

Hendon School

Annual Report and Financial Statements

31 August 2023

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



Contents

Reports

| | |
|--|----|
| Reference and administrative information | 1 |
| Governors' report | 3 |
| Governance statement | 15 |
| Statement on regularity, propriety and compliance | 22 |
| Statement of governors' responsibilities | 23 |
| Independent auditor's report on the financial statements | 24 |
| Independent reporting accountant's report on regularity | 29 |

Financial statements

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

Reference and administrative information

Members

F Ghaffari
D Gottler (appointed 1 November 2023)
A Leslie
S Mehigan
R Poole (appointed 1 November 2023)
L M Varley
A Yates (resigned 3 January 2023)

Governors

A Leslie +x
M Adimi (resigned 30 January 2023)
A Aeineh (resigned 20 January 2023)
S Ahmed (resigned 4 July 2023)
M Ajan (appointed 13 June 2023)
S Anand x (resigned 17 July 2023)
I Bailey +
B Baumgartner-Cohen
S Karmakar (appointed 13 June 2023)
S Kennard (appointed 13 June 2023)
G Lahiri (resigned 29 November 2022) x
P Maynard +x
R Mohammed (resigned 6 October 2023)
B Mylchreest +x
A Nazari (appointed 13 June 2023)
R Povey (Headteacher) x
A Rasheedi (appointed 3 January 2023)+
E Salim
J Smith x (resigned 23 January 2023)
N J Starling x
L M Varley +
R White (resigned 1 November 2022)
C York (resigned 13 June 2022)

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

Senior Leadership Team

Co-Headteachers

Rhona Povey

Craig McGuire (appointed 1 January 2023)

Deputy Heads

Jonathan Kamyra (resigned 31 December 2022)

Tamieka Sooknanan (appointed 1 September 2022)

Assistant Heads

Helen Langsam

Ron Spicer

Noelle Doona

Lisa O'Connor

Reference and administrative information

| | |
|------------------------------------|---|
| Assistant Heads | Esa Roman Rachel Thacker Kirsty Downing |
| Registered address | Golders Rise Hendon NW4 2HP |
| Company registration number | 07803827 (England and Wales) |
| Auditors | Moore Kingston Smith LLP 9 Appold Street London EC2A 2AP (External) Landau Baker a BKL Group Company 35 Ballards Lane London N3 1XW (Internal) |
| Bankers | National Westminster Bank plc 5 Central Circus London NW4 3LA |

Governors' report 31 August 2023

The governors of Hendon School ('the School') present their annual report together with the financial statements and the auditor's reports of the charitable company for the year to 31 August 2023. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies on pages 34 to 39 of the attached financial statements and comply with the Academy's Memorandum and Articles of Association, the Companies Act 2006, the Academies Accounts Direction 2022 to 2023, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounting in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

LONG-TERM IMPACT OF THE CORONAVIRUS PANDEMIC

Throughout 2022/23 the School has continued to be impacted by the world-wide coronavirus pandemic and the after effects. The pandemic has had a huge impact on the wellbeing and mental health of staff and students and this continues to be a focus for our community. The School has provided additional support to the whole community, including increasing the number of school counsellors and making more use of the Employee Assistance Programme. A number of tutoring programmes and subject interventions have helped to support students as they work to close educational gaps. The staff of Hendon School have shown true dedication and resilience in coping with the challenges and after effects of the global pandemic. The trustees are incredibly proud of the work that has been undertaken to minimise the impact on the continued longer-term education and well-being of the young people in our care.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Hendon School is a single, converter-academy school for pupils aged 11-18, serving the Barnet catchment area in North London. It became an academy in November 2011. The School roll at 31 August 2023 was 1,260 students, updated by the October 2023 census reporting 1,252. Of these, there were 57 higher needs students on the School roll at 31 August 2023 and 59 higher needs students in the October 2023 census. Higher needs students include: Special Education Needs (SEN) students, Provision for Deaf (PDS) Students and Hendon Autistic Resource Provision (HARP) students.

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

Details of governors who served throughout the period are included on page 4.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Members' liability

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

Principal activities

The principal activity of Hendon School is education. Hendon School is a vibrant community of students aged 11-18. The school is based in Hendon, North London and was rated 'Good' by Ofsted in May 2022.

Indemnity Provision

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

Governors

The governors (collectively referred to as the Governing Board) are directors of the charitable company for the purposes of the Companies Act 2006. The following governors were in office at 31 August 2023 and served throughout the year except where shown.

| Governor | Date of appointment | Date of resignation |
|-----------------------|---------------------|---------------------|
| M Adimi | | 30 January 2023 |
| A Aeineh | | 20 January 2023 |
| S Ahmed | | 4 July 2023 |
| M Ajan | 13 June 2023 | |
| S Anand | | 17 July 2023 |
| I Bailey | | |
| B Baumgartner-Cohen | | |
| S Karmakar | 13 June 2023 | |
| S Kennard | 13 June 2023 | |
| G Lahiri | | 29 November 2022 |
| A Leslie | | |
| P Maynard | | |
| R Mohammed | | 6 October 2023 |
| B Mylchreest | | |
| A Nazari | 13 June 2023 | |
| R Povey (Headteacher) | | |
| A Rasheedi | 3 January 2023 | |
| E Salim | | |
| J Smith | | 23 January 2023 |
| N J Starling | | |
| L M Varley | | |
| R White | | 1 November 2022 |

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of governors

In accordance with the Articles of Association, the Governing Board must be made of at least three governors, and with no upper limit. The Governing Board consists of up to 20 appointed governors; at least two parent governors and co-opted governors in accordance with Article 58. Governors are appointed by the Governing Board unless stated above.

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

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

Governors are provided with induction training and a wider programme of training events is organised according to needs. The Headteacher also invites governors to attend in-school training sessions and any other courses which may help to develop governor expertise in particular areas. The School appoints a serving governor as the governor training co-ordinator. For the year 2022/23 this was Ben Mylchreest.

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

Organisational structure

The day-to-day running of the School is undertaken by the Co-Headteachers, one of whom acts as Accounting Officer, and the Senior Leadership Team (SLT) who operate within the policies and procedures approved by the governors and based on guidance from the Department for Education (DfE). Major decisions in respect of significant expenditure and major capital projects continue to be referred to the governors for prior approval.

Arrangements for setting pay and remuneration of key management personnel

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trade union facility time

Relevant union officials

| Number of employees who were relevant union officials during the period | Full-time equivalent employee number |
|--|---|
| 4 | 3.1 |

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

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

Connected organisations, including related party relationships

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

OBJECTIVES AND ACTIVITIES

Objects and aims

The company's objects, as set out in the Memorandum and Articles of Association, are to advance for the public benefit education in the United Kingdom, in particular and without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Hendon School aims to create an environment enabling all students to achieve their potential. The school vision, adopted in 2015, has four broad values of: Believe, Achieve, Lead and Belong.

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

OBJECTIVES AND ACTIVITIES (continued)

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

Objectives, strategies and activities

This year there were five key aims:

- ◆ To support students to develop resilience;
- ◆ To provide additional training to staff so that they are all equally confident and expert in teaching the planned curriculum
- ◆ To increase opportunities for students and staff to be leaders
- ◆ To ensure that students are 'Ready, Respectful and Safe'.
- ◆ To improve HR systems and premises management.

