denotes member of Finance, Audit and Risk Committee

Company Secretary

Ms T O'Reilly

Senior Leadership Team

Headmaster	Mr N Enright
Deputy Head Operations	Ms T O'Reilly
Deputy Head Academic	Mrs A Macdonald
Deputy Head Pastoral	Mr D Ryan
Assistant Head Pupil Involvement	Mr C Bonham-Carter
Assistant Head Pupil Development	Mr M Feven
Assistant Head Pupil Progress	Dr S Westcott

Reference and administrative information

Registered address	Queen's Road Barnet Hertfordshire EN5 4DQ
Company registration number	07351253
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	NatWest Bank plc 120 High Street Barnet Hertfordshire EN5 5FF
Solicitors	Keystone Law 48 Chancery Lane London WC2A 1JF

Trustees' report Year to 31 August 2020

The trustees present their annual report together with the financial statements and auditors' report of the charitable company ('the School') for the year ended 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

COVID-19

This year has been widely affected by the Covid-19 pandemic. This caused significant initial disruption to the normal operations of the school. From the start of the country-wide closure on 23 March the vast majority of pupils remained at home and the school switched to providing lessons remotely. These were delivered through the school's existing online portal, eQE. The pupils benefitted immediately from the presence of the portal, which has been implemented and expanded over a number of years. The school did remain open for key worker and vulnerable children throughout the lockdown period. As the summer examinations were cancelled, all teaching staff were involved in implementing the new alternative system of centre-assessed grades. During the period of lockdown a full timetable of subjects was provided. Boys and staff have become adjusted to remote working in these very changed circumstances.

The school still received its full government grant and continued to settle all its contractual obligations. The cessation of normal operations on site meant that income from lettings and catering immediately dwindled to nothing. These are usually significant contributions to income, but costs for both these streams did still continue to be incurred. The school had to incur additional expenditure to implement some structural and organisational changes so that boys could start to return in more significant numbers in June and July.

These losses of income and extra expenditures were to some extent offset by additional government support. A small number of staff not directly involved in the provision of teaching were furloughed on full pay and CJRS grants claimed for 80% of their wages. In addition, the school claimed £46k from the DfE additional expenditures fund. This was for costs of additional works and activities around the school site to keep it functioning in a Covid-safe way during lockdown and into the period of re-opening. The financial situation of the school during the uncertain times has been further relieved by a grant of £200,000 from the Friends of Queen Elizabeth's charity made in June 2020 for the purpose of supporting the additional and still continuing costs of the pandemic.

Following the staggered return of boys from all continuing year groups during the latter part of the summer term, the school was prepared to welcome the full complement of boys, including the newly joining year 7, in September. At the time of this report, the school has been running full teaching provision following government guidance on Covid-safe operations of schools for nearly a full term.

PRINCIPAL ACTIVITIES

The principal object and activity of the School is to provide education for academically able boys, between the ages of 11 and 18, who are selected on merit which is assessed through a competitive entrance examination.

In accordance with the articles of association the School has adopted a funding agreement approved by the Secretary of State for Education. The funding agreement specifies, amongst other things, the basis for admitting pupils to the School and that the School will provide a broad and balanced curriculum.

The largest proportion of the School's income is expended on the salaries of well qualified staff and allocation is also made for the upkeep of the premises and the provision of the equipment required for effective teaching and learning.

The School's Priorities for Development are endorsed by the Governing Body and it monitors the progress made towards those priorities annually. The Headmaster, together with his Senior Leadership Team, is responsible for the implementation of the strategic plan and the operational management of the School.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is known as Queen Elizabeth's School Barnet ("the School") and is a company limited by guarantee and an exempt charity. The School's memorandum and articles of association are the primary governing documents.

The Trustees are directors for the purposes of the Companies Act 2006. They are also the Governors of the School and as a group constitute the Board of Governors of the School. Throughout this report the Trustees are referred to as the Governors and the Board referred to as the Governing Body.

Details of the Governors who served throughout the year are included in the Reference and Administrative Details on page 1.

The Members of the School comprise:

- ◆ The signatories to the memorandum or their successors, one of whom shall be appointed by the Endowment Fund of the Schools of Queen Elizabeth the First Barnet (registered charity number 10694946) and one by The Friends of Queen Elizabeth's School (registered charity number 289174);
- ◆ One person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose;

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Constitution (continued)

- ♦ The Chairman of Governors; and
- ♦ Any person appointed where the Members may agree unanimously in writing to appoint such additional members as they think fit and may unanimously in writing agree to remove such additional members.

Members' liability

The liabilities of the Members of the School are limited. Every Member undertakes to contribute such amounts as may be required (not exceeding £10) to the School's assets if it should be wound up while he or she is a member.

Method of recruitment and appointment or election of Governors

The Trustees have instigated a reorganisation of governance arrangements which was adopted in November 2020. This principally affected the number of governors and how they are appointed. The following arrangements of governance were in place throughout the financial period covered by this report. The new arrangements are detailed in a subsequent section of this report.

Until November 2020, the School had the following Governors and methods of appointment:

- ♦ 11 Community Governors, of whom 5 shall be nominated by the Endowment Fund of the Schools of Queen Elizabeth the First, Barnet (registered charity number 10694946), 4 shall be nominated by The Friends of Queen Elizabeth's School (registered charity number 289174) and the remainder shall be drawn from the community served by the School;
- ♦ 5 parent Governors appointed or elected;
- ♦ 3 Staff Governors elected;
- ♦ Any co-opted Governors appointed;
- ♦ The Headmaster (ex officio);
- ♦ Any Additional Governors; and
- ♦ Any Further Governors.

Term of office

The term of office for any Governor shall be four years, save that this time limit shall not apply to the Headmaster.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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

From November 2020, the method of recruitment and appointment or election of Governors is as follows:

- ◆ 6 Governors appointed by the Members;
- ◆ 2 parent Governors elected or appointed;
- ◆ Any Staff Governors appointed;
- ◆ Up to 4 Community Governors appointed;
- ◆ Any co-opted Governors appointed;
- ◆ The Headmaster, if appointed by the Members;
- ◆ Any Additional Governors;
- ◆ Any Further Governors; and
- ◆ Any Co-opted Governors.

Staff Governors numbers cannot exceed one third of the total number of Governors.

Term of office

The term of office for any Governor remains as four years, save that this time limit shall not apply to the Headmaster.

Policies and procedures adopted for the induction and training of Governors

Upon their appointment, Governors are made aware of the ESFA's Governors' Handbook, along with copies of the School's policies and a selection of papers that bring them up to date with current business and with issues of major importance. Training opportunities are provided by external organisations including child protection training. During the year all Governors took part in on-line training for safeguarding. The National Governors Association skills audit was completed by Governors during the year.

Organisational structure

The organisational structure consists of three levels: the Governors, the Senior Leadership Team (SLT) and the Middle Leaders (Subject and Year Heads). The aim of the leadership and management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the School by the use of budgets and making major decisions about the direction of the School, capital expenditure and senior staff appointments.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

In the year to 31 August 2020 the SLT comprised:

Mr N Enright, Headmaster
Mrs E Aghdiran, Deputy Head Operations
Mrs A Macdonald, Deputy Head Academic
Mr D Ryan, Deputy Head Pastoral
Mr C Bonham-Carter, Assistant Head Pupil Involvement
Mr M Feven, Assistant Head Pupil Development
Dr S Westcott, Assistant Head Pupil Progress

Ms T O'Reilly was appointed Deputy Head Operations on 1 September 2020 when Mrs E Aghdiran relinquished day-to-day control of operations in anticipation of her forthcoming retirement, due on 31 December 2020.

