

Company Registration Number: 07351253 (England and Wales)

QUEEN ELIZABETH'S SCHOOL BARNET
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

QUEEN ELIZABETH'S SCHOOL BARNET
(A Company Limited by Guarantee)

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QUEEN ELIZABETH'S SCHOOL BARNET
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members

Mr B Martin (Chairman)
Mr N Gaskell (Vice Chairman)
Mr K Cooper

Trustees

Mr M Beard
Mr B Martin
Mr A Binstock
Mr M Bradish¹
Mr D Burton (appointed 6 October 2016)
Mrs V Carruthers (resigned 15 May 2017)
Mr N Enright¹
Mr D Farrer
Mrs J Ferguson
Rev C Ferris
Dr C Martin (appointed 15 May 2017)
Mrs M Hooley
Mr E Houston
Mrs A Macdonald (appointed 6 October 2016)
Mr N Gaskell
Mr C Price¹
Mr N Raval
Mrs P Reid
Ms K Thanki (resigned 15 May 2017)
Dr V Wong
Mr R Delves (appointed 15 May 2017)
Mr K Cooper

1 denotes member of Finance Committee

Company registered number

07351253

Company name

Queen Elizabeth's School Barnet

Principal and registered office

Queen's Road, Barnet, Hertfordshire, EN5 4DQ

QUEEN ELIZABETH'S SCHOOL BARNET
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017

Advisers (continued)

Company secretary

Mrs E Aghdiran

Senior management team

Mr N Enright, Headmaster

Mr C Price, Second Master

Mrs E Aghdiran, Assistant Head (Business Manager)

Mrs A Macdonald, Assistant Head (Teaching and Learning)

Mr D Ryan, Assistant Head (Head of Upper School and Pupil Progression)

Dr M Taylor, Assistant Head (Head of Lower School and Enrichment)

Independent auditor

Moore Stephens LLP, 150 Aldersgate Street, London, EC1A 4AB

Bankers

Natwest Bank Plc, 120 High Street, Barnet, Hertfordshire, EN5 5FF

Solicitors

Collyer Bristow, 4 Bedford Row, London, WC1R 4TF

QUEEN ELIZABETH'S SCHOOL BARNET
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The trustees present their annual report together with the financial statements and auditors' report of the charitable company ('the School') for the year ended 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

PRINCIPAL ACTIVITIES

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

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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

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

The Members of the School comprise:

- a) The signatories to the memorandum or their successors, one of whom shall be appointed by the Endowment Fund of the Schools of Queen Elizabeth the First Barnet (registered charity number 10694946) and one by The Friends of Queen Elizabeth's School (registered charity number 289174);
- b) 1 person appointed by the Secretary of State, in the event that the Secretary of State appoint a person for this purpose;
- c) The Chairman of Governors; and
- d) Any person appointed where the Members may agree unanimously in writing to appoint such additional members as they think fit and may unanimously in writing agree to remove such additional members.

The Governing Body meets regularly and is advised by a range of sub committees which includes the Finance Committee, the Admissions Committee, the Remuneration Committee and the School's Health and Safety Committee.

Members' Liability

The liabilities of the Members of the School are limited. Every Member undertakes to contribute such amounts

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

as may be required (not exceeding £10) to the School's assets if it should be wound up while he or she is a member.

Method of Recruitment and Appointment or Election of Governors

The School has the following Governors and methods of appointment:

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

Term of office

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

Policies and procedures adopted for the Induction and Training of Governors

Upon their appointment, Governors are made aware of the ESFA's Governors' Handbook, along with copies of the School's policies and a selection of papers that bring them up to date with current business and with issues of major importance. Training opportunities are provided by external organisations including child protection training.

Organisational Structure

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

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

The Senior Leadership Team comprises the Headmaster, Second Master and four Assistant Heads principally responsible for meeting academic challenges, benefitting from involvement, enhancing future prospects and facilitating school progress. These managers control the School at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group, the Senior Leadership Team is responsible for the authorisation of spending within agreed budgets. Some spending control is devolved to those with specific middle leadership roles, with limits above which a Senior Manager must countersign. The Governors devolve responsibility for staff appointments, other than those to the Senior Leadership Team, to the Headmaster.

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Governance

The School is committed to exhibiting best practice in all aspects of corporate governance and its practices are consistent with the provisions of the Academies Financial Handbook and the Academies: Accounts Direction 2016 to 2017. The Finance Committee of the Governing Body is responsible for the system of internal control operating within the School and for reviewing its effectiveness. Such a system can only provide reasonable, and not absolute, assurance against material misstatement or loss, and cannot eliminate business risk. The Finance Committee may identify areas for improvement in the system of internal control, based on reports and views from its own and other committees.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel are considered to be the members of the governing body and the senior leadership team. No member of the governing body receives remuneration for their role of trustee. Staff governors receive remuneration from the School for their roles in the School itself. The Remuneration Committee is responsible for setting remuneration of staff and in particular of the senior leadership team. In setting remuneration, the committee has regard to benchmarks of performance of individual staff and references national pay structures for teachers and other local government employees.