In the last academic year, the School has worked exceptionally hard with students to maximise achievement and allow students in Year 13 to continue in education, training or the workplace. We are proud of the results that our students achieved during this academic year. The exceptional progress that our students make, can be evidenced in the outcomes from the externally sat examinations. Key Stage 4 students make progress above the national average and the progress for children identified as pupil premium is strong compared nationally to disadvantaged students and to all students. The analysis of schools' performance report compiled by the department for education has shown that progress at KS5 is also high.

At Hendon School we have a very strong sense of community both in how we work in school, but also in our links with other schools and organisations. We are the proud winners of the European TES award which has been received in recognition of our Smart Futures programme. This programme is delivered to the whole school and educates students beyond the curriculum in order to provide them with the knowledge and skills to thrive in adult life. This year our Mental Health Team have worked to lead a campaign to encourage all political parties to commit to providing a counsellor in every UK school. Before the pandemic our Mental Health Team ran an annual conference for 3 years, the only student-led mental health conference in the UK, and growing so big in its last year that it had to be held at Middlesex University and involved over 400 delegates. Students and staff have started to work with CitizensUK on a project to campaign for better conditions for asylum seekers in the local hotels, several of whom are part of the Hendon School community. Over the last three years our students have won 24 local, national and international awards for their commitment to community involvement.

OBJECTIVES AND ACTIVITIES (continued)

Hendon School is a popular school where Year 7 applicants are required to take a standardised national test to allow us to ensure a fully comprehensive intake. On the basis of the results of the test, applicants are placed in one of three bands for allocation in proportion to the students in each band (further detail regarding our admissions programme can be found on the School's website). Our inclusive school has two resourced provisions, providing outstanding support for students with special educational needs relating to Autism and for deaf students.

Sixth Form admissions

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

Public Benefit

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

STRATEGIC REPORT

Key financial performance indicators

| Key Performance Indicator | 1 Sept 2022 – 31 Aug 2023 | 1 Sept 2021 – 31 Aug 2022 |
|--|---------------------------|---------------------------|
| Cumulative surplus on unrestricted funds | £595,624 | £446,554 |
| Restricted general fund | £576,203 | £415,060 |
| Cash at bank and in hand | £2,159,736 | £1,368,153 |
| In year surplus / (deficit) before depreciation and actuarial gain on pensions and excluding capital grants and gains on investment assets | £614,317 | (£379,126) |
| Total Income | £12,211,112 | £10,604,615 |
| Staff income ratio (including FRS 102 pension adjustment, and unused holiday accrual, but excluding capital funding) | 77.3% | 86.4% |

Key financial targets for the coming year are to:

STRATEGIC REPORT (continued)

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

Financial review

Financial report for the year

Following the pandemic, additional funding received has been used to support tutoring and wider recovery for our students. Some of this funding was also used to support students for whom the biggest barrier to progress was their emotional, and mental health; students received intensive mentoring delivered by a number of different projects.

Considerable work has been undertaken to continue to upgrade premises to the standard needed for the effective continued education of our students. Despite this, careful planning and achieving good value for money has allowed the School to make a surplus in this academic year.

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

The majority of the School's income is obtained from the ESFA in the form of recurrent grant, the use of which is restricted to particular purposes. The grants received during the year ended 31 August 2023 and the associated expenditure, are shown as restricted funds in the Statement of Financial Activities.

The School's total income was £12,211,112 (2022 – £10,604,615) and the total expenditure was £10,866,590 (2022 – £11,036,311) for the year.

STRATEGIC REPORT (continued)

The year to 31 August 2023 saw an in-year surplus before transfers of £614,317 (2022 – £379,126 deficit) before capital income and depreciation, revaluation gains and actuarial gains on pensions, against a budgeted surplus of £3,872 (2022 – £2,835 surplus). This surplus includes an (£11,000 credit) interest and salary adjustment relating to the LGPS pension scheme (2022 – £574,000 expense) and an unused holiday accrual of £4,767 (2022 – £7,410). The capital income consists of £75,404 of Devolved Formula Capital Grant, £792,660 of CIF funding for the roof project and £398,078 of CIF funding for the Heating, Plant & Distribution Project. (2022 – Devolved Formula Capital Grant of £26,303 and £312,331 of CIF funding for the Safeguarding project and £102,293 of CIF funding for the Roof project).

The 2022/23 favourable variance from budget reflect additional grants received from the ESFA and the LGPS pension scheme adjustment, neither of which are included in the budget.

Looking to the future, the approved budget for the year to 31 August 2024 is for an in-year surplus of £5,434 before capital income, depreciation and the actuarial adjustment on the pension fund.

Financial position

On 31 August 2023, the School held total funds of £17,566,044 (2022 – £14,955,522) comprising £16,970,420 (2022 – £14,508,968) of restricted funds, including a pension surplus of £1,078,000 (2022 – £199,000 deficit), and a cumulative surplus on unrestricted funds of £595,624 (2022 – £446,554). The total funds excluding the pension surplus are £16,488,044 (2022 – £15,154,522).

At 31 August 2023, the net book value of fixed assets was £14,898,000 (2022 – £14,292,908) and movements in tangible assets are shown in note 10 to the financial statements. Other than after hours School lettings and tenancy lease agreements, the assets were used exclusively for promoting and providing education and the associated support services to students of the School.

Financial and risk management objectives and policies

Reserves policy

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

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

STRATEGIC REPORT (continued)

- ◆ A rolling nine-month cashflow forecast projection is maintained, indicating some level of expected monthly fluctuations arising from reliance upon quarterly payments for high needs and pupil premium, totalling approximately £1,000,000 per annum entitlement. These are typically paid quarterly in arrears. The cashflow forecast for the future nine months to May 2024 indicates a buffer above the £350,000 cash reserves policy.

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

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

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

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

Total funds at 31 August 2023 are £16,488,044 of which £15,892,420 are restricted and not available for general purposes. These comprised a restricted general fund of £576,204 (2022 – £415,060) and a restricted pension reserve holding a balance of £nil (2022 – £199,000 deficit). The pension reserve surplus/deficit is being managed by the Local Government Pension Scheme (LGPS) and is not directly under the control of the School. The restricted fund also includes a fixed assets fund totalling £15,316,216 (2022 – £14,292,908) which can only be realised by disposing of tangible fixed assets.

Unrestricted free reserves were therefore £595,624 at 31 August 2023 (2022 – £446,554). The GAG fund of £576,203 (2022 – £400,477), currently included in restricted general funds, can be applied to general educational purposes. The total reserves available are £1,590,043 including £418,216 of unspent CIF funding (2022 - £861,614), which is above the increased target level reserves of £350,000 stated above.

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

STRATEGIC REPORT (continued)

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

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

Investment policy

The School's liquid assets are held as cash balances, including a 95-day notice account and NatWest Treasury Reserve. The School does not invest these balances in other investment vehicles.

PRINCIPAL RISKS AND UNCERTAINTIES

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

The deficit in the Local Government Pension Scheme decreased by £1,277,000 in the year to create a surplus of £1,078,000 but there is continuing uncertainty in any defined benefit scheme of this type. Please refer to note 22 for more details.