These managers control the School at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group, the Senior Leadership Team is responsible for the authorisation of spending within agreed budgets. Some spending control is devolved to those with specific middle leadership roles, with limits above which a Senior Manager must countersign. The Governors devolve responsibility for staff appointments, other than those to the Senior Leadership Team, to the Headmaster.

Senior and Middle Leaders are responsible for the day to day operation of the School, in particular organising the teaching and support staff, facilities and pupils.

Governance

The Governing Body meets regularly and is advised by a range of sub committees which includes the Finance, Audit and Risk Committee, the Admissions Committee and the Salaries Committee.

The School is committed to exhibiting best practice in all aspects of corporate governance and its practices are consistent with the provisions of the Academies Financial Handbook and the Academies Accounts Direction 2019 to 2020. The Finance, Audit and Risk Committee of the Governing Body is responsible for the system of internal control operating within the School and for reviewing its effectiveness. Such a system can only provide reasonable, and not absolute, assurance against material misstatement or loss, and cannot eliminate business risk. The Finance, Audit and Risk Committee may identify areas for improvement in the system of internal control, based on reports and views from its own and other committees.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Arrangements for setting pay and remuneration of key management personnel

Key management personnel are considered to be the members of the Governing Body and the senior leadership team. No member of the Governing Body receives remuneration for their role of trustee. Staff governors receive remuneration from the School for their roles in the School itself. The Salaries Committee is responsible for setting remuneration of staff and in particular of the senior leadership team. In setting remuneration, the committee has regard to benchmarks of performance of individual staff and references national pay structures for teachers and other local government employees. The Governors employed an educational consultant, who is an experienced lead Ofsted inspector, to support them in reviewing the performance and remuneration of the Headmaster.

Trade union facility time

The Academy had no relevant union officials during the reporting period, and accordingly the disclosure required under the Trade Union (Facility Time Publication Requirements) Regulations 2017 is nil.

Related parties and other connected charities and organisations

There is a related, but wholly independent, charitable undertaking, The Friends of Queen Elizabeth's School (registered charity number 289174) which is the Parents' Association and it has a wholly owned subsidiary, FQE Enterprises Limited, which operates the School Shop. Details of the transactions with the school are shown in note 22 to the financial statements. A second wholly independent charity, The Endowment Fund Of The Schools Of Queen Elizabeth The First, Barnet (registered charity number 1069496), makes certain grants to pupils and the school for the furtherance of education.

OBJECTIVES AND ACTIVITIES

Objects

The School is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a selective school offering a broad and balanced curriculum.

Strategies and activities

The School's main strategy is encompassed in its mission statement which is 'to produce young men who are confident, able and responsible'. All who work at the School contribute to this objective by:

- ◆ Encouraging independence of thought and tailoring the learning experience to individual needs, thereby securing ever higher levels of achievement.
- ◆ Focusing the boys' attention on their own development and aspirations, both at the School and beyond.

OBJECTIVES AND ACTIVITIES (continued)

Strategies and activities (continued)

- ◆ Emphasising the importance of traditional values, working in partnership with parents to inculcate an attitude of tolerance, possession of good manners and pride in self-presentation.
- ◆ Promoting boys' general wellbeing and their enjoyment of learning, rewarding effort and celebrating success.
- ◆ Giving boys *progressive responsibilities* and encouraging their participation in worthwhile activities beyond the classroom.
- ◆ Developing boys' awareness that they achieve genuine fulfilment and greater benefit by seeking to make a contribution to society rather than pursuing only personal gain.
- ◆ Providing an inspiring learning environment, harnessing the benefits of technology and ensuring that the maximum time is devoted to core professional activities.

During the year ended 31 August 2020, the School's development activities continued to be centred around the School Priorities for Development 2016 to 2020, which was launched in September 2016. The principal elements of this framework are as follows.

Meeting academic challenges

Pupils thrive in classrooms where they are constantly challenged by the academic content, learning to persevere, to overcome failures and to enjoy the rewards that come from achieving ambitious academic goals. Teachers and pupils are engaged in a dialogue about achievement and learning which enables boys to reflect accurately on their progress, and to prioritise and plan for the next steps in their learning. Teacher feedback is diagnostic and pupils are expected to respond actively and positively. Pupils are directed and inspired to develop the skills and habits needed to become successful learners in a range of different contexts, both collaborative and independent. They are resilient, using their initiative to employ a range of coping strategies confidently in order to resolve difficulties in their academic work.

Benefiting from involvement

All elements of tutor time are used productively to engage pupils in a dynamic pastoral curriculum, enhance key skills, promote core values, build cultural awareness and encourage mutual respect. Pupils select from a rich and diverse programme of extra-curricular activities, undertaking them with enthusiasm and commitment. They are guided to make personalised choices which provide them with opportunities to develop their existing talents, widen their interests and stretch their capabilities. A prominent House system fosters a competitive spirit and strengthens bonds through team work. Pupils identify closely with being members of their House, taking on progressive responsibilities and contributing to the communities of which they are a part.

OBJECTIVES AND ACTIVITIES (continued)

Strategies and activities (continued)

Enhancing future prospects

A broad range of learning experiences allows pupils to become versatile and to consider future pathways with an open mind. Guidance and discussion gradually leads each pupil to self-awareness of his strengths, and to set aspirations which are realistically ambitious. The pursuit of a rigorous and demanding academic curriculum results in qualifications which put our pupils in the strongest possible position as they compete for places in the most prestigious national and international universities, and the most rewarding careers. In every aspect of School life, consistency of expectation and action enables our pupils to develop positive personal qualities and attitudes, and an understanding of the value which society places upon these.

Facilitating school progress

Staff, pupils and parents engage increasingly with technology which is adaptable to learning, pastoral and administrative contexts. Further automation brings procedural efficiencies which aid planning and communication, monitoring and reporting of pupil progress, and the promotion and celebration of our many enrichment activities. Enhancements to facilities for teaching and learning arise from the continued implementation of our estates strategy alongside refurbishment and upgrade of the existing buildings, and as our network and communications mechanisms become more sophisticated our digital infrastructure has the capacity to benefit from future technological advances. Best use is made of the financial resources which the School receives from Government grants, external donations and the generous support of Friends, parents and Old Elizabethans by ensuring that all areas of activity are delivered in the most cost-efficient manner.

Public benefit

The Governors acknowledge the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub sector guidance on public benefit. We have referred to this guidance when reviewing our aims, strategy and in planning future activities. All activities undertaken by School are for the public benefit.

The School is specifically restricted to advance, for the public benefit, education in the United Kingdom and reports annually on the ways in which it has successfully delivered in this regard.

STRATEGIC REPORT

Achievements and performance

Queen Elizabeth's is an ancient school founded in 1573. It was one of the first "converter" Academies on 1st September 2010. Total pupil numbers in the year ended 31 August 2020 were 1,262 (2019 – 1,245) and the School has a full complement in all year groups.