Related Parties and other Connected Charities and Organisations

There is a related, but wholly independent, charitable undertaking: The Friends of Queen Elizabeth's School (registered charity number 289174) which is the Parents' Association and it has a wholly owned subsidiary, FQE Enterprises Limited, which operates the School Shop. Details of the transactions with the school are shown in note 25 to the financial statements

OBJECTIVES AND ACTIVITIES

Objects

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

Strategies and Activities

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

- Encouraging independence of thought and tailoring the learning experience to individual needs, thereby securing ever higher levels of achievement.
- Focusing the boys' attention on their own development and aspirations, both at the School and beyond.
- Emphasising the importance of traditional values, working in partnership with parents to inculcate an attitude of tolerance, possession of good manners and pride in self presentation.
- Promoting boys' general wellbeing and their enjoyment of learning, rewarding effort and celebrating success.
- Giving boys progressive responsibilities and encouraging their participation in worthwhile activities

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

beyond the classroom.

- Developing boys' awareness that they achieve genuine fulfilment and greater benefit by seeking to make a contribution to society rather than pursuing only personal gain.
- Providing an inspiring learning environment, harnessing the benefits of technology and ensuring that the maximum time is devoted to core professional activities.

During the year ended 31 August 2017, the School's development activities centred around the School Priorities for Development 2016 to 2020, which was launched in September 2016.

- **Meeting Academic Challenges:** Pupils thrive in classrooms where they are constantly challenged by the academic content, learning to persevere, to overcome failures and to enjoy the rewards that come from achieving ambitious academic goals. Teachers and pupils are engaged in a dialogue about achievement and learning which enables boys to reflect accurately on their progress, and to prioritise and plan for the next steps in their learning. Teacher feedback is diagnostic and pupils are expected to respond actively and positively. Pupils are directed and inspired to develop the skills and habits needed to become successful learners in a range of different contexts, both collaborative and independent. They are resilient, using their initiative to employ a range of coping strategies confidently in order to resolve difficulties in their academic work.
- **Benefiting from involvement:** All elements of tutor time are used productively to engage pupils in a dynamic pastoral curriculum, enhance key skills, promote core values, build cultural awareness and encourage mutual respect. Pupils select from a rich and diverse programme of extra-curricular activities, undertaking them with enthusiasm and commitment. They are guided to make personalised choices which provide them with opportunities to develop their existing talents, widen their interests and stretch their capabilities. A prominent House system fosters a competitive spirit and strengthens bonds through team work. Pupils identify closely with being members of their House, taking on progressive responsibilities and contributing to the communities of which they are a part.
- **Enhancing future prospects:** A broad range of learning experiences allows pupils to become versatile and to consider future pathways with an open mind. Guidance and discussion gradually leads each pupil to self-awareness of his strengths, and to set aspirations which are realistically ambitious. The pursuit of a rigorous and demanding academic curriculum results in qualifications which put our pupils in the strongest possible position as they compete for places in the most prestigious national and international universities, and the most rewarding careers. In every aspect of School life, consistency of expectation and action enables our pupils to develop positive personal qualities and attitudes, and an understanding of the value which society places upon these.
- **Facilitating school progress:** Staff, pupils and parents engage increasingly with technology which is adaptable to learning, pastoral and administrative contexts. Further automation brings procedural efficiencies which aid planning and communication, monitoring and reporting of pupil progress, and the promotion and celebration of our many enrichment activities. Enhancements to facilities for teaching and learning arise from the continued implementation of our estates strategy alongside refurbishment and upgrade of the existing buildings, and as our network and communications mechanisms become more sophisticated our digital infrastructure has the capacity to benefit from future technological advances. Best use is made of the financial resources which the School receives from Government grants, external donations and the generous support of Friends, parents and Old Elizabethans by ensuring that all areas of activity are delivered in the most cost-efficient manner.

Public Benefit

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

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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

STRATEGIC REPORT

Achievements and Performance

Queen Elizabeth's is an ancient school founded in 1573. It was one of the first "converter" Academies on 1st September 2010. Total pupil numbers in the year ended 31st August 2017 were 1,198 (2016: 1,191) and the School has a full complement in all year groups.

The School achieved excellent results in the 2017 public examinations. At GCSE 70.9% of Year 11 pupils were awarded levels 8 and 9 (the old A*), (62% in 2016). A total of 91.8% of GCSEs were awarded levels 7 to 9 (the old A* or A grades) (89% in 2016) and 97.8% of boys gained more than five levels 7 to 9 (the old A* or A grades), (98% last year). At A-level, the proportion of A* - B grades was 96%.

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

Key Performance Indicators

- The School enjoys a national and local reputation for excellence and remains highly oversubscribed.
- Boys' achievements in Public Examinations are exceptional and the School's results rank amongst the very best of all schools nationally.
- Boys enjoy coming to School which is illustrated in the excellent attendance figures and high levels of participation in extra-curricular opportunities which serve to broaden their horizons.
- Most boys in the sixth form participate in voluntary work schemes that in turn support local charities, schools and hospitals.
- Boys enter competition on a national stage. This includes Mathematical challenges, Science Olympiads, National Schools Chess, Business and Economics competitions and Debating and Model United Nations Conferences.
- Almost all boys continue to go on to university. The focus remains on the most competitive courses at the most competitive universities. A higher proportion of pupils from the School go to Oxford or Cambridge than from any other state school in the country. In a typical year, 95% of those leaving after their A level studies take up a place on an undergraduate course at a Russell Group university.

