

**Barnet Special Education
Trust**

**Annual Report and Financial
Statements**

31 August 2021

Company Limited by Guarantee
Registration Number
10034425 (England and Wales)

Barnet Special Education Trust

celebrate uniqueness

Contents

Reports

Reference and administrative information	1
Trustees' report	2
Governance statement	15
Statement on regularity, propriety and compliance	20
Statement of trustees' responsibilities	21
Independent auditor's report on the financial statements	22
Independent reporting accountant's report on regularity	26

Financial statements

Consolidated statement of financial activities	29
Balance sheets	30
Consolidated statement of cash flows	31
Principal accounting policies	32
Notes to the financial statements	37

Reference and administrative details

Members	Judith Charlesworth Anne Etherington Desiree Lodge-Patch Steve Palmer
Trustees	Judith Charlesworth (Chair) Ola Ajadi (Appointed 7 December 2020) Tom Burns (Appointed 7 December 2020) Dr. Laura Crane Janet Dobney Siobhan Fairclough (Resigned 31 December 2020) Anthony Fenton (Resigned 12 October 2020) David Spencer (Appointed 13 January 2021) Lynda Walker (CEO) Richard Weisfeld Valerie White
Senior Leadership Team	
Headteacher	Lynda Walker (CEO)
Academy Development Director	Ian Kingham (CFO) (Resigned as CFO 31 August 2021)
Deputy Headteacher	Virginia D'Odorico
Deputy Headteacher	Teresa Ellis
Assistant Headteacher	Charlotte Charlesworth
Assistant Headteacher	Esther Pearsall
Assistant Headteacher	Elham Seyedi-Yazdi
Oakbridge Provision Manager	Simon Clark
Business Director	Nathaniel Nye (CFO) (Appointed 1 September 2021)
Governance Professional Services	The Education Advisory Services Ltd
Company Name	Barnet Special Education Trust
Principal and Registered Office	Oak Lodge School, Heath View, London, N2 0QY
Company Registration Number	10034425 (England and Wales)
Independent Auditor	Buzzacott LLP, 130 Wood Street, London, EC2V 6DL
Bankers	Lloyds Bank, 39 Threadneedle Street, London, EC2R 8AU
Solicitors	Stone King LLP, Boundary House, 91 Charterhouse Street, London EC1M 6HR

Trustees' report 31 August 2021

The trustees present their annual report together with the financial statements and the auditor's reports of the charitable company for the period from 31 August 2021. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 32 to 36 of the attached financial statements and comply with the Academy's memorandum and articles of association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

Principal activities

The Academy Trust currently operates one special academy, Oak Lodge School, which was funded by ESFA for 195 places for children and young people aged 11-19 during the accounting year. At the last school census taken in May 2021 there were 204 students on roll.

The Academy Trust has also established a subsidiary company, Oakbridge Special Education, to manage a Specialist Post-16 Institution as a separate entity providing special FE education places funded for up to 16 young adults aged 19-24 with Education, Health and Care Plans. This provision was over-subscribed with 18 students throughout the reporting year.

During the course of this reporting period, a site has finally been identified for the proposal to open The Windmill School; this will be a specialist autism special academy (free school) for up to 90 pupils aged from 5 through to 18. Following a successful feasibility study of the site, full planning proposals are being developed for submission during Autumn 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Barnet Special Education Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Barnet Special Education Trust.

Details of the trustees who served during the year, and to the date these financial statements are approved are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

Governors' Indemnity Insurance (including Professional Liability) is provided through the Department for Education Risk Protection Arrangement (RPA) and provides unlimited cover.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of trustees

Trustees were originally selected and recruited by members from local governors, supplemented by suitable contacts from personal and professional networks. Trustees have been nominated and appointed by the above-named members of the Trust with a view to ensuring an appropriate range of specific skills, for example; finance, personnel, education and law. The collective skill, experience and ability of the Board is subject to regular review. During the course of this year, a successful recruitment drive supported by our Governance Professional and making use of specialist governance recruitment agencies has resulted in three new appointments; backfilling in-year resignations and strengthening the overall skills and experience represented on the Board. Similar processes have also been put in place to strengthen and broaden the membership of the Oak Lodge local governing body.

Policies and procedures adopted for the induction and training of trustees

Induction and training procedures for trustees and local governors are in place and take the form of dedicated training meetings with senior leaders and the Trust's governance professional, signposting the key documentation and assessment of skills, supported by external training supplied by London Borough of Barnet and Buzzacott LLP. The CEO, Academy Development Director and Governance Professional, monitor training requirements and identify relevant courses which fit with the Trust's objectives and priorities.

Organisational structure

The aim of the management structure is to delegate responsibility and encourage involvement in decision making at all levels.

- ◆ The members meet annually and at other times as required with a role to ensure the Trust fulfils its founding principles, appoint trustees, receive the company's annual report and accounts, and appoint external auditors.
- ◆ The Board of Trustees meet at least once in each academy term and steer the strategic aims of the Trust. They appoint the Chair and community governors of the single Local Governing Body (LGB), whilst ensuring the election of staff and parent representation to keep a general overview of the work of the Trust and its schools. As the sole corporate member of Oakbridge Special Education, they have an additional role to appoint its trustees.
- ◆ The Board of Trustees have established a Finance, Audit and Risk Committee as a direct sub-committee of the Board, in full accordance with the Academies Financial Handbook. This committee has a majority of trustees in its membership but also includes a small number of appointed local governors. This sub-committee will meet a minimum of three times per year, but at other times as required to ensure the Board has sufficient and confident oversight of the financial performance and regularity compliance of Trust activities.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure (continued)

- ◆ The LGB of Oak Lodge School, is a sub-committee of the Trust board in accordance with the Academy Trust Handbook and is composed of a mixture of trustees and local governors. The Trust through its Accounting Officer, ensures that all statutory responsibilities are fully discharged. During the academic year LGB governors hold a minimum of three meetings; preceded by additional relevant sub-committees such as from time-to-time have been determined to be required. The LGB is responsible for operational oversight of the special academy, monitoring educational performance, safeguarding, staffing, wellbeing and premises management.
- ◆ Barnet Special Education Trust is the sole corporate member of Oakbridge Special Education Limited. Oakbridge Special Education has its own board of trustees appointed by BSET, that include the CEO. The board meets as a separate body and reports termly to the Trustees of the MAT.

Appropriate powers and functions are delegated to the Headteacher/CEO and include responsibility for the internal organisation, management and control of the academy and Special Post-16 Institution, the implementation of all policies approved by the Trust and Local Governing Body and the direction of teaching and the curriculum.

The Headteacher of Oak Lodge School is CEO and Accounting Officer for Barnet Special Education Trust.