STRATEGIC REPORT (continued)

Achievements and performance (continued)

The 2020 public examinations were restructured following the cancellation of the summer sittings due to the pandemic. Pupils were ultimately awarded grades by the exam boards based on centre assessed grades. The School achieved excellent results, and did not experience any significant down grading. At GCSE 82.0% of Year 11 pupils were awarded levels 8 and 9 (the old A*), (78.7% in 2019). A total of 94.0% of GCSEs were awarded levels 7 to 9 (the old A* or A grades) (90.6% in 2019) and 98.9% of boys gained more than five levels 7 to 9 (the old A* or A grades), (98.3% in 2019). At A level, the proportion of A* - B grades was 99.2% (95.7% in 2019).

To ensure that standards are continually maintained, the School operates a programme of observation of lessons as part of its performance management system; undertakes a self-evaluation of each department's performance and progress against the improvement priorities; and subscribes to various analyses of its performance data to benchmark its performance against the performances of other organisations. The Governors employ an educational consultant, who is an experienced lead Ofsted inspector, to support them in reviewing the performance of the Headmaster.

Key performance indicators

- ◆ The School enjoys a national and local reputation for excellence and remains highly oversubscribed.
- ◆ Boys' achievements in Public Examinations are exceptional and the School's results rank amongst the very best of all schools nationally.
- ◆ Boys enjoy coming to School which is illustrated in the excellent attendance figures and high levels of participation in extra-curricular opportunities which serve to broaden their horizons.
- ◆ Most boys in the sixth form participate in voluntary work schemes that in turn support local charities, schools and hospitals.
- ◆ Boys enter competition on a national stage. This includes Mathematical challenges, Science Olympiads, Robotics challenges, National Schools Chess, Business and Economics competitions and Debating and Model United Nations Conferences.
- ◆ Almost all boys continue to go on to university. The focus remains on the most competitive courses at the most competitive universities. A higher proportion of pupils from the School go to Oxford or Cambridge than from any other state school in the country. In a typical year, 90% of those leaving after their A level studies take up a place on an undergraduate course at a Russell Group university.

STRATEGIC REPORT (continued)

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. The Trustees acknowledge and recognise the potential impact of the COVID-19 pandemic on the future operations of the academy trust and the impact it may have on income and expenditure. The Trustees closely monitor the position each month. Government grants, which comprise the major part of income are certain for the foreseeable future, as pupil numbers are fully expected to remain at current levels. Income from other sources such as lettings and catering has resumed and continues at levels consistent with the pre-Covid situation. The Trustees consider that the academy trust has free reserves sufficient to support future operations. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

The School's principal income is from the DfE in the form of recurrent, restricted grants. The grants received during the year ended 31 August 2020 and the associated expenditure are shown in the Statement of Financial Activities.

The School also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The School receives donations from the associated charity, The Friends of Queen Elizabeth's which the School has utilised to fund fixed asset additions and improvements.

During the year, the School has received grants from the Condition Improvement Fund (CIF) of the ESFA to help fund the construction of the Mayes Music block. This major project will result in a purpose-built music teaching block. Construction started in the summer and the building is expected to open towards the later part of 2021. The tender process and start of the building phase were only slightly delayed by the requirements to remain Covid-19 safe. The contractor and management remain confident that the build phase will be able to continue with very little disruption arising from the pandemic.

STRATEGIC REPORT (continued)

Financial review (continued)

During the year ended 31 August 2020 total expenditure of £9,565,000 (2019 – £9,241,000) was covered by recurrent grant funding from the Department for Education (DFE) together with other income. The total income for the year was £9,465,000 (2019 – £9,387,000) made up from: restricted fixed asset funds of £539,000 (2019 – £445,000); restricted general funds of £6,776,000 (2019 – £6,351,000) and unrestricted funds of £2,150,000 (2019 – £2,591,000).

At 31 August 2020 the net book value of fixed assets was £25,243,000 (2019 – £25,281,000). Movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the School. The buildings and land are owned by the School. Any alterations or improvements incurred by the School are shown as fixed assets.

The deficit in the Local Government Pension Scheme (LGPS) is recognised on the balance sheet in accordance with the provisions of FRS102 The Financial Reporting Standard. At 31 August 2020, the deficit stood at £2,162,000 (2019 – £2,062,000). The existence of the pension scheme deficit does not mean an immediate liability crystallises and is addressed over a series of years through pension contributions recommended by the pension scheme actuaries during subsequent triennial valuations of the scheme.

Reserves policy

The School has a rolling programme of improvements both to its physical and technological infrastructure. The School endeavours to manage the flow and efficiency of these capital projects through careful financial planning and considers that there is a need to maintain a level of reserves sufficient to meet these commitments. The School utilises funds developed from its own resources and from government grants and has also benefitted from grants from the Friends of Queen Elizabeth's charity. The trustees are particularly aware that both the School's own resources and the grant capacity of the charity are limited and plan carefully to ensure that commitments do not exceed likely available funds. The value of free reserves is £940,000 (2019 – £1,141,000). Details of the free reserves are shown in note 16 to the financial statements.

Investment policy

The Academy Trust's investments comprise of balances held in deposit accounts. The School aims to manage its cash balance to ensure that there is adequate working capital to support its day to day requirements. Surplus cash funds are invested by the School in order to optimise return whilst ensuring that there is no risk of loss in the capital value of the cash funds.

Principal risks and uncertainties

The principal goal for the School is to safeguard its long term ability to continue to attract high calibre staff and deliver an excellent education to academically able students, and to maintain and renew its physical facilities.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

The key uncertainty is the extent and impact of changes to Government funding and an uncertain economic climate and financial environment that puts pressure on enterprise and capital projects. This year, more than ever, the uncertainties surrounding the Covid-19 pandemic in the wider world will continue to dominate the situation for the School.

Risk management

The School recognises that it has a responsibility to minimise risk. Any risks to which the School may be exposed, as identified by the Headmaster and senior team, have been reviewed and systems have been established to mitigate these risks. The Finance, Audit and Risk Committee has implemented risk management processes, including maintaining a Risk Register. These processes include regular review and monitoring of key risks and the procedure adopted to mitigate them.

Financial and risk management policies

The main objective is to ensure the School operates within its allocated budget and settles its liabilities as they fall due. The current deficit on the LGPS, of which £2,162,000 (2019 – £2,062,000) has been apportioned to the School, does not crystallise immediately but the School ensures scheme contributions are paid as they fall due in line with those recommended by the pension scheme actuaries.

The actuaries of the scheme evaluated the fund as at 31 March 2019 and published their report in March 2020. They recommended contributions should continue at the relatively higher rate set at the previous valuation in order to mitigate the deficit. The trustees include the contributions within the budgets submitted to the ESFA as part of its annual application for GAG funding. The deficit is recognised on the balance sheet in accordance with FRS102.

In accordance with the School's statutes, the Governors and senior staff are responsible for the administration and management of the School's affairs. They are responsible for setting objectives and policies to ensure that:

- ◆ There is an effective system of internal control and that accounting records are properly kept;
- ◆ There are appropriate financial and management controls in place to safeguard the assets of the School and prevent and detect fraud; and
- ◆ The School secures economical, efficient and effective management of its resources and expenditure.