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. 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.

Financial Review

The School's principal income is from the DfE in the form of recurrent, restricted grants. The grants received during the year ended 31 August 2017 and the associated expenditure are shown in the Statement of Financial Activities.

QUEEN ELIZABETH'S SCHOOL BARNET
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

The School also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund.

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

During the year ended 31 August 2017 total expenditure of £9,129,749 (2016: £8,299,736) was covered by recurrent grant funding from the Department for Education (DFE) together with other incoming resources. The total incoming resources for the year was £9,307,521 (2016: £8,487,422) made up from: restricted fixed asset funds of £1,260,177 (2016: £455,245); restricted general funds of £7,431,867 (2016: £7,368,445) and unrestricted funds of £615,477 (2016: £663,732).

At 31 August 2017 the net book value of fixed assets was £24,617,982 (2016: £24,096,470). Movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the School. The buildings and land are owned by the School. Any alterations or improvements incurred by the School are shown as fixed assets.

The deficit in the Local Government Pension Scheme (LGPS) is recognised on the balance sheet in accordance with the provisions of FRS102 The Financial Reporting Standard. At 31 August 2017, the deficit stood at £1,526,000 (2016: £2,271,000). The existence of the pension scheme deficit does not mean an immediate liability crystallises and is addressed over a series of years through pension contributions recommended by the pension scheme actuaries during subsequent triennial valuations of the scheme.

Reserves Policy

The School has a rolling programme of improvements both to its physical and technological infrastructure. The School endeavours to manage the flow and efficiency of these capital projects through careful financial planning and considers that there is a need to maintain a level of reserves sufficient to meet these commitments. The value of free reserves is £971,501 (2016: £991,076). Details of the free reserves are shown in note 17 to the financial statements.

Investment Policy

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

Principal Risks and Uncertainties

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

The key uncertainty is the extent and impact of changes to Government funding and an uncertain economic climate and financial environment that puts pressure on enterprise and capital projects.

a. Risk Management

The School recognises that it has a responsibility to minimise risk. Any risks to which the School may be

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

exposed, as identified by the Headmaster and senior team, have been reviewed and systems have been established to mitigate these risks.

b. Financial and Risk Management Policies

The main objective is to ensure the School operates within its allocated budget and settles its liabilities as they fall due. The current deficit on the LGPS of which £1,526,000 has been apportioned to the School does not crystallise immediately but the School ensures scheme contributions are paid as they fall due in line with those recommended by the pension scheme actuaries.

The actuaries of the scheme evaluated the fund as at 31 March 2016 and published their report in March 2017. They recommended contributions should continue at the relatively higher rate set at the previous valuation in order to mitigate the deficit. The trustees include the contributions within the budgets submitted to the ESFA as part of its annual application for GAG funding. The deficit is recognised on the balance sheet in accordance with FRS102.

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

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

Plans for Future Periods

The School will continue striving to uphold and build upon its successes and the achievement of its pupils at all levels. It endeavours to ensure that all boys are in a position to take up a place at one of the world's leading universities when they leave and that they are all equipped to make a substantial contribution to society.

Governors' Indemnities

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

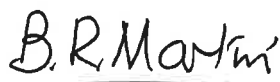
Auditors

The auditors, Moore Stephens LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In so far as the trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 11 December 2017 and signed on its behalf by:



B Martin
Chair of Trustees

QUEEN ELIZABETH'S SCHOOL BARNET
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Beard	3	3
Mr A Binstock	1	3
Mr M Bradish	3	3
Mr D Burton	3	3
Mrs V Carruthers	2	2
Mr K Cooper	3	3
Mr R Delves	1	1
Mr N Enright	3	3
Mr D Farrer	2	3
Mrs J Ferguson	2	3
Rev C Ferris	2	3
Mr N Gaskell	2	3
Mrs M Hooley	2	3
Mr E Houston	3	3
Mrs A Macdonald	3	3
Mr B Martin	3	3
Dr C Martin	1	1
Mr C Price	3	3
Mr N Raval	3	3
Mrs P Reid	3	3
Ms K Thanki	2	2
Dr V Wong	3	3

Changes in the composition of the Governing Body can be found in the administrative details section on page 1.

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

QUEEN ELIZABETH'S SCHOOL BARNET
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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr N Enright	3	3
Mr M Bradish	2	3
Mr N Gaskell	3	3
Mr B Martin	3	3
Mr C Price	3	3

Review of Value for Money

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

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

- **Budgeting:** A budget for the year-ended 31 August 2017 was approved by the Finance Committee in June 2016, and expenditure made during the year has been controlled by department heads in accordance with this budget. Centralised purchasing means the finance team ensures that no department can make purchases beyond its budget for the year without appropriate authorisation.
- **Use of resources:** The School has deployed equipment, materials and services to provide pupils and staff with resources which support teaching and learning.
- **Online learning:** Continued investment in the school's eQE portal means that teachers can set homework electronically, and communications can be sent to parents electronically, resulting in significant reductions in costs associated with printing and posting documents.
- **Purchasing:** The School has maintained and developed as necessary procedures for assessing need, and obtaining goods and services which provide best value in terms of suitability, efficiency, time, and cost. Competitive quotes are obtained to ensure best value. The major commitment undertaken to refurbish the Heard building was supported by a full tender process managed by external consultants which resulted in five competitive quotes being obtained. The progress of the refurbishment project was kept under close review including regular site meetings with the contractor, which resulted in the building opening on time and on budget.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Queen Elizabeth's School Barnet for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is

GOVERNANCE STATEMENT (continued)

of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Moore Stephens LLP, the external auditor, to perform additional checks.