Risk management

Hendon School trustees understand their responsibilities to ensure that the trust's estate is safe, well-maintained and complies with relevant regulations. Trustees consider the impact of risks to these responsibilities. The School has a formal risk management process in place to assess all risks and implement risk management strategies. The process, which is overseen and reviewed by the Governing Board on an annual basis, and the Audit Committee at least three times a year, reviews the types of risk the School faces. These risks are then assessed and prioritised in terms of their potential impact and the likelihood of occurrence. Where necessary, actions to mitigate the risks identified are put in place. The School Risk Register supporting the process, holds the details of these risks, the risk owners, risk ratings, and a summary of the mitigations. Key risks are assigned to the relevant Governor Committees to review at their meetings.

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

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

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

1. Difficulty in recruitment of teachers and wider school staff, also linking to a reliance on key staff

The school is planning to put in place a number of additional training opportunities, including support for the national professional qualifications in leadership (NPQs) and creating leadership secondment positions in the Autumn Term to develop leaders and create a more sustainable succession route. Early Career Teachers and trainees will be supported by subject specialist mentors and also by a Professional Tutor.

Risk factor – 20 (High).

Risk management (continued)

2. Increase in gang and knife culture outside of school affects student and staff safety and impacts school reputation

The changes in our wider community have reinforced the importance of our focus on personal education through our SMART Futures programme, assemblies and supportive form tutoring. This aims to equip our students with the skills to make effective decisions, particularly in difficult situations. The site security team and increased staff patrols at the end of the day around the local area will help to keep students safe. There is no tolerance of weapons in school.

Risk factor – 20 (High).

3. Internal critical incident plan unable to meet needs sufficiently well, especially in light of recent increases in cyber-crime targeting of school data

The School recognises the dangers and impact of a range of cyber activities. Cyber security is outsourced to an external IT company, but all staff and students must be aware of safe security practice. IT policy and processes in school are clear and shared with staff regularly. A working party is currently developing a wider critical incident policy to ensure that the School would react effectively to a range of incident scenarios.

Risk factor – 20 (High).

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

Although the expectation is that the funding from government and local authority will remain flat, increases in staff pay awards may result in a real term decrease. There are a number of inflationary pressures, especially linked to salaries and utilities, which will considerably impact on our future as a going concern. The school is considering a range of staff changes to be able to manage these pressures effectively,

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Risk factor – 20 (High).

FUNDRAISING

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

PLANS FOR FUTURE PERIODS

Whilst the pandemic is hopefully largely behind us, there remains a number of additional costs that the school has to cover in terms of health and safety and the impact that staff absences have on our supply budget. The School has increased student numbers this year and plans to maintain these in years 7 to 11 and to continue to try to grow sixth form numbers. There are also plans to further improve the upkeep and modernisation of old school buildings to allow the School to provide a comprehensive curriculum provision to students. Due to the complexities of running a school in a fast-paced, rapidly-changing environment, the school has learned to integrate its activities, continually update its plans, invest in staff skills development and keep communicating well with its stakeholders.

AUDITOR

In so far as the governors are aware:

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

The Governors' report, incorporating a strategic report was approved by order of the members of the Governing Board on 7 December 2023 and signed on its behalf by:


Chair of Governors
Date:

Governance statement 31 August 2023

Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Hendon School has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Governing Board have delegated the day-to-day responsibility of running the school to the Headteacher and, as Accounting Officer, the Headteacher has responsibility for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the School and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Governing Board any material weaknesses, or breakdowns in internal control.

Governance

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

| Governor | Meetings attended | Out of a possible |
|---------------------------------------|--------------------------|--------------------------|
| M Adimi (resigned 30 January 2023) | 1 | 2 |
| A Aeineh (resigned 20 January 2023) | 1 | 2 |
| S Ahmed (resigned 4 July 2023) | 0 | 3 |
| M Ajan (appointed 13 June 2023) | 0 | 1 |
| S Anand (resigned 17 July 2023) | 0 | 4 |
| I Bailey | 3 | 4 |
| B Baumgartner-Cohen | 4 | 4 |
| S Karmakar (appointed 13 June 2023) | 0 | 1 |
| S Kennard (appointed 13 June 2023) | 1 | 1 |
| G Lahiri (resigned 29 November 2022) | 1 | 1 |
| A Leslie | 4 | 4 |
| P Maynard | 3 | 4 |
| R Mohammed (resigned 6 October 2023) | 1 | 4 |
| B Mylchreest | 3 | 4 |
| A Nazari (appointed 13 June 2023) | 1 | 1 |
| R Povey (Headteacher) | 4 | 4 |
| A Rasheedi (appointed 3 January 2023) | 2 | 2 |
| E Salim | 3 | 4 |
| J Smith (resigned 23 January 2023) | 0 | 2 |
| N J Starling | 2 | 4 |
| L M Varley | 3 | 4 |

Governance statement 31 August 2023

Governance (continued)

The Board maintains effective oversight over the Trust's finances by meeting four times per year and reviewing the reports of its dedicated Finance and General Purposes and Audit Committees. During the last academic year some Governing Board and Committee meetings were held remotely using Microsoft Teams. This allowed the Board to maintain its agreed meeting cycle and ensured that it was able to maintain oversight of the Trust's finances and provide challenge and support to school leaders. Moving forward the Board will continue to use a mixed model of virtual and face to face meetings.

Governance Review

The Governing Board carried out an annual self-evaluation of its performance and effectiveness. This was shared and discussed as part of the Governor Strategy Days in November 2022 and June 2023. The Governing Board also undertook both a skills audit and training needs analysis co-ordinated by the link Governor for Training and Development. The results were reviewed and are being used to steer future Governor recruitment and training.

Finance and General Purposes

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

| Governor | Meetings attended | Out of a possible |
|--------------|-------------------|-------------------|
| S Anand | 0 | 3 |
| A Leslie | 2 | 3 |
| P Maynard | 2 | 3 |
| B Mylchreest | 3 | 3 |
| R Povey | 3 | 3 |
| J Smith | 0 | 1 |
| N J Starling | 3 | 3 |

Audit

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

| Governor | Meetings attended | Out of a possible |
|--------------------------------------|-------------------|-------------------|
| I Bailey | 1 | 3 |
| A Leslie | 2 | 3 |
| P Maynard | 3 | 3 |
| B Mylchreest | 3 | 3 |
| A Rasheedi | 1 | 1 |
| L Varley | 3 | 3 |
| R Povey (Headteacher, in attendance) | 3 | 3 |

Review of Value for Money

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

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

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

(1) Financial governance and oversight

Through the provision of more accurate and timely financial data and analysis, decision making on spending proposals has been made more effective. Time was also spent developing the detail of financial operating plans for the next three years, modelling planned changes, dependencies, assumptions and potential initiatives to manage change. Advice given by a DfE advisor, through the SRMA programme was shared, considered and acted upon.

(2) Estate Management and Compliance

The School has developed a more robust system of works prioritisation, both in terms of maintenance and development of the estate. Estate compliance has been supported through an outside agency to guarantee appropriate specialist knowledge and inform effective decision making. The School has used CIF funding to tackle larger projects such as the replacement of the roof in the old block, and the re-arrangement of the front entrance to ensure site security.

(3) Improved procurement (cost and quality improvements)

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

(4) Reviewing controls and managing risks

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

Governance statement 31 August 2023

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

Review of Value for Money (continued)

(5) Cost reviews

Pre- and post-academy conversion date, Hendon School has operated with a high staff / income ratio, with staff costs being by far the largest School operating cost. This reflected the desire to focus resource on teaching standards and the educational benefit for pupils. It also reflects the support provided through two additional resources provision for deaf students and for those with autism. It has, however, meant insufficient cash reserves were accumulated for necessary capital investment in IT and premises infrastructure, on a rolling-investment basis, causing premises repair and maintenance costs to rise unduly.