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of Barnet Special Education Trust are the trustees, local governors and the senior leadership team of Oak Lodge School, including the Headteacher, Academy Development Director, deputy and assistant headteachers. The remuneration of these key personnel is managed, approved and is benchmarked against comparable roles in other schools by the Headteacher in line with the Finance Policies Scheme of Delegation, the School Teachers Pay and Conditions Document and the National Joint Council for Local Government Services Pay and Conditions Document (Green Book). An external adviser is appointed annually to support local governors and trustees in the appraisal of the Headteacher. The Headteacher makes arrangements for the annual appraisal or performance management of all other executive members of the leadership group in accordance with current regulation.

TRADE UNION FACILITES TIME

As the only open academy of the Trust, Oak Lodge School purchased Trade Union Facilities Time for the accounting period as a traded service supplied by Barnet Education and Skills service at a cost of £424 for the year. This service provides a cost-effective access route for statutory and collective consultation and bargaining through branch officials from NUT, NASUWT, Unison and GMB unions. The arrangement provides access to a framework for academies to manage industrial relations and largely eliminates or at least reduces the need to establish, agree and coordinate release arrangements and paid time off for duties and training.

TRADE UNION FACILITES TIME (continued)

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
0	0

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	£424
Total pay bill	£3,206,000
Percentage of total pay bill spent on facility time	0.01%
(total cost of facility time + total pay bill) x 100	

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period + total paid facility time hours) x 100	n/a
--	-----

Trustees have made reference to Statutory Instrument 2017 No. 328, The Trade Union (Facility Time Publication Requirements Regulations 2017 to calculate the details outlined above.

RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS

The Multi-Academy Trust has one open special academy, Oak Lodge School.

The Trust controls the activities of Oakbridge Special Education whose purpose is to manage a special 19-24 FE SEN provision, recognised by ESFA as a Special Post-16 Institution (SPI). The Multi-Academy Trust is the sole member of the subsidiary company, which is now recognised as an exempt charity. The CEO of the Trust is an appointed director/trustee.

Oak Lodge School is a member of the MOON partnership of special schools and academies in the Barnet area. However, there are no aspects of this arrangement that impact directly on operational policies of the Trust.

The activities and charitable objects of the Trust are supported through its relationship with the Hearts of Oak charity foundation, originally established by parents and carers of children at the formerly maintained special school; but that is now offering charitable financial support to both Oak Lodge School, the Special Academy and Oakbridge Special Education, the Specialist Post-16 Provision.

OBJECTIVES AND ACTIVITIES

Objectives and Aims

The Trust's objectives are to advance education for the public benefit, by establishing, maintaining, and carrying on schools specially organised to make special educational provision for children and young people with Special Educational Needs.

Objectives, strategies and activities

- ◆ Our curriculum should be rigorous, relevant and personalised to meet a wide range of individual special needs.
- ◆ Teaching should be consistently outstanding, accessible and autism-inclusive, to enable all students, whatever their learning needs, to demonstrate excellent progress.
- ◆ The Trust in all its provisions, will embrace an eclectic range of interventions appropriate for the education of teaching young people with Autistic Spectrum Conditions by committing to the SCERTS model.
- ◆ Parents and families should be fully engaged in the learning community of the Trust and its provisions.
- ◆ Provision accommodation should offer a positive environment that promotes independent learning for all, including those with physical disabilities.
- ◆ Staff across the Trust and Oakbridge Special Education will have access to high quality professional development and contribute wherever possible to evidence-based research, supporting the wider development of special educational needs provision.
- ◆ Provisions within the Trust and Oakbridge Special Education will be active members in their networks, partnerships and alliances, promoting collaborative exchange of knowledge, skills and experience, in order to help all of us be the best we can be.
- ◆ BSET also aims to meet additional identified local need, subject to location of a suitable site, to establish a special free school, currently in pre-approval stage, to be known as The Windmill School that will eventually offer 90 places for CYP aged 5-18 with a primary diagnosis of autism.

Public Benefit

In setting the Group's objectives and planning its activities, the Board of Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Fundraising statement

The Academy Trust only undertakes direct fundraising activities in relation to parental donations towards food technology lessons or educational visits. Trustees and school leaders ensure that parental donations of this kind are sought within the guidance and regulation of education and charity law and that they confirm to standards of current best practice. This means that due consideration will always be given to the economic challenges faced by many families with children and young people attending its provisions, and that pupil or student participation in any educational opportunity is not contingent on parental donation.

OBJECTIVES AND ACTIVITIES

Fundraising statement (continued)

Given the nature of funding undertaken by the Trust we have not subscribed to any specific codes of practice and have received no complaints in respect of our fundraising activities in the reporting year.

However, the charitable purposes of the Trust and its educational provisions are also supported by a separate charity, 'Hearts of Oak', set up and independently run by a group of former and current parents of children and young people at Oak Lodge School, and Oakbridge Special Education.

STRATEGIC REPORT

Achievements and Performance

The Trust and its executive leadership have continued to maintain a strong working relationship with the London Borough of Barnet (LBB) as its main commissioner of places. Thanks to the financial investment of the local authority prior to conversion, Oak Lodge has reaped the benefit of attractive and relatively spacious accommodation as a special academy; exceeding its target place offer of 200 by the 2020-2021 academy year.

At the beginning of the year, Oak Lodge opened its 'Edible Playground" supported by the charity Trees for Cities. This is a new inclusive and accessible horticulture learning resource for students at the school that has taken over what was an unused section of the school site following demolition of redundant temporary classrooms. The new resource has had a successful first year of operation, much valued by staff and students on their return to a full in-person education following the pandemic disruption. The Trustees are grateful for the additional financial support of Hearts of Oak to complete this project.

Oak Lodge has continued to offer high quality special educational needs provision that meets the needs of a wide range of moderate, to severe and complex learner presentations. This is enabled through high levels of staff support, reinforced with high quality professional development opportunities that foster the skills to effectively engage learners to achieve high levels of progress, relative to their prior attainment. The quality of provision was re-affirmed through a Section 5 Ofsted inspection in September 2019 that found the school continued to be Outstanding.

Whilst few learners at the school present the academic capacity to fully access Level 1 or 2 GCSE qualifications, those that can are entered for subjects where they have particular strengths. A small number of students achieved GCSE grades in Art & Design, English and Mathematics during 2021. The impact of many students' prolonged absence from face-to-face learning during a period of school closure and then partial re-opening during the previous academy year has been mitigated a modified 'recovery' curriculum that recognises and seeks to redress the academic, developmental, social and emotional wellbeing disruptions caused by COVID-19.