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems;
- testing of letting systems;
- testing of credit cards and staff expenses.

On an annual basis, the auditors report to the Board of Governors on the operation of the systems of control and on the discharge of the Governors' financial responsibilities.

The Governors can confirm that the appointee has delivered their schedule of work as planned, and no material control issues have arisen as a result of the appointee's work.

On an annual basis, the auditor reports to the board of trustees through the finance and general purposes committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The Governors can confirm that the appointee has delivered their schedule of work as planned, and no material control issues have arisen as a result of the appointee's work.

GOVERNANCE STATEMENT (continued)

Review of Effectiveness

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

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

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

Approved by order of the members of the board of trustees on 11 December 2017 and signed on their behalf, by:



B Martin
Chair of Trustees



N Enright
Accounting Officer

QUEEN ELIZABETH'S SCHOOL BARNET
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Queen Elizabeth's School Barnet I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



Mr N Enright
Accounting Officer

Date: 11 December 2017

QUEEN ELIZABETH'S SCHOOL BARNET
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 11 December 2017 and signed on its behalf by:



Mr B Martin
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF QUEEN ELIZABETH'S SCHOOL BARNET

Opinion

We have audited the financial statements of Queen Elizabeth's School Barnet for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy'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 academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 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, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of 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 academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

QUEEN ELIZABETH'S SCHOOL BARNET
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF QUEEN ELIZABETH'S SCHOOL BARNET

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

QUEEN ELIZABETH'S SCHOOL BARNET
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF QUEEN
ELIZABETH'S SCHOOL BARNET

concern basis of accounting unless the Trustees either intend to liquidate the academy's or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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



Nicholas Simkins, FCA (Senior Statutory Auditor)

for and on behalf of

Moore Stephens LLP

Chartered Accountants and Statutory Auditor

150 Aldersgate Street
London

EC1A 4AB

Date: 13/12/2017

QUEEN ELIZABETH'S SCHOOL BARNET
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO QUEEN ELIZABETH'S SCHOOL BARNET AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 2 November 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Queen Elizabeth's School Barnet during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Queen Elizabeth's School Barnet's funding agreement with the Secretary of State for Education dated 25 August 2010, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

QUEEN ELIZABETH'S SCHOOL BARNET
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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO QUEEN
ELIZABETH'S SCHOOL BARNET AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Moore Stephens LLP

Chartered Accountants and Statutory Auditor

150 Aldersgate Street
London
EC1A 4AB

Date: 13/12/2017.

QUEEN ELIZABETH'S SCHOOL BARNET
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:						
Donations and capital grants	2	-	-	1,260,177	1,260,177	505,245
Charitable activities	3	364,680	6,134,579	-	6,499,259	6,484,238
Other trading activities	4	250,272	1,297,288	-	1,547,560	1,496,350
Investments	5	525	-	-	525	1,589
Total income		<u>615,477</u>	<u>7,431,867</u>	<u>1,260,177</u>	<u>9,307,521</u>	<u>8,487,422</u>
Expenditure on:						
Raising funds	7	110,119	1,408,119	-	1,518,238	1,330,870
Charitable activities		365,588	6,499,952	745,971	7,611,511	6,968,866
Total expenditure	6	<u>475,707</u>	<u>7,908,071</u>	<u>745,971</u>	<u>9,129,749</u>	<u>8,299,736</u>
Net income / (expenditure) before transfers		<u>139,770</u>	<u>(476,204)</u>	<u>514,206</u>	<u>177,772</u>	<u>187,686</u>
Transfers between Funds	17	(159,345)	150,366	8,979	-	-
Net income / (expenditure) before other recognised gains and losses		<u>(19,575)</u>	<u>(325,838)</u>	<u>523,185</u>	<u>177,772</u>	<u>187,686</u>
Gains on revaluations of fixed assets	14	-	-	-	-	1,073,552
Actuarial gains/(losses) on defined benefit pension schemes	22	-	916,000	-	916,000	(939,000)
Net movement in funds		<u>(19,575)</u>	<u>590,162</u>	<u>523,185</u>	<u>1,093,772</u>	<u>322,238</u>
Reconciliation of funds:						
Total funds brought forward		<u>991,076</u>	<u>(1,782,046)</u>	<u>24,094,797</u>	<u>23,303,827</u>	<u>22,981,589</u>
Total funds carried forward		<u><u>971,501</u></u>	<u><u>(1,191,884)</u></u>	<u><u>24,617,982</u></u>	<u><u>24,397,599</u></u>	<u><u>23,303,827</u></u>