With likely ESFA 'flat funding' per student in future, coupled with staff pay rises and relatively low staff turnover levels ongoing cost reviews remain a necessary component in achieving financial sustainability.

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

Internal control

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

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the School's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place at Hendon School for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Board and its Committees have reviewed the key risks to which the School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the School's significant risks that has been in place for the year ended 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Board and further details of the principal risks are given on page 12.

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

The risk and control framework

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

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

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

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

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

Governance statement 31 August 2023

- ◆ identification and management of risks; and
- ◆ declaration of member conflicts of interest.

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

- ◆ Review of the ICT procedures
- ◆ Review of Governance procedures
- ◆ Standard Tests for Internal Scrutiny

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

The recommendations from the internal audit are:

- ◆ The academy recruits another member, to conform with ESFA guideline.

Managing conflict of interest

Our Conflict of Interest Policy is reviewed annually and was last updated and approved by the Governing Board in March 2022. It is going to be reviewed in November 2023. Hendon School maintains an up-to-date and complete register of interests; this is completed annually and should circumstances change, by all Senior Leaders and Governors of Hendon School. Interests are reviewed after submission by the Headteacher and the Chair of Governors to ensure that any conflicts are recognised and controlled. There have been no conflicts of interests that have been relevant to decision making or the purchase of goods or services in the academic year 2022/2023.

Review of effectiveness

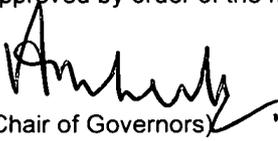
As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal controls. During the year in question, the review has been informed by:

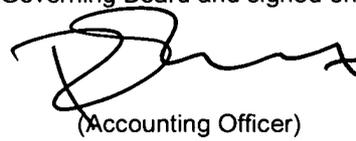
- ◆ the work of the external auditor;
- ◆ the additional internal control checks completed by the external auditor;
- ◆ an internal review of compliance with internal policies and The Academy Trust Handbook; and
- ◆ the work of the Senior Leadership Team who have responsibility for the development and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

Governance statement 31 August 2023

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

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


(Chair of Governors)


(Accounting Officer)

R. POVEY

Approved on:

7/12/23

Statement on regularity, propriety and compliance 31 August 2023

As Accounting Officer of Hendon School, I have considered my responsibility to notify the academy trust Governing Board and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the academy trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the academy trust Governing Board are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2022.

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



Accounting Officer

Date: 7/12/23

Statement of governors' responsibilities 31 August 2023

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

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP 2015 and the Academies Accounts Direction 2022 to 2023;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School will continue in operation.

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

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

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

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



Chair of Governors

Date:

7/12/23

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

Opinion

We have audited the financial statements of Hendon School (the 'charitable company') for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP 2015) and the Academies Accounts Direction 2022 to 2023.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the academy trust's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Academies Accounts Direction 2022 to 2023 issued by the ESFA.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act

Independent auditor's report on the financial statements 31 August 2023

2006 requires us to report to you if, in our opinion:adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

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

Responsibilities of governors

As explained more fully in the governors' responsibilities statement set out on page 23, the governors (who are also the directors for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- ◆ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent auditor's report on the financial statements 31 August 2023

- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the academy trust's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- ◆ Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Our approach was as follows:

- ◆ We obtained an understanding of the legal and regulatory requirements applicable to the academy trust and considered that the most significant are the Companies Act 2006, the Charity SORP, and UK financial reporting standards as issued by the

Independent auditor's report on the financial statements 31 August 2023

Financial Reporting Council.

- ◆ We obtained an understanding of how the academy trust complies with these requirements by discussions with management and those charged with governance.
- ◆ We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- ◆ We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- ◆ Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

Use of our report

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

Moore Kingston Smith LLP

Shivani Kothari (Senior Statutory Auditor)

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

Date: 13 December 2023

9 Appold Street
London
EC2A 2AP

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

In accordance with the terms of our engagement letter dated 17 March 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hendon School during the period from 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Hendon School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Hendon School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Hendon School and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of Hendon School's funding agreement with the Secretary of State for Education and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 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 2022 to 2023 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

Notes to the Financial Statements Year to 31 August 2023

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

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, nothing else has come to our attention which suggests that in all material respects, the expenditure disbursed and income received during the period from 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Moore Kingston Smith LLP

Shivani Kothari (Senior Statutory Auditor)

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

Date: 13 December 2023

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

Hendon School

**Statement of Financial Activities
for the year ended 31 August 2023
(including Income and Expenditure account)**

| | Notes | Unrestricted Funds | Restricted General Funds | Restricted Fixed Asset Funds | 2022/23 | 2021/22 |
|---|-------|-----------------------|--------------------------------|------------------------------------|-------------------|-------------------|
| | | £ | £ | £ | £ | £ |
| Income and endowments from: | | | | | | |
| Donations and capital grants | 1 | 50,794 | 5,975 | 1,266,142 | 1,322,911 | 476,507 |
| Charitable activities: | | | | | | |
| Funding for the academy trust's educational operations | 2 | 162,664 | 10,662,033 | - | 10,824,697 | 10,094,283 |
| Other trading activities | 3 | 36,927 | - | - | 36,927 | 32,086 |
| Investments | 4 | 26,577 | - | - | 26,577 | 1,739 |
| Total | | 276,962 | 10,668,008 | 1,266,142 | 12,211,112 | 10,604,615 |
| Expenditure on: | | | | | | |
| Charitable activities: | | | | | | |
| Academy trust educational operations | 6 | 127,892 | 10,202,761 | 535,937 | 10,866,590 | 11,036,311 |
| Total | | 127,892 | 10,202,761 | 535,937 | 10,866,590 | 11,036,311 |
| Net income / (expenditure) | | 149,070 | 465,247 | 730,205 | 1,344,522 | (431,696) |
| Transfers between funds | 14 | - | (293,103) | 293,103 | - | - |
| Other recognised gains / (losses) | | | | | | |
| Actuarial gains (losses) on defined benefit pension schemes | 19 | - | 188,000 | - | 188,000 | 4,426,000 |
| Net movement in funds | | 149,070 | 360,144 | 1,023,308 | 1,532,522 | 3,994,304 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | 446,554 | 216,060 | 14,292,908 | 14,955,522 | 10,961,218 |
| Total funds carried forward | | 595,624 | 576,204 | 15,316,216 | 16,488,044 | 14,955,522 |

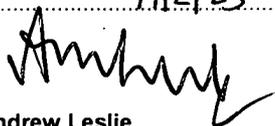
All of the Academy's activities derived from continuing operations during the above two financial years.
All recognised gains and losses are included in the Statement of Financial Activities.