STRATEGIC REPORT (continued)

Achievements and Performance (continued)

Oak Lodge is equally aware of its responsibility to find ways to measure non-academic development. In particular, the special academy continues to build a reputation to promote the specialist needs of its autistic learners and has taken a leading role at local and regional level to promote the highly specialist and therapeutically developed SCERTS® intervention model that encourages social interaction and communication, emotional self-regulation and transactional support. The special academy has continued to work in partnership with academic speech and language therapists and psychologists to implement the SCERTS® model and develop a sophisticated method of recording individual progress in these specific aspects of development and growth. This project was interrupted by the pandemic's impact, but successfully re-commenced during 2020-21. Oak Lodge was awarded Advanced Status Accreditation from the National Autistic Society following their review of provision in December 2019. The NAS Panel Committee concluded the school was clearly a centre of expertise in the education of autistic young people.

The school as a special academy continues to be outward looking in its partnership work with the MOON alliance of Barnet special schools and in its support for the Challenge Partners peer quality assurance scheme.

Barnet Special Education Trust has a further project to open an all-age special free school focussed on children and young people whose autism sensibilities make it difficult to make progress in accordance with their potential in the busy environments of mainstream or generic special schools. Our free school application was approved by DfE in late 2016, but the project had been hampered by the lack of suitable sites within the Barnet borough area. This barrier was finally overcome during 2020-21, with the DfE's acquisition of an existing light industrial building in the Barnet area. A full planning and change of use application is now intended to be submitted to the local planning authority during Autumn 2021.

Collaboration with partner schools has continued throughout the pandemic, although the Headteacher's contribution as a Challenge Partner lead reviewer has been temporarily curtailed, as has other school leader contribution to peer review systems that include a senior member of staff being a lead reviewer for the National Autistic Society accreditation programme. These have had a small impact on the income of the Trust; as has the suspension of the Ofsted inspections during Covid – the Headteacher is also a lead Ofsted inspector for special schools and a team inspector in primary-phase mainstream provisions.

System leadership activity is now resuming as the pandemic's effect on the education sector in England recede. School leadership is in a confident position to resume support of all our outside agency partnerships and further enrich the quality of provision within the Trust.

STRATEGIC REPORT (continued)

Key Performance Indicators

Under the Companies Act 2006, a strategic report must include an analysis against key financial performance indicators, and where appropriate, further analysis of other key strategic performance indicators, relevant to the successful operation of the Academy Trust. The Board note the following milestones to represent the ongoing successful performance of the Academy Trust;

◆ Oak Lodge School

- Outstanding Ofsted Inspection – September 2019
- Advanced Accreditation – National Autistic Society – December 2019
- Increased student roll to meet target of 200 by 2020-2021
- Recovery curriculum implementation following post-pandemic re-opening of schools

◆ The Windmill School

- Agreement and acquisition of site and building by DfE
- Successful feasibility study outcome leading to preparation of designs for refurbishment to be submitted for planning approval

Going concern

The Trust regained a modest amount of income from lettings activities during the period of virus control measures. The costs of its own control measures implementation were balanced by a reduction in other resources expenditure. Government funding grants for the academy year 2020/21 are confirmed, as are the additional High Needs Top Up payments from our commissioning local authorities agreed for each individual pupil or student on roll in our provisions.

After making appropriate enquiries, the trustees have a reasonable expectation that the Trust 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 adoption of the going concern basis can be found in the principal accounting policies on pages 32 to 36.

Financial review

The re-opening of schools during the 2020-21 academy year brought increased expenditure demands related to health and safety, risk-management and human resources. These largely took the form of additional/exceptional staff costs, increased hygiene supplies and cleaning materials.

STRATEGIC REPORT (continued)

Financial review (continued)

Staff costs to cover absent staff unable to work due to COVID related reasons were calculated at approximately £37,000. Costs for additional health and safety supplies increased by an average of £1.900 per month across the reporting year. These exceptional costs were mitigated by COVID grants totalling £61,000, with the balance of expenditure being managed through economies on other supplies, especially those relating to educational visits, that were significantly affected during the year.

As a result, the pandemic and its recovery period have not adversely affected the overall financial performance of the Trust, or impacted unduly on reserves.

Financial report for the year

Net expenditure for the year was £878,000 (2020 – £617,000) before any movements on the defined benefit pension scheme. The actuarial gain on the defined benefit pension scheme was £1,154,000 (2020 – £739,000).

The Group had total funds of £7,308,000 (2020 – £7,032,000) at the balance sheet date, including a fixed asset fund of £9,142,000 (2020 – £9,565,000) and a deficit on the pension reserve of £2,604,000 (2020 – £3,324,000). Excluding these funds, the Group had £770,000 (2020 – £791,000) of free reserves at 31 August 2021 including £402,000 (2020 – £306,000) of unrestricted funds and £163,000 of GAG carried forward (2020 – £340,000) at the year end.

Funds ringfenced for Oakbridge Special Education amount to £117,000 (2020 – £57,000).

Financial and risk management objectives and policies

Risks are defined as uncertain future events that might prevent the academy trust from achieving its objectives. The trustees therefore ensure that it has in place the means to identify, analyse, control and monitor the strategic and operational risks it faces through its Fraud Policy, Risk Register & Business Continuity Plan.

Reserves policy

Trustees review the reserves of the Trust to ensure that they are adequate to meet the needs of the Trust. Schools trading as academies are expected to hold contingency reserves from their annual funding or other income. The trustees require a revenue reserve to be created to:

- ◆ mitigate risk of income variations from individual pupil top-up funding;
- ◆ maintain a consistent and sustainable workforce, as staffing costs are such a large proportion of revenue expenditure; and
- ◆ fund other expenditure related to strategic long-term aims and developments.

STRATEGIC REPORT (continued)

Financial review (continued)

Reserves policy (continued)

The policy of the Trust is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed that permitted by the DfE. Trustees aim to maintain a level of reserves that is broadly equivalent to a minimum of one month and a maximum of three months' staffing costs. As at 31 August 2021, the Trust had revenue reserves including unrestricted and restricted revenue funds of £633,000 (2020 – £667,000). At the same time, the broader group reserve, including that of Oakbridge Special Education has decreased from £791,000 at 31 August 2020 to £770,000. Overall reserves have decreased which is mainly due to increased salary costs. Nevertheless they remain correspondent with, but at the reserves policy of the Trust in that they would cover approximately 1.5 months of staffing costs.

Investment policy

Trustees will consider the investment of surplus funds of the Trust should future circumstances require, in accordance with the Academy Trust Handbook.