QUEEN ELIZABETH'S SCHOOL BARNET
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07351253

**BALANCE SHEET
AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	14		24,617,982		24,096,470
Current assets					
Debtors	15	272,066		530,121	
Cash at bank and in hand		1,289,358		1,341,251	
		<u>1,561,424</u>		<u>1,871,372</u>	
Creditors: amounts falling due within one year	16	(255,807)		(393,015)	
Net current assets			<u>1,305,617</u>		<u>1,478,357</u>
Total assets less current liabilities			25,923,599		25,574,827
Defined benefit pension scheme liability	22	(1,526,000)		(2,271,000)	
Net assets including pension scheme liabilities			<u>24,397,599</u>		<u>23,303,827</u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	17	334,116		488,954	
Restricted fixed asset funds	17	24,617,982		24,094,797	
Restricted income funds excluding pension liability		<u>24,952,098</u>		<u>24,583,751</u>	
Pension reserve		<u>(1,526,000)</u>		<u>(2,271,000)</u>	
Total restricted income funds			23,426,098		22,312,751
Unrestricted income funds	17		<u>971,501</u>		<u>991,076</u>
Total funds			<u>24,397,599</u>		<u>23,303,827</u>

The financial statements on pages 22 to 47 were approved by the Trustees, and authorised for issue, on 11 December 2017 and are signed on their behalf, by:



B Martin
Chair of Trustees

QUEEN ELIZABETH'S SCHOOL BARNET
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	<u>(45,112)</u>	<u>172,686</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		525	2,000
Purchase of tangible fixed assets		(1,267,483)	(605,000)
Capital grants from DfE/ESFA		25,735	26,000
Donation for buildings		1,234,442	429,000
Net cash used in investing activities		<u>(6,781)</u>	<u>(148,000)</u>
Change in cash and cash equivalents in the year		(51,893)	24,686
Cash and cash equivalents brought forward		<u>1,341,251</u>	<u>1,316,565</u>
Cash and cash equivalents carried forward	20	<u><u>1,289,358</u></u>	<u><u>1,341,251</u></u>

QUEEN ELIZABETH'S SCHOOL BARNET
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Queen Elizabeth's School Barnet constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting Policies (continued)

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

School trips and activities are included in restricted funds. Income is recognised when received and expenditure is recognised when paid, any surpluses being carried forward within restricted funds until the trip or activity is completed.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Financial Activities incorporating Income and Expenditure Account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting Policies (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Freehold property	-	50 years
Fixtures and fittings	-	4 years
Computer equipment	-	3 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting Policies (continued)

1.6 Debtors

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

1.7 Cash at Bank and in hand

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

1.8 Liabilities and provisions

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

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.10 Taxation

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting Policies (continued)

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.12 Fund accounting

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

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

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

QUEEN ELIZABETH'S SCHOOL BARNET
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting Policies (continued)

1.13 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

On conversion to an academy trust, the assets and liabilities of the School are measured at fair value. This includes any land and buildings. The valuation of the land and buildings involves a significant degree of estimation. Refer to note 14 for further detail on this estimation.

2. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Other donations	-	-	1,234,442	1,234,442	479,476
Capital Grants	-	-	25,735	25,735	25,769
	-	-	1,260,177	1,260,177	505,245
<i>Total 2016</i>	50,000	-	455,245	505,245	

QUEEN ELIZABETH'S SCHOOL BARNET
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

3. Funding for Academy's educational operations

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General annual grant	-	6,014,672	6,014,672	6,032,124
Other income from the academy trust's educational operations	364,680	-	364,680	370,440
Other Dfe/EFA grants	-	119,907	119,907	81,674
	<u>364,680</u>	<u>6,134,579</u>	<u>6,499,259</u>	<u>6,484,238</u>
<i>Total 2016</i>	<u>370,440</u>	<u>6,113,798</u>	<u>6,484,238</u>	

4. Other trading activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of facilities	205,916	-	205,916	197,502
Trips and activities	-	1,297,288	1,297,288	1,254,647
Other income	44,356	-	44,356	44,201
	<u>250,272</u>	<u>1,297,288</u>	<u>1,547,560</u>	<u>1,496,350</u>
<i>Total 2016</i>	<u>241,703</u>	<u>1,254,647</u>	<u>1,496,350</u>	

5. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	525	-	525	1,589
	<u>525</u>	<u>-</u>	<u>525</u>	<u>1,589</u>
<i>Total 2016</i>	<u>1,589</u>	<u>-</u>	<u>1,589</u>	

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6. Expenditure

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on raising funds	42,774	-	1,475,464	1,518,238	1,330,870
Academy's educational operations:					
Direct costs	4,475,711	745,971	892,323	6,114,005	5,708,991
Support costs	715,738	-	781,768	1,497,506	1,259,875
	<u>5,234,223</u>	<u>745,971</u>	<u>3,149,555</u>	<u>9,129,749</u>	<u>8,299,736</u>
<i>Total 2016</i>	<u>5,018,146</u>	<u>559,000</u>	<u>2,722,590</u>	<u>8,299,736</u>	