Hendon School

Balance Sheet
as at 31 August 2023

| | Notes | 2023 £ | 2023 £ | 2022 £ | 2022 £ |
|---|-------|------------------|-------------------|------------------|-------------------|
| Fixed assets | | | | | |
| Tangible assets | 10 | | 14,898,000 | | 14,292,908 |
| Current assets | | | | | |
| Debtors | 11 | 343,629 | | 436,178 | |
| Cash at bank and in hand | | <u>2,159,734</u> | | <u>1,368,153</u> | |
| | | 2,503,363 | | 1,804,331 | |
| Liabilities | | | | | |
| Creditors: Amounts falling due within one year | 12 | <u>(893,948)</u> | | <u>(915,080)</u> | |
| Net current assets | | | 1,609,415 | | 889,251 |
| Total assets less current liabilities | | | | | |
| | | | 16,507,415 | | 15,182,159 |
| Creditors: Amounts falling due after more than one year | 13 | | <u>(19,371)</u> | | <u>(27,637)</u> |
| Net assets excluding pension scheme liability | | | 16,488,044 | | 15,154,522 |
| Defined benefit pension scheme liability | 19 | | <u>-</u> | | <u>(199,000)</u> |
| Total net assets | | | 16,488,044 | | 14,955,522 |
| Funds of the Academy | | | | | |
| Restricted funds | | | | | |
| Fixed asset fund | 14 | | 15,316,216 | | 14,292,908 |
| Restricted income fund | 14 | | 576,204 | | 415,060 |
| Pension reserve | 14 | | - | | (199,000) |
| Total restricted funds | | | 15,892,420 | | 14,508,968 |
| Unrestricted income funds | | | | | |
| General fund | 14 | | 595,624 | | 446,554 |
| Total funds | | | 16,488,044 | | 14,955,522 |

The financial statements on pages 31 to 55 were approved by the governors, and authorised for issue on 7/12/23 and are signed on their behalf by:



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

Hendon School

**Statement of Cash Flows
for the year ended 31 August 2023**

| | Notes | 2023 £ | 2022 £ |
|--|-------|------------------|------------------|
| Net cash inflow from operating activities | | | |
| Net cash provided by (used in) operating activities | 22 | 648,156 | 159,766 |
| Cash flows from financing activities | 22 | (8,265) | (16,602) |
| Cash flows from investing activities | 22 | 151,690 | (178,660) |
| | | <u>791,581</u> | <u>(35,496)</u> |
| Change in cash and cash equivalents in the year | | | |
| Reconciliation of net cash flow to movement in net funds: | | | |
| Cash and cash equivalents at 1 September 2022 | | 1,368,153 | 1,403,648 |
| | | <u>2,159,734</u> | <u>1,368,153</u> |
| Cash and cash equivalents at 31 August 2023 | | | |

Notes to the Financial Statements Year to 31 August 2023

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

Going concern

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

The Governors have confidence in the ability of the School to operate within budget for 2023/24 and going forwards to make the necessary adjustments to spending to continue to operate within a balanced budget in the future. These projections are based on prudent assumptions regarding income and expenditure. However, the Governors understand the continued financial pressure experienced in the sector at this moment, and the uncertainty about whether Government commitments will be sufficient to enable the School to continue to operate as it does today in the longer term.

Notes to the Financial Statements Year to 31 August 2023

Income

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

◆ **Grants**

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

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

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

◆ **Donations**

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

◆ **Other Income**

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

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity.

◆ **Charitable Activities**

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

All expenditure is inclusive of irrecoverable VAT.

Notes to the Financial Statements Year to 31 August 2023

Tangible fixed assets

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

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

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

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

Depreciation is charged from the month of acquisition.

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

Debtors

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

Cash at bank and in hand

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

Notes to the Financial Statements Year to 31 August 2023

Liabilities

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

Leased assets

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

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

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

Taxation

The School is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the School is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions benefits

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

Pensions benefits (continued)

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

The LGPS is a funded scheme and the assets are held separately from those of the School in separate governor administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and areas of judgement (continued)

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.

Local Government Pension Scheme

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 23, 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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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.

The ultimate responsibility for setting the assumptions is that of the academy trust, as the employer, however each year the LGPS actuary proposes a standard set of assumptions as part of the valuation exercise, using their expert opinion, and which comply with the accounting requirements. The academy trust has, in practice with most employers, adopted the recommended actuarial assumptions.

One of the key assumptions is the discount rate, which is the estimated rate of long-term investment returns. This year the discount rate of 5.2% is higher than the rate of 4.25% used in the prior year as the bond yield at 31 August 2023 is higher at all terms than at 31 August 2022. Since a higher discount rate means the present value of liabilities is lower, this results in lower overall net liabilities.

Demographic assumptions have been adopted in line with those used in the most recent actuarial valuation as at 31 March 2022, with the exception of an update of the CMI 'Continuous Mortality Investigation' projection model, which has been based on the more recently published updated standard mortality projections model 'CMI_2022', which has been used as the basis for mortality assumptions. Updating the future improvements model to the CMI 2022 model has reduced assumed life expectancies which results in an improve to the balance sheet position.

Hendon School

Notes to the financial statements
for the year ended 31 August 2023

1 Donations and capital grants

| | Unrestricted Funds £ | Restricted General Funds £ | Restricted Fixed Assets Funds £ | 2023 Total Funds £ | 2022 Total Funds £ |
|----------------------|----------------------------|-------------------------------------|---|-----------------------------|-----------------------------|
| Capital grants | - | - | 1,266,142 | 1,266,142 | 440,927 |
| Donated fixed assets | - | - | - | - | 23,661 |
| Other donations | 50,794 | 5,975 | - | 56,769 | 11,919 |
| | <u>50,794</u> | <u>5,975</u> | <u>1,266,142</u> | <u>1,322,911</u> | <u>476,507</u> |

2 Funding for the Academy Trust's educational operations

| | Unrestricted Funds £ | Restricted Funds £ | 2023 Total Funds £ | 2022 Total Funds £ |
|---|----------------------------|--------------------------|-----------------------------|-----------------------------|
| DfE / ESFA grants | | | | |
| General Annual Grant (GAG) | - | 8,621,987 | 8,621,987 | 8,088,431 |
| Other DfE / ESFA grants | | | | |
| Pupil Premium | - | 464,211 | 464,211 | 452,562 |
| Others | - | 419,827 | 419,827 | 175,540 |
| | <u>-</u> | <u>9,506,025</u> | <u>9,506,025</u> | <u>8,716,533</u> |
| Other grants | | | | |
| Local authority grants | - | 872,177 | 872,177 | 997,053 |
| Other Grant income | - | 65,544 | 65,544 | 102,186 |
| | <u>-</u> | <u>937,721</u> | <u>937,721</u> | <u>1,099,239</u> |
| Other income from the academy trust's educational operations | | | | |
| Music Income | 5,859 | - | 5,859 | 4,866 |
| Trip Income | 74,468 | - | 74,468 | 27,414 |
| Exam Fees | 48,245 | - | 48,245 | 46,665 |
| Other income | 34,092 | - | 34,092 | 31,044 |
| | <u>162,664</u> | <u>-</u> | <u>162,664</u> | <u>109,989</u> |
| COVID-19 additional funding (DfE/ESFA) | | | | |
| Catch-up premium | - | 142,534 | 142,534 | 69,933 |
| School Led Tutoring | - | 75,753 | 75,753 | 75,398 |
| 19 funding | - | - | - | 23,191 |
| | <u>-</u> | <u>218,287</u> | <u>218,287</u> | <u>168,522</u> |
| COVID-19 additional funding (non-DfE/ESFA) | | | | |
| Other COVID-19 funding | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 2023 Total Funds | <u>162,664</u> | <u>10,662,033</u> | <u>10,824,697</u> | <u>10,094,283</u> |