Fundraising

The School does no direct fundraising. The associated charity, The Friends of Queen Elizabeth's (FQE), raises funds which are donated by grant to the School as the Trustees of the Charity decide. FQE raises funds from only the wider School community of pupils, parents, friends, family and former pupils. It does not use any third parties to fundraise and limits its appeals to simple requests for donations through the Giving to QE covenant scheme.

STRATEGIC REPORT (continued)

Plans for future periods

In the immediate future, the focus of everyone at the School is to achieve the very best education within the exceptional constraints of the Covid-19 pandemic. The School has resumed full teaching operations on site from the start of the autumn term. The challenges of operating during the period of pandemic are continually considered by management and Trustees. As the situation has evolved, the School has prepared for the eventuality of moving to remote teaching. This has been needed on some limited occasions during the autumn term and has functioned effectively. Management has prepared contingency plans to allow the school to continue to function during possible wider lockdowns.

Looking beyond the pandemic, the Trustees consider the development of the facilities of the School to be high priority. This is evidenced by start of the construction phase of the Mayes Music block in summer 2020 and the expected completion by later 2021. This project will provide new music classrooms and practice rooms and expanded presentation spaces. The Trustees work closely with the Friends of Queen Elizabeth's charity to plan further funding for developments on the site.

Governors' indemnities

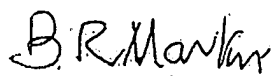
The School's insurers indemnify against any claims in respect of any civil liability and which arises out of the conduct of the insured in their personal capacity as a Director, Governor, Trustee or Officer of the School.

Auditors

In so far as the trustees are aware:

- ◆ there is no relevant audit information of which the charitable company's auditors are unaware, and
- ◆ The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 2 December 2020 and signed on its behalf by:



Barrie Martin

Chair of Trustees

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that the Queen Elizabeth's School, Barnet 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 board of trustees have delegated the day-to-day responsibility to the Headmaster, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Academy and the Secretary of State for Education. The Headmaster is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The board of trustees has formally met three times during the year, once each term. The trustees consider that as a single academy trust effective oversight of funds has been maintained by preparing monthly management accounts which are circulated to the Chairman and senior management and by circulating management accounts six times a year to all Governors.

Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Beard	3	3
Mr A Binstock	3	3
Mr M Bradish	3	3
Mr D Burton	3	3
Mr R Delves	2	3
Mr N Enright	3	3
Mr D Farrer	3	3
Mrs J Ferguson	3	3
Rev C Ferris (resigned 2 January 2020)	1	1
Mr N Gaskell	3	3
Mrs M Hooley	3	3
Mr E Houston	3	3
Mr D Lowen (appointed 31 October 2019)	3	3
Mrs A Macdonald	3	3
Mr B Martin (Chair of Trustees)	3	3
Dr C Martin	3	3
Mr C Price	1	3
Mr N Raval	3	3
Mrs P Reid (resigned 31 August 2020)	3	3
Dr V Wong (resigned 31 August 2020)	3	3

Governance (continued)

The Governing Body receives regular updates from the Headmaster and other senior staff on the progress and development of education in the School. The Governing Body has a number of sub-committees which report in detail about their work to the full meetings.

Governance review

The Governing Body has commenced an exercise to review its existing constitution, which has been in place since the creation of the Academy Trust, in the light of emerging sector best practice and pronouncements from the ESFA. An external review of governance was carried out in July 2019. The review found that the academy trust has a strong governance culture aimed at obtaining overall assurance. It recognised that a constitutional review was being planned and endorsed the approach to update the organisation, processes and documentation. The process is continuing in the current financial year with an objective of concluding on necessary changes by the next academic year.

The Finance, Audit and Risk Committee is a sub-committee of the main Governing Body. Its purpose is to be responsible for the system of internal financial control operating within the School and for reviewing its effectiveness.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr N Enright	4	4
Mr M Bradish	4	4
Mr N Gaskell (Committee Chair)	4	4
Mr B Martin	4	4
Mr C Price	3	4

Review of value for Money

Throughout the period of the Covid-19 pandemic and to date, the Trustees have applied the principles of Procurement Policy Note (PPN) 02/20 and PPN 04/20. The major provisions of these PPNs are to maintain wherever practicable the contracted capacity to operate the school. The school has continued to receive the full government grants and has continued in its turn to pay contractors and suppliers. The school immediately discussed the catering contract with the catering company with a view to maintaining capacity to re-open the dining locations as the situation changed. To this end, the school agreed to support the regular staff of the catering company by contributing to make up wages to full pay above the Coronavirus Job Retention Scheme levels. This was very successful, demonstrated by the re-opening of a full hot meals service when school reopened in September.

Other contractors for cleaning, site operations, security and grounds maintenance were also retained and paid during lockdown. This process ensured that the school estate was prepared and adjusted to handle effectively the return of boys, first in smaller cohorts in the summer term and then the whole school in September 2020.

Review of value for Money (continued)

As Accounting Officer, the Headmaster has responsibility for ensuring that the academy 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 the academy's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy has delivered improved value for money during the year by:

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Queen Elizabeth's School Barnet for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- ◆ regular reviews by the Finance, Audit and Risk 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;

The risk and control framework (continued)

- ♦ delegation of authority and segregation of duties;
- ♦ identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and decided:

- ♦ not to appoint an internal auditor. However the trustees have appointed Buzzacott LLP, the external auditor, to perform additional checks during the year ended 31 August 2020.

Buzzacott LLP's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. Since appointment, Buzzacott LLP reports to the board of trustees, through the Finance, Audit and Risk Committee on the operation of the systems of control, procurement procedures and on the discharge of the board of trustees' financial responsibilities.

Buzzacott LLP has delivered their schedule of work as planned since their appointment. No material control issues have arisen as a result of their work.

From 1 September 2020, the newly revised FRC Ethical Standard on Auditing does not allow the external auditor to perform internal audit functions. Accordingly, the Trustees are in the process of appointing an independent firm to carry out specific internal scrutiny assignments for the forthcoming financial year.

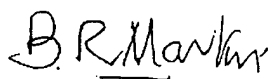
Review of effectiveness

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

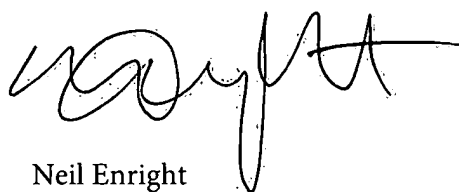
- ♦ the work of the external auditor;
- ♦ the financial management and governance self-assessment process;
- ♦ the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of trustees on 2 December 2020 and signed on their behalf by:



Barrie Martin
Chair of Trustees



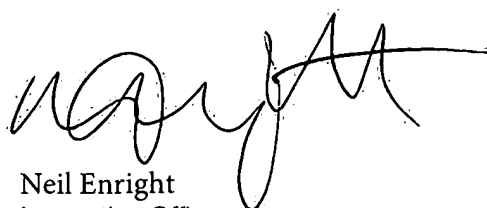
Neil Enright
Accounting Officer

Statement on regularity, propriety and compliance 31 August 2020

As Accounting Officer of Queen Elizabeth's School, Barnet, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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

A handwritten signature in black ink, appearing to read 'Neil Enright', with a long horizontal stroke extending to the right.

Neil Enright
Accounting Officer

2 December 2020

Statement of trustees' responsibilities 31 August 2020

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

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

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in the Charities' SORP 2015 and the Academies Accounts Direction 2019 to 2020;
- ♦ 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 Academy will continue in operation.