7. Costs of raising funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Trips and activities	-	1,408,119	1,408,119	1,231,395
Maintenance of premises & equipment	33,910	-	33,910	20,222
Heat and light	32,265	-	32,265	36,865
Other support costs	1,170	-	1,170	3,308
Support staff costs	42,774	-	42,774	39,080
	<u>110,119</u>	<u>1,408,119</u>	<u>1,518,238</u>	<u>1,330,870</u>
<i>Total 2016</i>	<u>99,475</u>	<u>1,231,395</u>	<u>1,330,870</u>	

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8. Charitable activities

	Total funds 2017 £	<i>Total funds 2016 £</i>
Direct costs - educational operations		
Teaching and educational support staff pay costs	3,291,033	3,386,274
National insurance	416,206	353,559
Pension cost	768,472	639,515
Depreciation	745,971	559,000
Technology costs	23,857	7,453
Educational supplies	102,510	107,477
Examination fees	210,267	171,526
Staff development	47,083	36,407
Educational consultancy	19,922	15,113
Other direct costs	120,516	63,687
Catering	365,588	366,181
Travel and subsistence	2,580	2,799
	6,114,005	5,708,991
Support costs - educational operations		
Support staff pay costs	715,738	599,718
Pension income	47,000	51,000
Recruitment and support	15,706	19,318
Maintenance of premises and equipment	251,777	129,962
Cleaning	149,253	141,607
Rent & rates	1,427	1,397
Energy costs	110,016	122,279
Insurance	46,344	47,736
Security and transport	27,621	22,705
Governance costs	13,245	14,019
Water	17,887	22,944
Bank interest and charges	1,820	1,793
Other support costs	99,672	85,397
	1,497,506	1,259,875
	7,611,511	6,968,866

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9. Net income/(expenditure)

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	745,971	559,000
Operating lease rentals	36,234	31,000
Auditor's remuneration - audit	12,000	12,000
Auditor's remuneration - other services	2,000	2,000
	<u>796,205</u>	<u>614,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff costs

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	4,047,301	4,025,072
Social security costs	416,206	353,559
Operating costs of defined benefit pension schemes	768,472	639,515
	<u>5,231,979</u>	<u>5,018,146</u>
Apprenticeship levy	2,244	-
	<u>5,234,223</u>	<u>5,018,146</u>

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

	2017	2016
	No.	No.
Teachers	78	81
Administration and support	35	35
Management	6	7
	<u>119</u>	<u>123</u>

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

	2017	2016
	No.	No.
In the band £60,001 - £70,000	3	1
In the band £80,001 - £90,000	1	1
In the band £130,001 - £140,000	0	1
In the band £140,001 - £150,000	1	0

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

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £661,221 (2016: £663,570).

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11. Trustees' remuneration and expenses

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

		2017	2016
		£	£
Mr N Enright (Headmaster and Governor)	Remuneration	145,000-150,000	130,000-135,000
	Pension contributions paid	20,000-25,000	15,000-20,000
Mr C Price (Staff Governor)	Remuneration	80,000-85,000	80,000-85,000
	Pension contributions paid	10,000-15,000	10,000-15,000
Mr T Bennett (Staff Governor)	Remuneration	-	45,000-50,000
	Pension contributions paid	-	5,000-10,000
Mrs J Hill (Staff Governor)	Remuneration	-	20,000-25,000
	Pension contributions paid	-	0-5,000
Mrs A Macdonald (Staff Governor)	Remuneration	50,000-55,000	-
	Pension contributions paid	5,000-10,000	-
Mr D Burton (Staff Governor)	Remuneration	35,000-40,000	-
	Pension contributions paid	0-5,000	-

During the year ended 31 August 2017, travel and subsistence expenses totalling £105 (2016: £106) were reimbursed or paid directly to Governors in their role as employees of the School.

12. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £2,185 (2016 - £2,123).

13. Other finance income

	2017	2016
	£	£
Interest income on pension scheme assets	32,000	48,000
Interest on pension scheme liabilities	(79,000)	(99,000)
	<u>(47,000)</u>	<u>(51,000)</u>

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14. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2016	24,076,767	928,524	478,765	25,484,056
Additions	1,058,473	171,419	37,591	1,267,483
At 31 August 2017	<u>25,135,240</u>	<u>1,099,943</u>	<u>516,356</u>	<u>26,751,539</u>
Depreciation				
At 1 September 2016	313,688	712,230	361,668	1,387,586
Charge for the year	502,705	153,964	89,302	745,971
At 31 August 2017	<u>816,393</u>	<u>866,194</u>	<u>450,970</u>	<u>2,133,557</u>
Net book value				
At 31 August 2017	<u>24,318,847</u>	<u>233,749</u>	<u>65,386</u>	<u>24,617,982</u>
At 31 August 2016	<u>23,763,079</u>	<u>216,294</u>	<u>117,097</u>	<u>24,096,470</u>

Included within freehold land & building is non-depreciated land of £8,195,000.

During the financial year 2015/16 the land and property was valued by Barker Associates LLP. The freehold land and property was valued at £23,741,255 on 1 March 2016, £1,073,552 more than its carrying value in the books as 31 August 2015. The increase in value was accounted for as a revaluation in the year ended 31 August 2016.