Hendon School

Notes to the financial statements
for the year ended 31 August 2023

3 Other trading activities

| | Unrestricted Funds £ | Restricted Funds £ | 2023 Total Funds £ | 2022 Total Funds £ |
|--|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Hire of facilities/ lettings income | 36,927 | - | 36,927 | 28,658 |
| Graduate training income | - | - | - | 3,428 |
| | <u>36,927</u> | <u>-</u> | <u>36,927</u> | <u>32,086</u> |

4 Investment income

| | Unrestricted Funds £'000 | Restricted Funds £'000 | 2023 Total Funds £ | 2022 Total Funds £ |
|---------------------|--------------------------------|------------------------------|-----------------------------|-----------------------------|
| Short term deposits | 26,577 | - | 26,577 | 1,739 |
| | <u>26,577</u> | <u>-</u> | <u>26,577</u> | <u>1,739</u> |

Hendon School

Notes to the financial statements
for the year ended 31 August 2023

5 Expenditure

| | Staff costs £ | Premises £ | Other £ | 2023 Total Funds £ | 2022 Total Funds £ |
|--|---------------------|------------------|------------------|-----------------------------|-----------------------------|
| Charitable activities | | | | | |
| Academy's educational operations: | | | | | |
| Direct costs | 7,216,659 | 535,937 | 495,131 | 8,247,727 | 7,914,386 |
| Allocated support costs | 1,246,345 | 744,381 | 628,137 | 2,618,863 | 3,121,925 |
| Teaching school | - | - | - | - | - |
| | <u>8,463,004</u> | <u>1,280,318</u> | <u>1,123,268</u> | <u>10,866,590</u> | <u>11,036,311</u> |
| Net income / (expenditure) for the year includes: | | | | | |
| Operating lease rentals | | | | 19,772 | 19,772 |
| Depreciation | | | | 535,937 | 493,497 |
| Fees payable to auditor for Audit | | | | 12,600 | 11,700 |
| Other services | | | | 2,175 | 1,950 |

6 Charitable activities

| | 2023 Total Funds £ | 2022 Total Funds £ |
|---|-----------------------------|-----------------------------|
| Direct costs - educational operations | 8,247,727 | 7,914,386 |
| Support costs - educational operations | 2,618,863 | 3,121,925 |
| | <u>10,866,590</u> | <u>11,036,311</u> |
| Analysis of support costs | | |
| Support staff costs | 1,246,345 | 1,825,609 |
| Technology costs | 191,669 | 259,638 |
| Premises costs | 744,381 | 559,799 |
| Legal costs - other | 8,992 | 1,710 |
| Other support costs | 401,482 | 451,854 |
| Governance costs | 25,994 | 23,315 |
| Total support costs | <u>2,618,863</u> | <u>3,121,925</u> |

Hendon School

Notes to the financial statements
for the year ended 31 August 2023

7 Staff

(a) Staff costs

Staff costs during the period were:

| | 2023 Total Funds £ | 2022 Total Funds £ |
|--|-----------------------------|-----------------------------|
| Wages and salaries | 5,925,434 | 5,742,722 |
| Social security costs | 639,089 | 623,003 |
| Operating costs of defined benefit pension schemes | 1,228,603 | 1,727,123 |
| | <u>7,793,126</u> | <u>8,092,848</u> |
| Supply staff costs | 669,878 | 675,862 |
| Staff restructuring costs | - | 12,956 |
| | <u>8,463,004</u> | <u>8,781,666</u> |
| Staff restructuring costs comprise: | | |
| Redundancy payments | - | 12,956 |
| | <u>-</u> | <u>12,956</u> |

(b) Staff numbers

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

| | 2023 No. | 2022 No. |
|----------------------------|--------------|--------------|
| Teachers | 92 | 91 |
| Administration and support | 75 | 84 |
| Management | 3 | 3 |
| | <u>170</u> | <u>178</u> |
| | 2023 FTE. | 2022 FTE. |
| Teachers | 83 | 83 |
| Administration and support | 50 | 54 |
| Management | 3 | 3 |
| | <u>136</u> | <u>140</u> |

(c) Higher paid staff

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

| | 2023 No. | 2022 No. |
|---------------------|-------------|-------------|
| £60,001 - £70,000 | 5 | 5 |
| £70,001 - £80,000 | 1 | 1 |
| £100,001 - £110,000 | - | - |
| £110,001 - £120,000 | - | - |
| £120,001 - £130,000 | 1 | 1 |
| £190,001 - £200,000 | - | - |

(d) Key management personnel

The key management personnel of the academy trust comprise the governors and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer's national insurance and pension contributions) received by key management personnel for their services to the academy trust was £883,593 (2022: £913,722).

**Notes to the financial statements
for the year ended 31 August 2023**

8 Related Party Transactions - Trustees' remuneration and expenses

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

| | 2023 £ | 2022 £ |
|---------------------------------------|---------------------|---------------------|
| <hr/> | | |
| Rhona Povey, Headteacher and Governor | | |
| Remuneration | £105,000 - £110,000 | £120,000 - £125,000 |
| Employer's pension contributions | £25,000 - £30,000 | £25,000 - £30,000 |
| | | |
| M Dickie, Staff Governor | | |
| Remuneration | £nil | £5,000 - £10,000 |
| Employer's pension contributions | £nil | £0 - £5,000 |
| | | |
| A Aeineh, Staff Governor | | |
| Remuneration | £10,000 - £15,000 | £30,000 - £35,000 |
| Employer's pension contributions | £nil | £nil |
| <hr/> | | |

During the year ended 31 August 2023, there were no travel and subsistence expenses reimbursed to governors (2022 — none).

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

9 Trustees' and Officers' insurance

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

Hendon School

Notes to the financial statements
for the year ended 31 August 2023

10 Tangible fixed assets

| | Freehold land and buildings £ | Assets under construction £ | Furniture and equipment £ | Computer equipment £ | Motor vehicles £ | Total funds £ |
|-----------------------|-------------------------------------|--------------------------------------|---------------------------------|----------------------------|------------------------|---------------------|
| Cost/valuation | | | | | | |
| At 1 September 2022 | 17,786,996 | 135,981 | 336,061 | 425,633 | 40,363 | 18,725,034 |
| Additions | 1,042,525 | 42,284 | 16,930 | 6,295 | 32,995 | 1,141,029 |
| Disposals/ Transfers | 135,981 | (135,981) | | | (6,000) | (6,000) |
| At 31 August 2023 | 18,965,502 | 42,284 | 352,991 | 431,928 | 67,358 | 19,860,063 |
| Depreciation | | | | | | |
| At 1 September 2022 | 3,717,679 | - | 322,461 | 351,623 | 40,363 | 4,432,126 |
| Charge in year | 490,555 | | 8,487 | 31,396 | 5,499 | 535,937 |
| Disposals | | | | | (6,000) | (6,000) |
| At 31 August 2023 | 4,208,234 | - | 330,948 | 383,019 | 39,862 | 4,962,063 |
| Net book value | | | | | | |
| At 31 August 2023 | 14,757,268 | 42,284 | 22,044 | 48,908 | 27,496 | 14,898,000 |
| At 31 August 2022 | 14,069,317 | 135,981 | 13,600 | 74,010 | - | 14,292,908 |

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

The academy trust owns and leases out playing fields land at Pursley road, Hendon to a commercial tenant at a rate of £20,000 per annum, subject to a five year, inflation-indexed rental review, on a 99 year lease commencing in 1998. The rent is £34,614 per annum (2022 - £34,614). Under the terms of the lease agreement, 50% of the gross rental income is payable to the London Borough of Barnet.