PRINCIPAL RISKS AND UNCERTAINTIES

Strategic risks

1. That trustees do not ensure rigorous monitoring is undertaken in the absence of the Headteacher and/or Business Director

Previously, internal audit reports had been scheduled twice per year, during the terms when the external audit was not scheduled. The appointed Responsible Officer was a member of Board and undertook checks on key controls. This year the Board opted to appoint an external agent for its internal assurance and risk management programme. This has successfully and significantly increased the information available to the Board enabling it to ensure sound financial and risk management going forward. There continues to be monthly provision of full management accounts to members of the Finance, Audit and Risk Committee that meet for a minimum of 3 times per year; and to the wider Board in accordance with the Academy Trust Handbook. Trustees will continue to consider annually the arrangements for internal audit, having regard to the quality of external supply of such services. There will continue to be an external audit at least once per year. For long term Finance Officer absence, external support will be instigated to ensure continuity of operation.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Financial risks

1. Risk that funding levels are too low or high:

The principal risk here lies with the potential volatility of High Needs Top Up funding that varies according to each individual learner's assessed needs. There is a risk that needs can change, that learners will leave the Trust, or that new learners will be enrolled at a top up level that is higher or lower than the learner they replace on the school roll. The Chief Finance Officer will keep High Needs top-up funding forecast under monthly review and notify any changes to trustees, Headteacher and local governors. This risk is unaffected by the current Covid pandemic.

Operational risks that were originally identified from the uncertainty arising from Covid-19 and staff availability have not significantly impacted on the trust's operations. The Trust has taken all measures to mitigate the risks of future Covid disruption in accordance with government and public health guidance to schools and academies.

PLANS FOR FUTURE PERIODS

- ◆ The Trust will continue to have regard to all guidance as from time to time issued by DfE and health authorities in relation to safe operating procedures during the continued COVID disruption.
- ◆ Continue the implementation of the recovery curriculum to help students mitigate for the loss of learning and social development opportunities experienced during the pandemic. This will include the re-establishment of the broad range of enrichment activities to support more academic elements of the provision for learning, including the re-instatement of an educational visits programme for all.
- ◆ Upskilling teaching assistants through an Engagement Project in collaboration with UCL, together with a Recovery, Reset and Resilience Project initiated by Barnet Council.
- ◆ Supporting Barnet Council in its challenge to meet the demand for special school places through expansion of existing provisions or creation of specialist attached provisions in the mainstream sector.
- ◆ Working with DfE to gain planning approval for the conversion of a recently acquired site in Barnet to open The Windmill School by 2023-2024.
- ◆ To grow as an independent specialist MAT, but small enough to maintain a personalised service to our communities.
- ◆ To be an outward looking organisation, committed to the quality of our governance and building on the successful trustee recruitment programme that we have undertaken this year.

Trustees' report 31 August 2021

AUDITOR

In so far as the trustees are aware:

- ◆ there is no relevant audit information of which the charitable company's auditor is 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.

Trustees' report, incorporating a strategic report, approved by order of the members of the board of trustees on 6th December 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Judith Charlesworth', with a horizontal line extending to the right.

Judith Charlesworth, Chair of trustees

Date:

6th December 2021

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Barnet Special Education Trust has effective and appropriate systems of control; financial and otherwise. However, such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

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

Governance

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Trust undertakes regular review of its skills and experience and has taken measures to strengthen governance through a programme of recruitment and induction for new trustees, and ongoing training of existing board members.

Following a tendering process, trustees have appointed Education Advisory Service to provide independent clerking and governance professional services to the Trust and its subsidiary company, with effect from 1 September 2020.

The Board keeps under review the need for additional recruitment of trustees and local governors with appropriate skills, experience and qualifications, and seeks opportunities to select the most suitable candidates from specialist recruitment agencies.

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 4 times during the year. The trustees recognise the Academies Financial Handbook requirement of six meetings in year. This requirement has been fulfilled by the establishment of a Finance, Audit and Risk Committee which has formally met on 3 occasions during the year to ensure there is sufficient regular financial oversight of operational performance. All meetings during the reporting period have been held through remote video-conferencing. Attendance during this period at meetings of the Board of Trustees was as follows:

Governance (continued)

Trustee	Meetings attended	Out of a possible
Ola Ajadi	2	3
Tom Burns	3	3
Judith Charlesworth	3	4
Dr.Laura Crane	4	4
Janet Dobney	3	4
Siobhan Fairclough	0	2
Tony Fenton	0	0
David Spencer	1	2
Lynda Walker	4	4
Richard Weisfeld	4	4
Val White	4	4

The **Finance, Audit and Risk Committee** is established as a direct sub-committee of the Board of Trustees in full alignment with the Academy Trust Handbook. This committee has delegated oversight of all financial operations, risk management and assurance. Its membership includes a majority of trustees, but local governors may also serve where appointed by trustees.

Trustee (T) and local governor (LG) attendance at meetings in the year is listed below:

Trustee/Local Governor (T/LG)	Meetings attended	Out of a possible
Ola Ajadi	2	2
Tom Burns	2	2
Tony Fenton (T)	0	0
Tina Rooney (LG)	3	3
Menashe Sadik (LG)	0	3
David Spencer	2	2
Lynda Walker (T)	2	3
Richard Weisfeld (T)	3	3
Val White (T)	3	3

The **Oak Lodge School Local Governing Body** committee contains both trustees and local governors within its membership, to ensure the best balance of knowledge, skills and experience to meet its remit. This sub-committee of the Board of Trustees has oversight of teaching, learning, safeguarding and premises management at Oak Lodge School.

Trustee (T) and local governor (LG) attendance at meetings in the year is listed below:

Trustee/Local Governor (T/LG)	Meetings attended	Out of a possible
Danny Chilvers (Staff LG)	3	3
Julian Cole (LG)	2	2
Dr.Laura Crane (T)	3	3
Janet Dobney (T)	3	3
Emmet Giltrap (LG)	3	3
Anna Grobelna-Puskarz (LG)	2	3
Ella Rachamim (LG)	1	1
Tina Rooney (LG)	2	3
Menashe Sadik (LG)	0	3
Grace Stogdon (LG)	2	2
Lynda Walker (T)	3	3
Sylvia White (LG)	3	3

Review of Value for Money

As Accounting Officer, the Headteacher of Oak Lodge School has a responsibility to ensure that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during the academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data or by using a framework where appropriate. The Accounting Officer for the Academy Trust has delivered and improved value for money during the year by:

- ◆ Keeping under review the teaching staff body, taking opportunities to refresh the workforce as natural opportunities arise and talent-spotting from the teaching assistant workforce, identifying those employees or agency contractors with the values, skills and potential to succeed in a challenging SEN environment;
- ◆ Negotiating with a broader range of staffing agencies to ensure a continuing high level of temporary or fixed-term staffing at favourable rates to the Trust;
- ◆ Entering traded services contracts with local authority suppliers to ensure continuity of service support, where these are seen to be both cost-effective and efficient; and
- ◆ Ensuring that administrative support staff have regard to current maintenance and supply contracts and services, ensuring best value is at the heart of all purchasing decisions.