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

The trustees are responsible for ensuring that in its conduct and operation the Academy 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/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the Academy'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 board of trustees on 2 December 2020 and signed on its behalf by:

 Barrie Martin

Chair of trustees

Independent auditor's report to the members of Queen Elizabeth's School, Barnet

Opinion

We have audited the financial statements of Queen Elizabeth's School, Barnet (the 'academy') for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. 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 2019 to 2020.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the academy's affairs as at 31 August 2020 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2019 to 2020.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information (covers the Reference and Administrative Details, the Report of the Trustees and Strategic Report and the Governance Statement)

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report including the strategic report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Buzzacott LLP

7.12.2020

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

Independent reporting accountant's assurance report on regularity to Queen Elizabeth's School, Barnet and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 9 April 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Queen Elizabeth's School, Barnet during the period from 1 September 2019 to 31 August 2020 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 Queen Elizabeth's School, Barnet and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Queen Elizabeth's School, Barnet 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 Queen Elizabeth's School, Barnet and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Queen Elizabeth's School, Barnet's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of Queen Elizabeth's School, Barnet's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Approach (continued)

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



7.12.2020

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Statement of financial activities (including income and expenditure account) Year to 31 August 2020

	Notes	Unrestricted fund £000	Restricted £000	Restricted fixed asset fund £000	2020 Total funds £000	2019 Total funds £000
Income from:						
Donations and capital grants	1	658	19	539	1,216	1,079
Charitable activities:						
Funding for the academy trust's educational operations	2	1,283	6,757	—	8,040	8,033
Other trading activities	3	207	—	—	207	273
Investments	4	2	—	—	2	2
Total		2,150	6,776	539	9,465	9,387
Expenditure on:						
Raising funds	6	104	—	—	104	110
Charitable activities:						
Academy trust educational operations	5	1,111	7,724	626	9,461	9,131
Total		1,215	7,724	626	9,565	9,241
Net income (expenditure)		935	(948)	(87)	(100)	146
Transfers between funds	16	(1,136)	809	327	—	—
Other recognised gains and losses						
Actuarial losses on defined benefit pension scheme	21	—	39	—	39	(518)
Net movement in funds		(201)	(100)	240	(61)	(372)
Reconciliation of funds						
Total fund balances brought forward at 1 September 2019		1,141	(2,062)	25,397	24,476	24,767
Opening balance adjustment	24	—	—	—	—	81
Restated opening funds		1,141	(2,062)	25,397	24,476	24,848
Total fund balances carried forward at 31 August 2020		940	(2,162)	25,637	24,415	24,476

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

Balance sheet 31 August 2020

	Notes	2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Tangible fixed assets	12		<u>25,243</u>		<u>25,281</u>
Current assets					
Debtors	13	510		564	
Cash at bank and in hand		<u>1,438</u>		<u>1,486</u>	
		1,948		2,050	
Liabilities					
Creditors: amounts falling due within one year	14	<u>(592)</u>		<u>(750)</u>	
Net current assets			<u>1,356</u>		<u>1,300</u>
Total assets less current liabilities			<u>26,599</u>		<u>26,581</u>
Creditors: amounts falling due after more than one year	15		<u>(22)</u>		<u>(43)</u>
Net assets excluding pension scheme liability			<u>26,577</u>		<u>26,538</u>
Defined pension scheme liability	21		<u>(2,162)</u>		<u>(2,062)</u>
Total net assets			<u>24,415</u>		<u>24,476</u>
Funds of the Academy					
Restricted funds					
Restricted income funds	16		—		—
Restricted fixed asset funds	16		25,637		25,397
Pension reserve	16		<u>(2,162)</u>		<u>(2,062)</u>
Total restricted funds			<u>23,475</u>		<u>23,335</u>
Unrestricted income funds					
General fund	16		<u>940</u>		<u>1,141</u>
Total funds			<u>24,415</u>		<u>24,476</u>

The financial statements on page 28 to 53 were approved by the trustees, and authorised for issue on 2 December 2020 and are signed on their behalf by:



Barrie Martin

Chair of Trustees

Queen Elizabeth's School, Barnet
Company Limited by Guarantee
Registration Number: 07351253 (England and Wales)

Statement of cash flows Year to 31 August 2020

	2020 £000	2019 £000
Cash flows from operating activities		
Net cash provided by operating activities	20	645
Cash flows from investing activities	(47)	(345)
Cash flows from financing activities	(21)	—
Change in cash and cash equivalents in the year	(48)	300
Cash and cash equivalents at 1 September 2019	1,486	1,186
Cash and cash equivalents at 31 August 2020	1,438	1,486

A Reconciliation of net (expenditure) income to net cash provided by operating activities

	2020 £000	2019 £000
Net (expenditure) income for the year (as per the statement of financial activities)	(100)	146
Adjusted for:		
Depreciation charges	626	609
Capital grants from DfE and other capital income	(539)	(445)
Dividends, interest and rents from investments	(2)	(2)
Defined benefit pension scheme cost less contributions made	101	105
Defined benefit pension scheme finance cost	38	40
Decrease in debtors	54	90
(Decrease)/increase in creditors	(158)	102
Net cash provided by operating activities	20	645

B Cash flows from investing activities

	2020 £000	2019 £000
Dividends, interest and rents from investments	2	2
Purchase of tangible fixed assets	(588)	(792)
Capital grants from DfE/ESFA	539	445
Net cash (used in) provided by investing activities	(47)	(345)

C Cash flows from financing activities

	2020 £000	2019 £000
Repayment of borrowing	(21)	—
Net cash used in financing activities	(21)	—

Statement of cash flows Year to 31 August 2020

D Analysis of cash and cash equivalents

	2020 £000	2019 £000
Cash at bank and in hand	1,438	1,486
Total cash and cash equivalents	1,438	1,486

E Analysis of changes in net debt

	At 1 September 2019 £'000	Cash flows £'000	Other non-cash changes £'000	At 31 August 2020 £'000
Cash	1,486	(48)	—	1,438
	1,486	(48)	—	1,438
Loans falling due within one year	(22)	22	(22)	(22)
Loans falling due after more than one year	(43)	—	22	(21)
Total	1,421	(26)	—	1,395

Statement of accounting policies

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

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 (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern.

The Trustees acknowledge and recognise the potential impact of the COVID-19 pandemic on the future operations of the academy trust and the impact it may have on income and expenditure. The Trustees closely monitor the position each month. Government grants, which comprise the major part of income are certain for the foreseeable future, as pupil numbers are fully expected to remain at current levels. Income from other sources such as lettings and catering has resumed and continues at levels consistent with the pre-Covid situation. The Trustees consider that the academy trust has free reserves sufficient to support future operations.

The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Income (continued)

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.

The 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.

School trips and activities are included in unrestricted funds. Income is recognised when received. If income is received in advance of the trips and activities taking place, income is deferred and then released once the trip or activity is delivered.

Donations

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income

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

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. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure (continued)

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 stated net of recoverable VAT.

Tangible fixed assets and depreciation

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 incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

- | | |
|------------------------------------|--------------|
| ♦ Freehold buildings | 50 years |
| ♦ Fixtures, fittings and equipment | 4 years |
| ♦ Plant and equipment | 3 or 4 years |

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities incorporating Income and Expenditure Account.