During the year 2022/23, the school received the balance of the Condition Improvement Funding for the roof project for £792,660. In addition the school received £398,078 of CIF funding for the Heating, Plant & Distribution project. The total value of CIF funding approved for the project is £995,193 with the remainder of the balance to be received in the 23/24 financial year.

11 Debtors

| | 2023 £ | 2022 £ |
|--------------------------------|-----------|-----------|
| Trade debtors | 35,077 | 13,040 |
| VAT recoverable | 107,745 | 145,371 |
| Prepayments and accrued income | 200,807 | 277,767 |
| | 343,629 | 436,178 |

Hendon School

Notes to the financial statements
for the year ended 31 August 2023

12 Creditors: amounts falling due within one year

| | 2023 £ | 2022 £ |
|-------------------------------------|----------------|----------------|
| Trade creditors | 131,613 | 329,926 |
| Taxation and social security | 158,127 | 152,677 |
| Loans | 8,266 | 8,266 |
| Other creditors | 163,684 | 159,671 |
| Accruals | 390,892 | 219,578 |
| Deferred income | 41,366 | 44,962 |
| | <u>893,948</u> | <u>915,080</u> |
| Deferred income | | |
| Deferred income at 1 September 2022 | 44,962 | 39,543 |
| Released during the year | (44,962) | (39,543) |
| Resources deferred in the year | 41,366 | 44,962 |
| Deferred income at 31 August 2023 | <u>41,366</u> | <u>44,962</u> |

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

13 Creditors: amounts falling due in greater than one year

| | 2023 £ | 2022 £ |
|---|---------------|---------------|
| Loans | 19,371 | 27,637 |
| Other creditors | - | 0 |
| | <u>19,371</u> | <u>27,637</u> |
| Analysis of loans | | |
| Wholly repayable within five years | 27,637 | 35,903 |
| Less: included in current liabilities | (8,266) | (8,266) |
| Amounts included above | <u>19,371</u> | <u>27,637</u> |
| Loan maturity | | |
| Debt due in one year or less | 8,266 | 8,266 |
| In more than one year but not more than two years | 8,266 | 20,233 |
| In more than two years but not more than five years | 11,105 | 7,403 |
| In more than five years | - | - |
| | <u>27,637</u> | <u>35,902</u> |

Hendon School

Notes to the financial statements
for the year ended 31 August 2023

14 Funds

| | Balance at 1 September 2022 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2023 £ |
|---------------------------------------|--|-------------------|---------------------|-------------------------------------|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 400,477 | 8,621,987 | (8,361,332) | (84,928) | 576,204 |
| Pupil Premium | - | 464,211 | (464,211) | - | - |
| Catch-up premium | - | - | - | - | - |
| Recovery premium | 14,583 | 142,534 | (1,884) | (155,233) | - |
| School Led Tutoring | - | 75,753 | (22,811) | (52,942) | - |
| Other DfE/ESFA COVID-19 funding | - | - | - | - | - |
| Other grants | - | 485,371 | (485,371) | - | - |
| LA Grants | - | 872,177 | (872,177) | - | - |
| Other restricted funds | - | 5,975 | (5,975) | - | - |
| Pension reserve | (199,000) | - | 11,000 | 188,000 | - |
| | <u>216,060</u> | <u>10,668,008</u> | <u>(10,202,761)</u> | <u>(105,103)</u> | <u>576,204</u> |
| Restricted fixed asset funds | | | | | |
| Transfer on conversion | 10,864,297 | - | (281,508) | - | 10,582,789 |
| DfE/ESFA capital grants | 2,241,083 | 1,266,142 | (152,464) | - | 3,354,761 |
| Capital expenditure from GAG | 497,023 | - | (66,365) | 293,103 | 723,761 |
| Drama Studio | 573,760 | - | (26,080) | - | 547,680 |
| Funding from Unrestricted Reserves | 61,038 | - | (2,775) | - | 58,263 |
| Donation | - | - | - | - | - |
| The Wolfson Foundation | 55,707 | - | (6,745) | - | 48,962 |
| | <u>14,292,908</u> | <u>1,266,142</u> | <u>(535,937)</u> | <u>293,103</u> | <u>15,316,216</u> |
| Total restricted funds | <u>14,508,968</u> | <u>11,934,150</u> | <u>(10,738,698)</u> | <u>188,000</u> | <u>15,892,420</u> |
| Unrestricted funds | | | | | |
| General funds | 446,554 | 276,962 | (127,892) | - | 595,624 |
| Total unrestricted funds | <u>446,554</u> | <u>276,962</u> | <u>(127,892)</u> | <u>-</u> | <u>595,624</u> |
| Total funds | <u>14,955,522</u> | <u>12,211,112</u> | <u>(10,866,590)</u> | <u>188,000</u> | <u>16,488,044</u> |

ESFA revenue grant fund and other restricted funds

General Annual Grant (GAG)

The GAG is provided by the Secretary of State through the Education and Skills Funding Agency (ESFA) to cover the normal running costs of the School. Transfers from this fund to the fixed assets funds represents the purchase of fixed assets from GAG funding. Under the funding agreement with the Secretary of State, the School was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

Hendon School

Notes to the financial statements for the year ended 31 August 2023

14 Funds

Other revenue grants

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

Pension reserve

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

Fixed asset fund

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

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

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

Hendon School

Notes to the financial statements
for the year ended 31 August 2023

15 Analysis of net assets between funds

| | Unrestricted funds £ | Restricted general funds £ | Restricted fixed asset funds £ | Total funds £ |
|--|----------------------------|-------------------------------------|---|-------------------|
| Fund balances at 31 August 2023 are represented by: | | | | |
| Intangible fixed assets | - | - | - | - |
| Tangible fixed assets | - | - | 14,898,000 | 14,898,000 |
| Current assets | 595,624 | 1,489,523 | 418,216 | 2,503,363 |
| Current liabilities | - | (893,948) | - | (893,948) |
| Non-current liabilities | - | (19,371) | - | (19,371) |
| Pension scheme liability | - | - | - | - |
| Total net assets | 595,624 | 576,204 | 15,316,216 | 16,488,044 |

16 Capital commitments

| | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Contracted for, but not provided in the financial statements. | 1,163,630 | 859,640 |

17 Commitments under operating leases

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

| | 2023 £ | 2022 £ |
|--|---------------|---------------|
| Amounts due within one year | 11,567 | 10,086 |
| Amounts due between one and five years | 12,161 | 22,586 |
| Amounts due after five years | - | - |
| | 23,728 | 32,672 |

18 Members' Liability

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

Hendon School

Notes to the financial statements for the year ended 31 August 2023

19 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2019. Contributions amounting to £139,523 were payable to the schemes at 31 August 2023 (2022 - £136,135) and are included within creditors.

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £878,399 (2022: £881,027) and at the year-end £139,523 (2022 - £136,135) was accrued in respect of contributions to this scheme

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

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 affecting contributions during the year was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% employer administration levy)

- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million giving a notional past service deficit of £39,800 million

- the SCAPE (Superannuation Contributions Adjusted for Past Experience) rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is based on OBR's forecast for long-term GDP growth. The current SCAPE rate is 1.7% above the rate of CPI.

This valuation result is due to be implemented from 1 April 2024.