The Trust acknowledges that further work should be undertaken to achieve best value across its procurement programmes and expects to undertake further review of its purchasing arrangements as the MAT develops.

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 the Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Trust for the period 1 September 2020 to 31 August 2021 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The Board of Trustees has decided to buy-in an internal audit service from UHY Hacker-Young.

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

- ◆ Regularity and governance;
- ◆ Income
- ◆ Cash Management
- ◆ Purchases
- ◆ Payroll
- ◆ Fixed Assets

On a termly basis, the internal audit service reports to the board of trustees, through the Finance, Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The schedule of work has been delivered as planned for 2020/21. Following the report arising from the schedule of work, the Trust will be addressing the need to maintain a summary of all incoming funds and grants, earmarking and ringfencing these for certain types of expenditure against both restricted and unrestricted funds in a transparent layout.

Review of effectiveness

As Accounting Officer, the Headteacher of Oak Lodge School has responsibility for reviewing the effectiveness of the system of internal control. During the period in question, the review has been informed by:

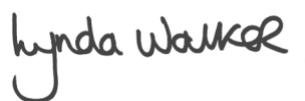
- ◆ the work of the internal audit service;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self-assessment process; and
- ◆ the work of executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of trustees on **6th December 2021** and signed on its behalf by:



Judith Charlesworth
Trustee



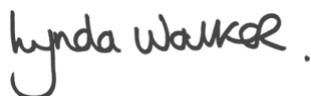
Lynda Walker
Accounting Officer

Statement on regularity, propriety and compliance 31 August 2021

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

I confirm that I and the Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2020.

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.



Lynda Walker
Accounting Officer

Date: **6th December 2021**

Statement of trustees' responsibilities 31 August 2021

The trustees (who are also directors of the Trust 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 Trust and of its income and expenditure for that period. In preparing these financial statements, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- ◆ make judgments and 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 Trust will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust 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 Trust applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the 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 **6th December 2021** and signed on its behalf by:



Judith Charlesworth, Chair of trustees

Independent auditor's report to the members of Barnet Special Education Trust

Opinion

We have audited the financial statements of Barnet Special Education Trust (the 'charitable parent company') and its subsidiary (collectively known as the 'group') for the year ended 31 August 2021 which comprise the group statement of financial activities, the group and charitable parent company balance sheets, the group statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP 2019) and the Academies Accounts Direction 2020 to 2021.

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company 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 group's and the charitable parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless trustees either intend to liquidate the group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ we identified the laws and regulations applicable to the group through discussions with management, and from our knowledge of the academy trust sector;
- ◆ the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit;
- ◆ we considered the legal and regulatory frameworks that are applicable to the group and determined that the most significant are the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2020 to 2021, the Academies Financial Handbook 2020, and the academy trust's funding agreement with the ESFA as well as legislation pertaining to safeguarding in the UK;
- ◆ we understood how the group is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of the minutes of trustees' and papers provided to the trustees.

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ we planned and carried out a separate limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

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

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

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

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

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

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reviewing the minutes of trustees' meetings and subsidiary company directors' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims;
- ◆ reviewing any available correspondence with Ofsted, ESFA and HMRC; and
- ◆ the work undertaken in relation to the limited assurance engagement in respect of regularity, propriety and compliance in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by the ESFA, as set out in our separate independent reporting accountant's assurance report on regularity.

Auditor's responsibilities for the audit of the financial statements (continued)

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

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

Use of our report

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



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

Date: 9 December 2021

Independent reporting auditor's assurance report on regularity to Barnet Special Education Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 27 September 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Barnet Special Education Trust during the period from 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Barnet Special Education Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Barnet Special Education Trust 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 Barnet Special Education Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Barnet Special Education Trust's Accounting Officer and the reporting auditor

The Accounting Officer is responsible, under the requirements of Barnet Special Education Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA.

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

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

Approach (continued)

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

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

A handwritten signature in black ink that reads "Buzzacott LLP". The signature is written in a cursive, flowing style.

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL
Date: 9 December 2021

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

	Notes	Unrestricted general fund £'000	Restricted funds		2021 Total funds £'000	2020 Total funds £'000
			General £'000	Fixed assets fund £'000		
Income from:						
Donations and capital grants	1	4	—	26	30	41
Charitable activities						
. Funding for the Trust's educational operations	2	4	5,663	—	5,667	5,314
. Other income	3	103	—	—	103	44
Investments		—	—	—	—	1
Total income		111	5,663	26	5,800	5,400
Expenditure on:						
Charitable activities						
. Trust's educational operations	5	—	6,214	464	6,678	6,017
Total expenditure	4	—	6,214	464	6,678	6,017
Net income (expenditure) before transfers		111	(551)	(438)	(878)	(617)
Gross transfers between funds	13	(15)	—	15	—	—
Other recognised gains and losses						
Actuarial gains on defined benefit pension scheme	17	—	1,154	—	1,154	739
Net movement in funds		96	603	(423)	276	122
Reconciliation of funds						
Total fund balances brought forward at 1 September		306	(2,839)	9,565	7,032	6,910
Total fund balances carried forward at 31 August		402	(2,236)	9,142	7,308	7,032

All recognised gains and losses are included in the statement of financial activities.

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

Balance sheets 31 August 2021

	Notes	Group 2021 £'000	Trust 2021 £'000	Group 2020 £'000	Trust 2020 £'000
Fixed assets					
Tangible fixed assets	9	9,142	9,142	9,565	9,565
Current assets					
Debtors	11	172	234	113	119
Cash at bank and in hand		797	586	855	750
		969	820	968	869
Liabilities					
Creditors: amounts falling due within one year	12	(199)	(187)	(177)	(202)
Net current assets		770	633	791	667
Total assets less current liabilities		9,912	9,775	10,356	10,232
Defined benefit pension scheme liability	17	(2,604)	(2,604)	(3,324)	(3,324)
Total net assets		7,308	7,171	7,032	6,908
Funds of the Academy					
Restricted funds					
. Fixed assets fund	13	9,142	9,142	9,565	9,565
. Restricted income fund	13	368	231	485	361
. Pension reserve	13	(2,604)	(2,604)	(3,324)	(3,324)
		6,906	6,769	6,726	6,602
Unrestricted funds					
. General fund	13	402	402	306	306
Total funds		7,308	7,171	7,032	6,908

The financial statements on page 29 to 50 were approved by the trustees, and authorised for issue on 6th December 2021 and are signed on their behalf by:



Judith Charlesworth, Chair of trustees

Barnet Special Education Trust
Company Limited by Guarantee
Registration Number: 10034425 (England and Wales)