Debtors

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

Cash at bank and in hand

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

Liabilities and provisions

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

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy 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

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

Pensions (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 academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy trust does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 23.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 2020. 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.

1 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Restricted fixed assets funds £000	2020 Total funds £000	2019 Total funds £000
Capital grants	—	—	539	539	445
Other Donations	658	19	—	677	634
2020 Total funds	658	19	539	1,216	1,079

	Unrestricted funds £000	Restricted funds £000	Restricted fixed assets funds £000	2019 Total funds £000
Capital grants	—	—	445	445
Other Donations	614	20	—	634
2019 Total funds	614	20	445	1,079

2 Funding for the academy's educational operations

	Unrestricted funds £000	Restricted funds £000	2020 Total funds £000	2019 Total funds £000
DfE / ESFA revenue grants				
· General Annual Grant (GAG)	—	6,206	6,206	6,165
· Other DfE / ESFA	—	450	450	160
		6,656	6,656	6,325
Other government grants				
· Local authority grants	—	6	6	6
	—	6	6	6
Exceptional government funding				
Coronavirus job retention scheme grant	—	49	49	—
Coronavirus exceptional support	—	46	46	—
	—	95	95	—
Other income from the academy's educational operations	1,283	—	1,283	1,702
2020 Total funds	1,283	6,757	8,040	8,033

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

- ♦ The academy furloughed some of its non-teaching support staff under the government's CJRS. The funding received of £49,000 relates to staff costs in respect of 8 staff which are included within note 9 below as appropriate.
- ♦ The funding received for coronavirus exceptional support covers £46,000 of premises-related expenditure made in order to enable the school to open in a Covid-safe manner. These costs are included in notes 5 and 7 below as appropriate.

2 Funding for the academy's educational operations (continued)

	<i>Unrestricted funds £000</i>	<i>Restricted funds £000</i>	<i>2019 Total funds £000</i>
<i>DfE / ESFA revenue grants</i>			
· <i>General Annual Grant (GAG)</i>	—	6,165	6,165
· <i>Other DfE / ESFA</i>	—	160	160
	<u>—</u>	<u>6,325</u>	<u>6,325</u>
<i>Other government grants</i>			
· <i>Local authority grants</i>	—	6	6
	<u>—</u>	<u>6</u>	<u>6</u>
<i>Other income from the academy's educational operations</i>	<u>1,702</u>	<u>—</u>	<u>1,702</u>
<i>2019 Total funds</i>	<u>1,702</u>	<u>6,331</u>	<u>8,033</u>

3 Other trading activities

	Unrestricted funds	
	2020 Total funds £000	2019 Total funds £000
Hire of facilities	148	221
Miscellaneous income	59	52
	<u>207</u>	<u>273</u>

4 Investment Income

	Unrestricted funds	
	2020 Total funds £000	2019 Total funds £000
Interest receivable	2	2
	<u>2</u>	<u>2</u>

Notes to the financial statements Year to 31 August 2020

5 Expenditure

	Non pay expenditure			2020	2019
	Staff costs £000	Premises £000	Other costs £000	Total funds £000	Total funds £000
Expenditure on raising funds (see note 6)					
· Direct Costs	—	21	60	81	86
· Support costs	13	7	3	23	24
Charitable activities (see note 7)					
· Academy's educational operations					
.. Direct costs	4,789	626	1,978	7,393	7,103
.. Allocated support costs	1,188	632	248	2,068	2,028
2020 Total funds	5,990	1,286	2,289	9,565	9,241

	Non pay expenditure			2019
	Staff costs £000	Premises £000	Other costs £000	Total funds £000
Expenditure on raising funds (see note 6)				
· Direct Costs	—	35	51	86
· Support costs	12	9	3	24
Charitable activities (see note 7)				
· Academy's educational operations				
.. Direct costs	4,355	609	2,139	7,103
.. Allocated support costs	1,028	765	235	2,028
2019 Total funds	5,395	1,418	2,428	9,241

This is stated after charging:

	2020 £000	2019 £000
Net income for the year includes:		
Depreciation of tangible fixed assets	626	609
Operating lease rentals	18	26
Auditor's remuneration		
· Audit	13	10
· Other services	5	4

6 Expenditure on raising funds

	Unrestricted funds	
	2020 Total funds £000	2019 Total funds £000
Maintenance of premises and equipment	36	35
Heat and light	35	39
Support staff costs	10	12
Allocated support costs	23	24
	104	110

7 Charitable activities - academy's educational operations

	2020 Total funds £000	2019 Total funds £000
Direct costs	7,393	7,103
Support costs		
Support staff pay costs	1,188	1,028
Premises costs	632	765
Other support costs	215	192
Legal costs	15	27
Governance	18	16
	2,068	2,028
	9,461	9,131

8 Comparative information

Analysis of income and expenditure in the year ended 31 August 2019 between restricted and unrestricted funds:

	Unrestricted fund £000	Restricted £000	Restricted fixed asset fund £000	2019 Total funds £000
Income from:				
Donations and capital grants	614	20	445	1,079
Charitable activities:				
Funding for the academy trust's educational operations	1,702	6,331	—	8,033
Other trading activities	273	—	—	273
Investments	2	—	—	2
Total	2,591	6,351	445	9,387
Expenditure on:				
Raising funds	110	—	—	110
Charitable activities:				
Academy trust educational operations	1,584	6,938	609	9,131
Total	1,694	6,938	609	9,241
Net income (expenditure)	897	(587)	(164)	146
Transfers between funds	(905)	442	463	—
Other recognised gains and losses				
Actuarial (losses) gains on defined benefit pension scheme	—	(518)	—	(518)
Net movement in funds	(8)	(663)	299	(372)
Reconciliation of funds				
Total fund balances brought forward at 1 September 2018	423	(430)	24,774	24,767
Opening balance adjustment	726	(969)	324	81
Restated opening funds	1,149	(1,399)	25,098	24,848
Total fund balances carried forward at 31 August 2019	1,141	(2,062)	25,397	24,476

9 Staff

(a) Staff costs

Staff costs during the year were:

	2020 Total funds £000	2019 Total funds £000
Wages and salaries	4,488	4,152
Social security costs	444	427
Pension costs	1,048	784
	5,980	5,363
Agency staff costs	10	32
	5,990	5,395

(b) Staff numbers

The average numbers of persons (including senior management team) employed by the Academy during the year was as follows:

Charitable activities	2020 No.	2019 No.
Teachers	80	78
Administration and support	32	31
Management	7	5
	119	114

(c) Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) fell within the following bands was:

	2020 No.	2019 No.
£60,001 - £70,000	2	2
£70,001 - £80,000	2	1
£80,001 - £90,000	—	1
£150,001 - £160,000	1	1

Four of the above employees participated in the Teachers' Pension Scheme. The other employee participated in the Local Government Pension Scheme.

(d) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £839,000 (2019 – £654,000).