15. Debtors

	2017 £	2016 £
Trade debtors	84,984	20,546
Prepayments and accrued income	164,030	460,453
VAT recoverable	23,052	49,122
	<u>272,066</u>	<u>530,121</u>

16. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	(2,750)	4,722
Accruals and deferred income	258,557	388,293
	<u>255,807</u>	<u>393,015</u>

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16. Creditors: Amounts falling due within one year (continued)

	2017	2016
	£	£
Deferred income		
Deferred income at 1 September 2016	51,000	52,000
Resources deferred during the year	33,000	51,000
Amounts released from previous years	(51,000)	(52,000)
Deferred income at 31 August 2017	<u>33,000</u>	<u>51,000</u>

At the balance sheet date the Academy Trust was holding funds received in advance for lettings of £33,000 (2016: £32,000) and grants received in advance of £nil (2016: £19,000).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

17. Statement of funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds	991,076	615,477	(475,707)	(159,345)	-	971,501
Restricted funds						
General Annual Grant (GAG) (i)	-	6,014,672	(6,209,045)	194,373	-	-
Pupil Premium	-	45,641	(45,641)	-	-	-
Private (ii)	488,954	1,297,288	(1,408,119)	(44,007)	-	334,116
Other (iii)	-	74,266	(74,266)	-	-	-
Pension reserve	(2,271,000)	-	(171,000)	-	916,000	(1,526,000)
	<u>(1,782,046)</u>	<u>7,431,867</u>	<u>(7,908,071)</u>	<u>150,366</u>	<u>916,000</u>	<u>(1,191,884)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants (iv)	452,000	25,735	-	-	-	477,735
Capital expenditure from GAG	1,841,566	-	-	8,979	-	1,850,545
Private sector capital sponsorship (v)	20,727,000	1,234,442	(745,971)	-	-	21,215,471
Gain on revlaution of land & buildings	1,074,231	-	-	-	-	1,074,231
	<u>24,094,797</u>	<u>1,260,177</u>	<u>(745,971)</u>	<u>8,979</u>	<u>-</u>	<u>24,617,982</u>
Total restricted funds	<u>22,312,751</u>	<u>8,692,044</u>	<u>(8,654,042)</u>	<u>159,345</u>	<u>916,000</u>	<u>23,426,098</u>
Total of funds	<u>23,303,827</u>	<u>9,307,521</u>	<u>(9,129,749)</u>	<u>-</u>	<u>916,000</u>	<u>24,397,599</u>

QUEEN ELIZABETH'S SCHOOL BARNET
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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2015 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2016 £</i>
Unrestricted funds						
Total unrestricted funds	793,000	662,732	(464,656)	-	-	991,076
	<u>793,000</u>	<u>662,732</u>	<u>(464,656)</u>	<u>-</u>	<u>-</u>	<u>991,076</u>
Restricted funds						
General Annual Grant (GAG) (i)	(7,000)	6,032,000	(5,875,000)	(150,000)	-	-
Pupil Premium	-	49,000	(49,000)	-	-	-
Non Government grants (ii)	-	33,000	(33,000)	-	-	-
Private (iii)	465,904	1,254,445	(1,231,395)	-	-	488,954
Pension reserve	(1,244,000)	-	(88,000)	-	(939,000)	(2,271,000)
	<u>(785,096)</u>	<u>7,368,445</u>	<u>(7,276,395)</u>	<u>(150,000)</u>	<u>(939,000)</u>	<u>(1,782,046)</u>
Restricted fixed asset funds						
DfE/EFA capital grants (iv)	426,000	26,000	-	-	-	452,000
Capital expenditure from GAG	1,692,000	-	(434)	150,000	-	1,841,566
Private sector capital sponsorship (v)	20,857,000	429,245	(559,245)	-	-	20,727,000
Gain on revaluation of land & buildings	-	-	-	-	1,074,231	1,074,231
	<u>22,975,000</u>	<u>455,245</u>	<u>(559,679)</u>	<u>150,000</u>	<u>1,074,231</u>	<u>24,094,797</u>
Total restricted funds	<u>22,189,904</u>	<u>7,823,690</u>	<u>(7,836,074)</u>	<u>-</u>	<u>135,231</u>	<u>22,312,751</u>
Total of funds	<u>22,982,904</u>	<u>8,486,422</u>	<u>(8,300,730)</u>	<u>-</u>	<u>135,231</u>	<u>23,303,827</u>

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17. Statement of funds (continued)

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

- (i) General Annual Grant must be used for the normal running costs of the Academy.
- (ii) Private funds consists of income received from pupils for specific trips, activities or music.
- (iii) Other restricted funds consists of income received for graduate teachers, management charges, pupil travel, and other DfE/ESFA grants.
- (iv) The capital grants represents fixed asset funding for various capital projects.
- (v) Represents the transfer of the School's premises from the Governing Body of Queen Elizabeth's School, Barnet, funding from The Friends of Queen Elizabeth's School & from private school funds.

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 2017.

18. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	24,617,982	24,617,982
Current assets	971,501	589,923	-	1,561,424
Creditors due within one year	-	(255,807)	-	(255,807)
Provisions for liabilities and charges	-	(1,526,000)	-	(1,526,000)
	<u>971,501</u>	<u>(1,191,884)</u>	<u>24,617,982</u>	<u>24,397,599</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	24,094,797	24,094,797
Current assets	991,076	880,296	-	1,871,372
Creditors due within one year	-	(391,342)	-	(391,342)
Provisions for liabilities and charges	-	(2,271,000)	-	(2,271,000)
	<u>991,076</u>	<u>(1,782,046)</u>	<u>24,094,797</u>	<u>23,303,827</u>

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19. Reconciliation of net movement in funds to net cash flow from operating activities

	2017	2016
	£	£
Net income for the year (as per Statement of Financial Activities)	177,772	187,686
Adjustment for:		
Depreciation charges	745,971	559,000
Decrease/(increase) in debtors	258,055	(181,000)
Decrease in creditors	(137,208)	(24,000)
Capital grants from DfE and other capital income	(25,735)	(26,000)
Defined benefit pension scheme cost less contributions payable	124,000	37,000
Defined benefit pension scheme finance cost	47,000	51,000
Interest receivable	(525)	(2,000)
Donation for buildings	(1,234,442)	(429,000)
Net cash (used in)/provided by operating activities	(45,112)	172,686

20. Analysis of cash and cash equivalents

	2017	2016
	£	£
Cash in hand and at bank	1,289,358	1,341,251
Total	1,289,358	1,341,251

21. Capital commitments

At 31 August 2017 the academy had capital commitments as follows:

	2017	2016
	£	£
Contracted for but not provided in these financial statements	-	829,000
	-	829,000

22. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

NOTES TO THE FINANCIAL STATEMENTS
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22. Pension commitments (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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

During the previous year the employer contribution rate was 16.48%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £503,080 (2016 - £502,712).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

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22. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £185,000 (2016 - £195,000), of which employer's contributions totalled £147,000 (2016 - £155,000) and employees' contributions totalled £38,000 (2016 - £40,000). The agreed contribution rates for future years are 24.0% for employers and 5.5% and 12.0% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	2.70 %	4.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2017	2016
Retiring today		
Males	21.9	22.1
Females	24.3	24.4
Retiring in 20 years		
Males	23.9	24.2
Females	26.5	26.8

	At 31 August 2017	At 31 August 2016
Sensitivity analysis	£	£
Discount rate -0.5%	407,000	478,000
Mortality assumption - 1 year increase	153,000	114,000
Salary increase rate of +0.5%	67,000	196,000
Pension increase rate of +0.5%	333,000	263,000

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22. Pension commitments (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,639,000	1,164,000
Cash	-	15,000
Debt instruments	670,000	352,000
	<u>2,309,000</u>	<u>1,531,000</u>
Total market value of assets	<u>2,309,000</u>	<u>1,531,000</u>

The actual return on scheme assets was £628,000 (2016 - £278,000).

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

	2017 £	2016 £
Current service cost	(273,000)	(194,000)
Interest income	32,000	48,000
Interest cost	(79,000)	(99,000)
	<u>(320,000)</u>	<u>(245,000)</u>
Total	<u>(320,000)</u>	<u>(245,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	3,802,000	2,404,000
Current service cost	273,000	194,000
Interest cost	79,000	99,000
Employee contributions	38,000	40,000
Actuarial (gains)/losses	(320,000)	1,169,000
Benefits paid	(37,000)	(104,000)
	<u>3,835,000</u>	<u>3,802,000</u>
Closing defined benefit obligation	<u>3,835,000</u>	<u>3,802,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

22. Pension commitments (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	1,531,000	1,160,000
Interest income	32,000	48,000
Actuarial losses	596,000	230,000
Employer contributions	147,000	157,000
Employee contributions	38,000	40,000
Benefits paid	(37,000)	(104,000)
Contributions in respect of unfunded benefits	2,000	-
	2,309,000	1,531,000
Closing fair value of scheme assets	2,309,000	1,531,000

23. Operating lease commitments

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	27,986	21,000
Between 1 and 5 years	31,640	-
	59,626	21,000
Total	59,626	21,000

24. Members' liability

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

25. Related party transactions

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

The following related party transaction took place in the period of account.

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

QUEEN ELIZABETH'S SCHOOL BARNET
(A Company Limited by Guarantee)

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FOR THE YEAR ENDED 31 AUGUST 2017

25. Related party transactions (continued)

	2017	2016
	£	£
School Minibus Expenditure	53,460	4,000
Capital Works	1,180,732	297,000

Of this amount, £184,192 was received shortly after the year-end and is therefore included within debtors as at 31 August 2017.

Transactions involving the School and the FQE Enterprise Limited

During the financial year FQE Enterprise Limited, which operates the School's shop, collected monies of £13,806 (2016: £14,916) which was paid over to the School. At the Balance Sheet date £361 (2016: £252) was due to the school.

The School also received funds relating to salary costs paid by the school for Staff working in the FQE shop. This totals £43,000 (2016: £39,000).

In undertaking these transactions the Academy Trust has complied with the requirements of EFA's Academies Financial Handbook.