Consolidated statement of cash flows 31 August 2021

	Note	2021 £'000	2020 £'000
Net cash (used in) provided by operating activities	A	(43)	356
Cash flows used in investing activities	B	(15)	(16)
Change in cash and cash equivalents in the period		(58)	340
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September		855	515
Cash and cash equivalents at 31 August	C	797	855

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

	2021 £'000	2020 £'000
Net expenditure for the year (as per the statement of financial activities)	(878)	(617)
Adjusted for:		
Depreciation (note 9)	464	522
Capital grants from DfE and other capital income	(26)	(16)
Interest receivable	—	(1)
Defined benefit pension scheme cost less contributions payable (note 17)	375	257
Defined benefit pension scheme finance cost (note 17)	59	74
Decrease (increase) in debtors	(59)	94
Increase in creditors	22	43
Net cash (used in) provided by operating activities	(43)	356

B Cash flows used in investing activities

	2021 £'000	2020 £'000
Interest receivable	—	1
Purchase of tangible fixed assets	(41)	(33)
Capital grants from DfE/ESFA	26	16
Net cash used in investing activities	(15)	(16)

C Analysis of changes in net debt

	2021 £'000	2020 £'000
Cash at bank and in hand	797	855
Total cash and cash equivalents	797	855

Barnet Special Education Trust does not have any borrowings or lease obligations. Net debt consists therefore of the cash at bank and in hand.

Statement of accounting policies

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

Basis of preparation

The financial statements of the 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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

Basis of consolidation

The consolidated statement of financial activities and group balance sheet includes the financial statements of Barnet Special Education Trust and Oakbridge Special Education, made up to the balance sheet date. Oakbridge Special Education is ultimately under the control of Barnet Special Education Trust.

No separate statement of financial activities has been presented for the Trust alone, as permitted by section 408 of the Companies Act 2006.

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 company 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 Group has adequate resources, in particular, a strong reserve base and confirmed government funding grants for the 2020/21 academic year, to continue in operational existence for the foreseeable future and there are no material uncertainties about the Group's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Income (continued)

Grants

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

The General Annual Grant is recognised in full in the statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

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

Other income

Other income, including the hire of facilities, catering income, school trips, full time nursery provision and after school club, is recognised in the period it is receivable and to the extent the Trust has provided the goods or services.

Expenditure

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

Charitable activities

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

All expenditure is stated net of recoverable VAT.

Tangible fixed assets

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

Tangible fixed assets (continued)

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. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy. 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/valuation of each asset on a straight-line basis over its expected useful economic life, as follows:

◆ Inherited long leasehold buildings	2.4% - 20%
◆ Acquired long leasehold buildings and improvements	2% per annum
◆ Fixtures and fittings	33% per annum
◆ Computer equipment	33% per annum
◆ Motor vehicles	20% per annum

Depreciation is charged from the month of acquisition.

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

Debtors

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

Cash at bank and in hand

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

Liabilities

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

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 11. Prepayments are not financial instruments. Amounts due to the charity'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 cost as detailed in note 12. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Leased assets

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

Taxation

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

Pensions benefits

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government 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 Trust 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 17, 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 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.

Pensions benefits (continued)

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 and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund accounting

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

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

Restricted income funds comprise all other grants received from the Education and Skills Funding Agency, the Local Authority or other revenue funds that are given for specific purposes.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The 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 for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, 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 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

1 Donations and capital grants

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2021 Total funds £'000
Capital grants	—	26	26
Other donations	4	—	4
2021 Total funds	4	26	30

	Unrestricted funds £'000	Restricted fixed assets funds £'000	2020 Total funds £'000
Capital grants	—	16	16
Other donations	25	—	25
2020 Total funds	25	16	41

2 Funding for the academy's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2021* Total funds £'000
DfE / ESFA revenue grants			
. General Annual Grant (GAG)	—	2,198	2,198
. UIFSM	—	2	2
. Pupil Premium	—	74	74
. Others	—	62	62
	—	2,336	2,336
Other government grants			
. Local authority grants	—	2,863	2,863
. Special educational projects	—	403	403
	—	3,266	3,266
Other income from the Trust's educational operations	4	—	4
COVID-19 additional funding (DfE/ESFA)			
Other DfE/ESFA COVID-19 funding (see note below)	—	61	61
	—	61	61
2021 Total funds	4	5,663	5,667

Additional coronavirus support has been provided this year in the form of catch-up grant from the ESFA.

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

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

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000
<i>DfE / ESFA revenue grants</i>			
. General Annual Grant (GAG)	—	2,144	2,144
. Pupil Premium	—	62	62
. Others	—	132	132
	<u>—</u>	<u>2,338</u>	<u>2,338</u>
<i>Other government grants</i>			
. Local authority grants	—	2,543	2,543
. Special educational projects	—	407	407
	<u>—</u>	<u>2,950</u>	<u>2,950</u>
<i>Other income from the Trust's educational operations</i>	—	16	16
COVID-19 additional funding (DfE/ESFA)			
<i>Other DfE/ESFA COVID-19 funding (see note below)</i>	—	10	10
	<u>—</u>	<u>10</u>	<u>10</u>
2020 Total funds	<u>—</u>	<u>5,314</u>	<u>5,314</u>

As part of its charitable activities, the academy trust operates a small gift shop to provide supported work experience opportunities to students. Following the coronavirus outbreak and subsequent closure of the premises, the trust was invited to apply and was awarded a grant of £10,000 from the Retail, Hospitality and Leisure Grant Fund in 2020.

3 Other income

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds £'000
Hire of facilities	26	—	26
Catering income	22	—	22
Other	55	—	55
2021 Total funds	<u>103</u>	<u>—</u>	<u>103</u>

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000
<i>Hire of facilities</i>	20	—	20
<i>Catering income</i>	—	22	22
<i>Trip income</i>	—	2	2
2020 Total funds	<u>20</u>	<u>24</u>	<u>44</u>

4 Expenditure

	Staff costs £'000	Non pay expenditure		2021 Total funds £'000
		Premises £'000	Other costs £'000	
Charitable activities:				
Academy's educational operations				
. Direct costs	4,451	464	199	5,114
. Allocated support costs	1,035	289	240	1,564
2021 Total funds	5,486	753	439	6,678

	Staff costs £'000	Non pay expenditure		2020 Total funds £'000
		Premises £'000	Other costs £'000	
Charitable activities:				
Academy's educational operations				
. Direct costs	4,030	522	135	4,687
. Allocated support costs	887	218	225	1,330
2020 Total funds	4,917	740	360	6,017

	2021 Total funds £'000	2020 Total funds £'000
Net income for the year includes:		
Depreciation	464	522
Fees payable to auditor		
. Statutory audit – Group	11	10
. Statutory audit – Subsidiary	3	2
. Other services	4	3

5 Charitable activities - academy's educational operations

	2021 Total funds £'000	2020 Total funds £'000
Direct costs	5,114	4,687
Support costs	1,564	1,330
	6,678	6,017

	2021 Total funds £'000	2020 Total funds £'000
Analysis of support costs		
Support staff costs	1,035	887
Technology costs	53	21
Premises costs	289	218
Other support costs	163	160
Legal costs	1	9
Governance costs	23	35
Total support costs	1,564	1,330

6 Staff

(a) Staff costs

Staff costs during the year were:

	2021 Total funds £'000	2020 Total funds £'000
Wages and salaries	3,206	3,063
Social security costs	308	281
Pension costs	1,010	865
	4,524	4,209
Supply teacher costs	962	708
	5,486	4,917

(b) Non-contractual staff severance payments

During the current and prior years, no non-contractual severance payments were made.