Hendon School

Notes to the financial statements for the year ended 31 August 2023

19 Pension and similar obligations

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £464,000 (2022-£405,000) of which employer's contributions totalled £367,000 (2022-£321,000) and employees' contribution totalled £97,000 (2022-£84,000). The agreed contribution rate is 23.8% for employers until 31 March 2023. The current employee contribution rates are between 5.5% and 12.5%. The employee contribution rates and / or pay bands will be reviewed periodically and may change in future. This is to maintain the average contribution from employees at 6.5% and to ensure the long term costs of the scheme are managed.

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

Hendon School

Notes to the financial statements
for the year ended 31 August 2023

19 Pensions

Principal actuarial assumptions

| | At 31 August 2023 | At 31 August 2022 |
|--|----------------------|-------------------|
| Rate of increase of salaries | 4.00% | 3.8% |
| Rate of increase for pensions in payment/inflation | 3.00% | 3.1% |
| Discount rate for scheme liabilities | 5.20% | 4.25% |
| Inflation assumption (CPI) | 3.00% | 3.1% |

Current mortality rates

| | At 31 August 2023 | At 31 August 2022 |
|-----------------------------|----------------------|-------------------|
| <i>Retiring today</i> | | |
| Males | 20.5 | 21.7 |
| Females | 24.8 | 24.3 |
| <i>Retiring in 20 years</i> | | |
| Males | 22.4 | 23.1 |
| Females | 25.7 | 26.1 |

Sensitivity analysis

| | At 31 August 2023 | At 31 August 2022 |
|--|----------------------|-------------------|
| Discount rate +0.1% | (135) | (147) |
| Discount rate -0.1% | 135 | 147 |
| Mortality assumption - 1 year increase | 252 | 264 |
| Mortality assumption - 1 year decrease | (252) | (264) |
| CPI rate +0.1% | 130 | 137 |
| CPI rate -0.1% | (130) | (137) |

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

| | 2023 | 2022 |
|--|--|--|
| | Fair value at 31 August 2023 £'000 | Fair value at 31 August 2022 £'000 |
| Equities | 4,506 | 4,424 |
| Corporate bonds | 2,142 | 1,538 |
| Property | 443 | 385 |
| Cash and other liquid assets | 295 | 64 |
| Total market value of assets | 7,386 | 6,411 |
| Present value of scheme liabilities | | |
| - Funded | (6,308) | (6,610) |
| Surplus / (Deficit) in the scheme | 1,078 | (199) |

Amount recognised in the statement of financial activities

| | 2023 £'000s | 2022 £'000s |
|--|----------------|----------------|
| Current service cost | 410 | 771 |
| Past service cost | - | 53 |
| Interest income | (280) | (109) |
| Interest cost | 288 | 180 |
| Total amount recognised in the SOFA | 418 | 895 |

Analysis of pension finance income/(costs)

| | | |
|--|----------|-----------|
| Expected return on pension scheme assets | (280) | (109) |
| Interest on pension liabilities | 288 | 180 |
| Pension finance income/(costs) | 8 | 71 |

Hendon School

Notes to the financial statements for the year ended 31 August 2023

19 Pensions

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

| | 2023 £'000s | 2022 £'000s |
|---|----------------|----------------|
| Scheme obligations as at 1 September 2022 | 6,610 | 10,504 |
| Current service cost | 410 | 771 |
| Interest cost ¹ | 288 | 180 |
| Employee contributions | 97 | 84 |
| Actuarial (gain)/loss | (947) | (4,884) |
| Benefits paid | (150) | (98) |
| Past service cost | - | 53 |
| At 31 August 2023 | 6,308 | 6,610 |

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

| | 2023 £'000s | 2022 £'000s |
|---|----------------|----------------|
| Fair value of scheme assets at 1 September 2022 | 6,411 | 6,453 |
| Inherited on conversion | - | - |
| Interest income | 280 | 109 |
| Actuarial gain/(loss) | 319 | (458) |
| Employer contributions | 429 | 321 |
| Employee contributions | 97 | 84 |
| Benefits paid | (150) | (98) |
| Estimated unfunded benefits paid | - | - |
| Estimated contribution in respect of unfunded benefits paid | - | - |
| At 31 August 2023 | 7,386 | 6,411 |

| | | |
|-------------------------------|---------|-------|
| Net pension asset/(liability) | 1,078 | (199) |
| Asset not recognised | (1,078) | |

The asset is not recognised in accordance with FRS102 paragraph 28.22 - the surplus is not recognised as it cannot be recovered through reduced contributions in the future or through refunds from the plan.

20 Related party transactions

Owing to the nature of the School's operations and the composition of the Governing Board being drawn from local public and private sector organisations, transactions may take place with organisations in which a member of the Board has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the School's financial regulations and normal procurement procedures. There were no transactions during the year ended 31 August 2023, other than those disclosed in note 8.

21 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2023 the academy trust received £15,473 (2022 - £15,411) and disbursed £16,016 (2022 - £16,899) from the fund. An amount of £939 (2022 - £1,482) is included in other creditors relating to undistributed funds that is repayable to ESFA.

Hendon School

Notes to the financial statements
for the year ended 31 August 2023

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

| | 2023 £ | 2022 £ |
|---|----------------|----------------|
| Net income / (expenditure) for the reporting period (as per the statement of financial activities) | 1,344,522 | (431,696) |
| Adjusted for: | | |
| Depreciation charges | 535,937 | 493,497 |
| Capital grants from DfE and other capital income | (1,266,142) | (440,927) |
| Interest receivable | (26,577) | (1,739) |
| contributions payable | (19,000) | 503,000 |
| Defined benefit pension scheme finance cost | 8,000 | 71,000 |
| (Increase)/decrease in debtors | 92,549 | (121,559) |
| Increase/(decrease) in creditors | (21,133) | 88,190 |
| Net cash provided by / (used in) Operating | 648,156 | 159,766 |

22b Cash flows from financing activities

| | 2023 £ | 2022 £ |
|---|----------------|-----------------|
| Repayments of borrowing | (8,265) | (16,602) |
| Net cash provided by / (used in) Financing | (8,265) | (16,602) |

Cash flows from investing activities

| | 2023 £ | 2022 £ |
|--|----------------|------------------|
| Dividends, interest and rents from investments | 26,577 | 1,739 |
| Purchase of tangible fixed assets | (1,141,029) | (621,326) |
| Capital grants from DfE/ESFA | 1,266,142 | 440,927 |
| Net cash provided by / (used in) Operating Activities | 151,690 | (178,660) |

22c Analysis of cash and cash equivalents

| | 2023 £ | 2022 £ |
|--|------------------|------------------|
| Cash in hand and at bank | 2,159,734 | 1,368,153 |
| Short-term deposits (less than 3 months) | - | - |
| Total cash and cash equivalents | 2,159,734 | 1,368,153 |

23 Analysis of changes in net equity/debt

| | Balance at 1 September 2022 £ | Cash flows £'000 | Balance at 31 August 2023 £ |
|--|--|---------------------|--------------------------------------|
| Cash | 1,368,153 | 791,581 | 2,159,734 |
| Loans falling due within one year | (8,266) | - | (8,266) |
| Loans falling due after more than one year | (27,637) | 8,266 | (19,371) |
| Finance lease obligations | - | - | - |
| Total | 1,332,250 | 799,847 | 2,132,097 |

Hendon School

Comparative Statement of Financial Activities

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