10 Trustees' remuneration and expenses

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

	2020 £	2019 £
Mr N Enright (Headmaster and Governor)		
. Remuneration	155,000 – 160,000	155,000 – 160,000
. Employer's pension contributions	35,000 – 40,000	25,000 – 30,000
Mr C Price (Staff Governor)		
. Remuneration	25,000 – 30,000	85,000 – 90,000
. Employer's pension contributions	5,000 – 10,000	10,000 – 15,000
Mrs A Macdonald (Staff Governor)		
. Remuneration	65,000 – 70,000	60,000 – 65,000
. Employer's pension contributions	15,000 – 20,000	10,000 – 15,000
Mr D Burton (Staff Governor)		
. Remuneration	45,000 – 50,000	40,000 – 45,000
. Employer's pension contributions	0 – 5,000	0 – 5,000

During the year ended 31 August 2020, no travel and subsistence expenses (2019 – £nil) were reimbursed or paid directly to Trustees in their role as employees of the School.

Other related party transactions involving the trustees are set out in note 22.

11 Trustees' and Officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2020 was £5,000 (2019 – £5,000).

12 Tangible fixed assets

	Freehold land and building £'000	Furniture and fixtures £'000	Plant and equipment £'000	Assets under construction £'000	Total funds £'000
Cost/valuation					
At 1 September 2019	25,931	1,476	711	172	28,290
Additions	118	125	113	232	588
Disposals	—	—	(65)	—	(65)
At 31 August 2020	<u>26,049</u>	<u>1,601</u>	<u>759</u>	<u>404</u>	28,813
Depreciation					
At 1 September 2019	1,195	1,191	623	—	3,009
Charge in year	360	168	98	—	626
Disposals	—	—	(65)	—	(65)
At 31 August 2020	<u>1,555</u>	<u>1,359</u>	<u>656</u>	<u>—</u>	3,570
Net book value					
At 31 August 2020	<u>24,494</u>	<u>242</u>	<u>103</u>	<u>404</u>	25,243
At 31 August 2019	<u>24,736</u>	<u>285</u>	<u>88</u>	<u>172</u>	25,281

Included within freehold land and building is non-depreciated land of £8,195,000. The asset under construction represents the initial phases of the construction of the new Music block.

13 Debtors

	2020 £000	2019 £000
Trade debtors	33	8
VAT recoverable	61	77
Other debtors	278	320
Prepayments and accrued income	138	159
	<u>510</u>	<u>564</u>

14 Creditors: amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	8	2
Accruals and deferred income	563	726
ESFA creditor: loan under Condition Improvement Fund*	21	22
	<u>592</u>	<u>750</u>
Deferred income		
Deferred Income at 1 September 2019	284	280
Resources deferred in the year	284	284
Amounts released from previous years	(284)	(280)
Deferred Income at 31 August 2020	<u>284</u>	<u>284</u>

At the balance sheet date the Academy Trust was holding funds received in advance for trips and activities of £251,000 (2019 – £248,000) and lettings of £33,000 (2019 – £36,000).

15 Creditors: amounts falling due in greater than one year

	2020 £000	2019 £000
ESFA creditor: loan under Condition Improvement Fund*	22	43
	22	43

*A loan of £65,000 in respect of fire safety works in the main building was received in the year ended 31 August 2019 from the ESFA under the Condition Improvement Fund. This is repayable over three years commencing September 2019 at an interest rate of 1.45%.

16 Funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains & losses £000	Balance at 31 August 2020 £000
Restricted funds						
General Annual Grant (GAG)	—	6,206	(7,015)	809	—	—
Pupil Premium	—	45	(45)	—	—	—
Other ESFA	—	500	(500)	—	—	—
Other donations	—	19	(19)	—	—	—
Local authority	—	6	(6)	—	—	—
Pension reserve	(2,062)	—	(139)	—	39	(2,162)
	(2,062)	6,776	(7,724)	809	39	(2,162)
Restricted fixed asset funds						
Revaluation	1,074	—	—	—	—	1,074
DfE/ESFA capital grants	1,116	539	(42)	—	—	1,613
Capital expenditure from GAG	2,294	—	(58)	327	—	2,563
Private sector capital sponsorship	20,913	—	(526)	—	—	20,387
	25,397	539	(626)	327	—	25,637
Total restricted funds	23,335	7,315	(8,350)	1,136	39	23,475
Unrestricted funds						
General funds	297	1,115	(98)	(1,136)	—	178
Private fund	844	1,035	(1,117)	—	—	762
Total unrestricted funds	1,141	2,150	(1,215)	(1,136)	—	940
Total funds	24,476	9,465	(9,565)	—	39	24,415

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

Restricted funds and restricted fixed asset fund

- ◆ General Annual Grant (GAG) must be used for the normal running costs of the Academy.
- ◆ Pupil Premium grant must be used for the educational benefit of pupils.
- ◆ Other DfE/ESFA grants are made to fund teacher additional payroll and pension costs mandated by government in 2019 (£364,000), exceptional pandemic costs (£46,000) business rates charges (£32,000) and graduate teacher training (£9,000). These are expended on these specific matters.

16 Funds (continued)

- ◆ Other donations are grants for pupil travel.
- ◆ Local authority grants support pupils with education and health plans.
- ◆ The DfE/ESFA capital grants represents fixed asset funding for various capital projects, in particular the construction of the new Mayes Music block.
- ◆ Private sector capital sponsorship represents the transfer of the School's premises from the previous governing body of Queen Elizabeth's School at the time of converting to an academy in September 2010, funding from the Friends of Queen Elizabeth's School and from private school funds.

Unrestricted funds

- ◆ General fund relates to income and expenditure from all other unrestricted sources.
- ◆ Private Fund relates to income and expenditure from activities and trips which are not directly linked to the curriculum.

Comparative information

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

	As restated Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfer s in/out £000	Gains & losses £000	Balance at 31 August 2019 £000
Restricted funds						
General Annual Grant (GAG)	—	6,165	(6,607)	442	—	—
Pupil Premium	—	49	(49)	—	—	—
Other ESFA	—	111	(111)	—	—	—
Other donations	—	20	(20)	—	—	—
Local authority	—	6	(6)	—	—	—
Pension reserve	(1,399)	—	(145)	—	(518)	(2,062)
	<u>(1,399)</u>	<u>6,351</u>	<u>(6,938)</u>	<u>442</u>	<u>(518)</u>	<u>(2,062)</u>
Restricted fixed asset funds						
Revaluation	1,074	—	—	—	—	1,074
DfE/ESFA capital grants	699	445	(28)	—	—	1,116
Capital expenditure from GAG	1,887	—	(56)	463	—	2,294
Private sector capital sponsorship	21,438	—	(525)	—	—	20,913
	<u>25,098</u>	<u>445</u>	<u>(609)</u>	<u>463</u>	<u>—</u>	<u>25,397</u>
Total restricted funds	<u>23,699</u>	<u>6,796</u>	<u>(7,547)</u>	<u>905</u>	<u>(518)</u>	<u>23,335</u>
Unrestricted funds (as restated)						
General funds	423	1,261	(482)	(905)	—	297
Private fund	726	1,330	(1,212)	—	—	844
Total unrestricted funds	<u>1,149</u>	<u>2,591</u>	<u>(1,694)</u>	<u>(905)</u>	<u>—</u>	<u>1,141</u>
Total funds	<u>24,848</u>	<u>9,387</u>	<u>(9,241)</u>	<u>—</u>	<u>(518)</u>	<u>24,476</u>