(c) Staff numbers

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

Charitable activities	2021 No.	2020 No.
Teachers	34	34
Administration and support	69	69
Management	8	8
	111	111

(d) Higher paid staff

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

	2021 No	2020 No.
£60,001 - £70,000	—	1
£70,001 - £80,000	2	1
£80,001 - £90,000	1	—
£90,001 - £100,000	—	1
£110,001 - £120,000	1	1
	4	4

Employer pension contributions for the above amounted to £53,766 during the year (2020 – £42,208).

6 Staff (continued)

(e) Key management personnel

The key management personnel of the Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust during the year was £689,404 (2020 – £695,851).

7 Trustees' remuneration and expenses

Headteacher and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

	2021 £'000	2020 £'000
Lynda Walker, Headteacher and Trustee		
. Remuneration	115-120	110 – 115
. Employer's pension contributions	—	—

During the year ended 31 August 2021 no travel and subsistence expenses were reimbursed to trustees (2020 – £nil).

8 Trustees' and Officers' insurance

The Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

9 Tangible fixed assets

Group and Trust	Leasehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total funds £'000
Cost/valuation					
At 1 September 2020	11,015	192	173	34	11,414
Additions	—	—	41	—	41
At 31 August 2021	<u>11,015</u>	<u>192</u>	<u>214</u>	<u>34</u>	<u>11,455</u>
Depreciation					
At 1 September 2020	1,496	155	164	34	1,849
Charge in year	428	21	15	—	464
At 31 August 2021	<u>1,924</u>	<u>176</u>	<u>179</u>	<u>34</u>	<u>2,313</u>
Net book value					
At 31 August 2021	<u>9,091</u>	<u>16</u>	<u>35</u>	<u>—</u>	<u>9,142</u>
At 1 September 2020	<u>9,519</u>	<u>37</u>	<u>9</u>	<u>—</u>	<u>9,565</u>

Notes to the Financial Statements Year to 31 August 2021

10 Investments

Oakbridge Special Education (incorporated on 31 May 2018), a private company limited by guarantee and not having share capital, under the control of Barnet Special Education Trust. The following is a summary of the balance sheet of Oakbridge Special Education for the period ended 31 August 2021, which has been included in the consolidated financial statements.

	2021 £'000	2020 £'000
Current assets		
Debtors	1	—
Cash at bank and in hand	211	105
	212	105
Creditors: amounts falling due within one year	(95)	(48)
Total net assets	117	57
Capital and reserves		
Retained profit at 1 September	57	—
Profit and loss account	60	57
Retained profit at 31 August	117	57

11 Debtors

	Group 2021 £'000	Trust 2021 £'000	Group 2020 £'000	Trust 2020 £'000
Trade debtors	36	98	32	42
Prepayments and accrued income	75	75	32	32
VAT recoverable	61	61	31	31
Other debtors	—	—	18	14
	172	234	113	119

12 Creditors: amounts falling due within one year

	Group 2021 £'000	Trust 2021 £'000	Group 2020 £'000	Trust 2020 £'000
Trade creditors	127	101	75	67
Other creditors	—	62	—	66
Accruals and deferred income	72	24	102	69
	199	187	177	202
Deferred income				
Deferred income at 1 September	35	6	34	8
Release during the year	(35)	(6)	(34)	(8)
Resources deferred in the year	—	—	35	6
Deferred income at 31 August	—	—	35	6

There was no funding received in the year for future financial years at the balance sheet date (2020 – £35,000).

13 Funds

Group	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
Restricted fixed assets fund					
. Transfer on conversion	9,565	—	(423)	—	9,142
. DfE/ESFA capital grants	—	26	(41)	15	—
	<u>9,565</u>	<u>26</u>	<u>(464)</u>	<u>15</u>	<u>9,142</u>
Restricted revenue grant fund					
.ESFA					
..General Annual Grant (GAG)	340	1,943	(2,120)	—	163
..Start Up Grant	22	—	—	—	22
.. UIFSM	—	2	(2)	—	—
..Pupil premium	—	74	(74)	—	—
..Other DfE/ESFA grants	—	62	(62)	—	—
..Other DfE/ESFA grants COVID-19 grants	—	61	(61)	—	—
..Other	66	—	—	—	66
.Local Authority grants	—	2,827	(2,827)	—	—
. Pension reserve	(3,324)	—	(434)	1,154	(2,604)
	<u>(2,896)</u>	<u>4,969</u>	<u>(5,580)</u>	<u>1,154</u>	<u>(2,353)</u>
Restricted other funds					
.Oakbridge Special Education					
..General Annual Grant (GAG)	—	255	(255)	—	—
..Local authority funded	57	403	(343)	—	117
..Other grants	—	36	(36)	—	—
	<u>57</u>	<u>694</u>	<u>(634)</u>	<u>—</u>	<u>117</u>
Total restricted funds	<u>6,726</u>	<u>5,689</u>	<u>(6,678)</u>	<u>1,169</u>	<u>6,906</u>
Unrestricted funds					
. General funds	306	111	—	(15)	402
Total unrestricted funds	<u>306</u>	<u>111</u>	<u>—</u>	<u>(15)</u>	<u>402</u>
Total funds	<u>7,032</u>	<u>5,800</u>	<u>(6,678)</u>	<u>1,154</u>	<u>7,308</u>

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

Fixed asset fund

The fixed assets fund was set up to recognise the tangible fixed assets gifted to the Trust upon conversion by the local authority. Depreciation charged on those inherited assets is charged to the fund.

13 Funds (continued)

Restricted revenue grant fund

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of its General Annual Grant that it could carry forward at 31 August 2021.

Other restricted revenue funds consists of pupil premium income, teachers pay grant awards Covid support, start up funding for the Windmill School (which will likely be expended in 2021/22) and free school meal funding.

Restricted other funds represent the funds generated in Oakbridge Special Education.

Comparative information

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

Group	<i>Balance at 1 September 2019 £'000</i>	<i>Income £'000</i>	<i>Expenditure £'000</i>	<i>Gains, losses and transfers £'000</i>	Balance at 31 August 2020 £'000
Restricted fixed assets fund					
. Transfer on conversion	10,012	—	(447)	—	9,565
. DfE/ESFA capital grants	42	16	(75)	17	—
	<u>10,054</u>	<u>16</u>	<u>(522)</u>	<u>17</u>	<u>9,565</u>
Restricted revenue grant fund					
.ESFA					
..General Annual Grant (GAG)	221	2,144	(2,025)	—	340
..Start Up Grant	24	—	(2)	—	22
.. UIFSM	—	—	—	—	—
..Pupil premium	—	62	(62)	—	—
..Other Dfe/ESFA grants	—	122	(122)	—	—
..Other Dfe/ESFA grants COVID-19 grants	—	10	(10)	—	—
..Other	66	—	—	—	66
.Local Authority grants	—	2,371	(2,371)	—	—
. Pension reserve	(3,732)	—	(331)	739	(3,324)
	<u>(3,421)</u>	<u>4,709</u>	<u>(4,923)</u>	<u>739</u>	<u>(2,896)</u>
Restricted other funds					
.Oakbridge Special Education					
..General Annual Grant (GAG)	—	192	(192)	—	—
..Local authority funded	—	432	(375)	—	57
..Other grants	—	5	(5)	—	—
	<u>—</u>	<u>629</u>	<u>(572)</u>	<u>—</u>	<u>57</u>
Total restricted funds	<u>6,633</u>	<u>5,354</u>	<u>(6,017)</u>	<u>756</u>	<u>6,726</u>
Unrestricted funds					
. General funds	277	46	—	(17)	306
Total unrestricted funds	<u>277</u>	<u>46</u>	<u>—</u>	<u>(17)</u>	<u>306</u>
Total funds	<u>6,910</u>	<u>5,400</u>	<u>(6,017)</u>	<u>739</u>	<u>7,032</u>

14 Analysis of net assets between funds

Group	Unrestricted funds £'000	Restricted General Funds £'000	Restricted other funds £'000	Restricted Fixed Asset Fund £'000	Total 2021 £'000
Fund balances at 31 August 2021 are represented by:					
Tangible fixed assets	—	—	—	9,142	9,142
Current assets	402	450	117	—	969
Current liabilities	—	(199)	—	—	(199)
Pension scheme liability	—	(2,604)	—	—	(2,604)
Total net assets	402	(2,353)	117	9,142	7,308

Comparative information

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

Group	Unrestricted funds £'000	Restricted General Funds £'000	Restricted other funds £'000	Restricted Fixed Asset Fund £'000	Total 2020 £'000
Fund balances at 31 August are represented by:					
Tangible fixed assets	—	—	—	9,565	9,565
Current assets	306	605	57	—	968
Current liabilities	—	(177)	—	—	(177)
Pension scheme liability	—	(3,324)	—	—	(3,324)
Total net assets	306	(2,896)	57	9,565	7,032

15 Commitments

At 31 August 2021, the Group did not have any future minimum lease payments under non-cancellable operating leases (2020 – none). The Group did not have any capital commitments or contingent liabilities at either of these dates.

16 Members' Liability

Each member of the Trust 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.

17 Pension and similar obligations

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

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

17 Pension and similar obligations (continued)

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £533,000 (2020 – £340,000).

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

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

17 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2021 was £412,000 (2020 – £308,000) of which employer’s contributions totalled £355,000 (2020 – £268,000) and employees’ contributions totalled £57,000 (2020 – £40,000).

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

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

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

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

Sensitivity analysis:

The following changes in assumptions would increase the defined benefit obligation by:

	At 31 August 2021 £'000	At 31 August 2020 £'000
Discount rate decrease -0.5%	555	559
Salary increase rate +0.5%	65	79
CPI rate increase +0.5%	101	469

17 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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

	Fair value at 31 August 2021 £'000	Fair value at 31 August 2020 £'000
Equities	1,133	595
Corporate bonds	470	319
Property	70	53
Cash and other liquid assets	70	95
Total market value of assets	1,743	1,062
Present value of scheme liabilities		
Funded	(4,347)	(4,386)
Deficit in the scheme	(2,604)	(3,324)

	2021 £'000	2020 £'000
Amounts recognised in statement of financial activities		
Current service cost	730	525
Expected return on pension scheme assets	(22)	(17)
Interest on pension liabilities	81	91
Net interest cost	59	74
Total amount recognised in the SOFA	789	599

Changes in the present value of defined benefit obligations were as follows:	2021 £'000	2020 £'000
Scheme obligations as at 1 September	4,386	4,497
Current service cost	730	525
Interest cost	81	91
Employee contribution	57	40
Actuarial (gain)	(907)	(767)
At 31 August	4,347	4,386

17 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Changes in the fair value of the Academy's share of scheme assets:	2021 £'000	2020 £'000
At 1 September	1,062	765
Interest income	22	17
Actuarial gain (loss)	247	(28)
Employer contributions	355	268
Employee contributions	57	40
At 31 August	1,743	1,062

18 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 a member of the trustee 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.

No related party transactions took place during the current or prior periods.

19 Comparative information

	Notes	Unrestricted general fund £'000	Restricted funds		2020 Total funds £'000
			General £'000	Fixed assets fund £'000	
<i>Income from:</i>					
<i>Donations and capital grants</i>	1	25	—	16	41
<i>Charitable activities</i>					
<i>. Funding for the Trust's educational operations</i>	2	—	5,314	—	5,314
<i>. Other income</i>	3	20	24	—	44
<i>Investments</i>		1	—	—	1
<i>Total income</i>		46	5,338	16	5,400
<i>Expenditure on:</i>					
<i>Charitable activities</i>					
<i>. Trust's educational operations</i>	5	—	5,495	522	6,017
<i>Total expenditure</i>	4	—	5,495	522	6,017
<i>Net income (expenditure) before transfers</i>					
		46	(157)	(506)	(617)
<i>Gross transfers between funds</i>	13	(17)	—	17	—
<i>Other recognised gains and losses</i>					
<i>Actuarial gains on defined benefit pension scheme</i>	17	—	739	—	739
<i>Net movement in funds</i>		29	582	(489)	122
<i>Reconciliation of funds</i>					
<i>Total fund balances brought forward at 1 September</i>		277	(3,421)	10,054	6,910
<i>Total fund balances carried forward at 31 August</i>		306	(2,839)	9,565	7,032