17 Analysis of net assets between funds

	Unrestricted funds £000	Restricted General Funds £000	Restricted Fixed Asset Fund £000	Total 2020 £000	Total 2019 £000
Fund balances at 31 August 2020 are represented by:					
Tangible fixed assets	—	—	25,243	25,243	25,281
Current assets	940	614	394	1,948	2,050
Current liabilities	—	(592)	—	(592)	(750)
Non-current liabilities	—	(22)	—	(22)	(43)
Pension scheme liability	—	(2,162)	—	(2,162)	(2,062)
Total net assets	940	(2,162)	25,637	24,415	24,476

Comparative information

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

	Unrestricted funds £000	Restricted General Funds £000	Restricted Fixed Asset Fund £000	Total 2019 £000
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	—	—	25,281	25,281
Current assets	1,141	728	181	2,050
Current liabilities	—	(728)	(22)	(750)
Non-current liabilities	—	—	(43)	(43)
Pension scheme liability	—	(2,062)	—	(2,062)
Total net assets	1,141	(2,062)	25,397	24,476

18 Capital commitments

	2020 £000	2019 £000
Contracted for, but not provided in the financial statements	3,173	—

A letter of intent was exchanged August 2020 with the lead contractor for the construction of the Mayes Music block to commence, pending drawing up the formal contract. The full contract was signed in September 2020,

19 Commitments under operating leases

Operating leases

At 31 August 2020, the total of the Academy's future minimum lease payments under non-cancellable operating leases was as follows:

	2020 £000	2019 £000
Amounts due within one year	9	18
Amounts due between two and five years inclusive	4	12
	13	30

20 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.

21 Pension and similar obligations

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

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

Teachers' Pension Scheme

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

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- ♦ employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy) from 1 September 2019. Previously the contribution rate was 16.48%;
- ♦ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and
- ♦ the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

21 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme (continued)

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

The employer's pension costs paid to TPS in the period amounted to £802,000 (2019 – £530,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pension Scheme website](#).

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

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £192,000 (2019 – £194,000), of which employer's contributions totaled £145,000 (2019 – £149,000) and employees' contributions totaled £47,000 (2019 – £45,000). The agreed contribution rates for future years are 23.8% for employers and between 5.5% and 12.0% for employees.

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

	At 31 August 2020	At 31 August 2019
Principal Actuarial Assumptions		
Discount rate for scheme liabilities	1.70%	1.80%
Rate of increase in salaries	3.00%	2.60%
Rate of increase for pensions in payment / inflation	2.30%	2.30%

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

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	21.7	21.0
Females	24.0	23.3
<i>Retiring in 20 years</i>		
Males	22.9	22.3
Females	25.7	25.1

21 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

The Academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2020 £000	Fair value at 31 August 2019 £000
Equities	1,710	1,599
Cash	275	257
Debt instruments	916	914
Property	152	86
Total market value of assets	3,053	2,856

The actual return on scheme assets was £52,000 (2019 – £86,000).

Sensitivity analysis	2020 £000	2019 £000
Discount rate -0.5%	516	538
Salary increase rate of +0.5%	69	75
Pension increase rate of +0.5%	437	453

Amounts recognised in statement of financial activities	2020 £000	2019 £000
Current service cost	(294)	(241)
Past service cost	—	(16)
Interest income	53	73
Interest cost	(91)	(113)
Total amount recognised in the SOFA	(332)	(297)

Changes in the present value of defined benefit obligations were as follows:	2020 £000	2019 £000
At 1 September 2019	4,918	3,935
Current service cost	294	241
Past service cost	—	16
Interest cost	91	113
Employee contributions	47	45
Actuarial (gains) / losses	(73)	612
Benefits paid	(62)	(44)
At 31 August 2020	5,215	4,918

21 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Changes in the fair value of the Academy's share of scheme assets:	2020 £000	2019 £000
At 1 September 2019	2,856	2,536
Interest income	53	73
Actuarial (losses) / gains	(34)	94
Employer contributions	190	149
Employee contributions	47	45
Benefits paid	(62)	(44)
Contributions in respect of unfunded benefits	3	3
At 31 August 2020	3,053	2,856

The amount shown in the balance sheet comprises:	2020 £000	2019 £000
Closing defined benefit obligation	(5,215)	(4,918)
Closing fair value of scheme assets	3,053	2,856
Defined benefit pension scheme liability	(2,162)	(2,062)

22 Related party transactions

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

The following related party transaction took place in the period of account (certain trustees' remuneration and expenses are already disclosed in note 11).

During the academic year the following amounts were receivable from The Friends of Queen Elizabeth's School, in respect of:

	2020 £000	2019 £000
School minibus expenditure	19	20
Capital works around site	449	600
Grant for Covid-19 costs	200	—
Grant for specific archive project	10	—

Of this amount, £278,000 was received shortly after the year-end and is therefore included within debtors as at 31 August 2020 (2019 – £320,000).

22 Related party transactions (continued)

The School also collected monies and paid monies relating to the Founders Day Fete and other activities on behalf of the Friends. At 31 August 2020, £2,000 (2019 – £28,000) was owed from the School to the charity.

Transactions involving the School and FQE Enterprises Limited

During the financial year FQE Enterprises Limited, which operates the School's shop, collected monies of £16,000 (2019 – £18,000) which was paid over to the School. At the Balance Sheet date £1,000 (2019 – £2,000) was due to the school.

The School also received funds relating to salary costs and overheads paid by the school for Staff working in the FQE shop. This totals £52,000 (2019 – £50,000).

The Academy Trust conducted the above related party transactions in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with their financial regulations and procurement procedures.

23 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the academy trust received £17,000 and disbursed £17,000 from the fund. An amount of £nil is included in other creditors relating to undistributed funds repayable to ESFA.

Comparatives for the accounting period ending 31 August 2019 are £17,000 received, £17,000 disbursed and £nil included in other creditors.

24 Prior year adjustments

	Unrestricted funds £'000	Restricted funds £'000	Restricted fixed asset fund £'000	Total funds £'000
At 1 September 2017 as previously stated	972	(1,192)	24,617	24,397
Reclassification of private fund	334	(334)	—	—
Deferral of coach fees received in advance	(200)	—	—	(200)
Reversal of land incorrectly being depreciated	—	—	153	153
	134	(334)	153	(47)
At 1 September 2017 as restated	1,106	(1,526)	24,770	24,350
Net movement in funds as previously reported in 2017/18	(549)	762	157	370
Reclassification of private fund	635	(635)	—	—
Deferral of coach fees received in advance	(43)	—	—	(43)
Reversal of land incorrectly being depreciated	—	—	171	171
Net movement in funds as restated	43	127	328	498
At 31 August 2018 as restated	1,149	(1,399)	25,098	24,848

24 Prior year adjustments (continued)

The reclassification of the private fund reflects the correct treatment of activities and trips which are unrestricted in nature. The reclassification has been made in the 2016/17 closing position with the treatment for 2017/18 and 2018/19 following this approach.

Within the private fund, amounts relating to coach fees received in August for the forthcoming term have been deferred for the first time. The movement of £43,000 in 2017/18 and £5,000 in 2018/19 has been reflected in the statement of financial activities and its comparative.

Freehold land was incorrectly being depreciated since its revaluation in 2016 and a total of £334,000 was been reversed at the year ended 31 August 2019, of which £153,000 relates to 2016/17 and £171,000 to 2017/18.