

**AP Barnet Multi-Academy
Trust Limited**

**Annual Report and Financial
Statements**

Year to 31 August 2018

Company Limited by Guarantee
Registration Number
010711125 (England and Wales)

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Reference and administrative information

Members	Robin Archibald Geoffrey Thompson Violet Walker
Trustees	Robin Archibald – Chair Joanne Kelly Nick Christou Deborah Metcalf Stephanie Vergnaud Angela Trigg Lynda Walker Rhona Povey Ciara Plunkett Elaine Runswick
Company Secretary	Nicola Baker
Senior Leadership Team	Joanne Kelly (Executive Headteacher and Accounting Officer) Kevin Grant (Head Teacher – Oak Hill) Liam McLaughlin (Assistant Headteacher – Oak Hill)
Registered address	The Pavilion Whetstone 58b Chandos Avenue Whetstone London N20 9DX
Company registration number	010711125 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Lloyds Bank Plc 25 Gresham Street London EC2V 7HN

INTRODUCTION

The trustees of the AP Barnet Multi-Academy Trust ('the Trust') present their statutory report together with the financial statements of the charitable company for the period from 1 September 2017 to 31 August 2018. The comparatives relate to the period from 5 April 2017 to 31 August 2017. The annual report serves the purposes of both a trustees' report under charity law and a directors' report under company law.

AP Barnet is a Multi Academy Trust whose main objectives are to advance education for the public benefit, by establishing and maintaining schools specially organised to provide special educational for children and young people with special educational needs predominantly in the areas of social, emotional and mental health. The Trust remains in a stage of infancy with Oak Hill School remaining the only operational school in the Trust. However, planning continues to ensure the expansion of the Trust to include two additional alternative provisions, The Pavilion and Northgate School, in the near future. The Trust has a clear vision for the future which will enable all young people to achieve success and positive pathways for the future.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and governance

The 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 AP Barnet Multi-Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as AP Barnet Multi-Academy Trust.

Details of the trustees who served during the year and the governance arrangements of the Trust and delegations to senior executive officers and committees are set out in the Governance Statement on pages 11 to 15.

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

In accordance with normal commercial practice the Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the premium for the period ended 31 August 2018 was included within the overall insurance premium.

Method of recruitment and appointment or election of trustees

The members and trustees of the Trust are set out on page 1 AP Barnet Multi-Academy Trust is a company limited by guarantee and an exempt charity; the formal governance arrangements for the Trust are set out in its Articles of Association.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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

Trustees have been recruited through a mixture of personal and professional networks and schools within the local community. When appointing and recruiting trustees, regard is given to the skills mix and backgrounds of the existing members and potential new members so as to ensure that the Board of trustees, its committees and local governing bodies have all the necessary skills required to carry out their roles and contribute fully to the Trust's development. In 2018 two new trustees were appointed to enhance the skill set of the board.

Policies and procedures adopted for the induction and training of trustees

All new trustees are recruited on their ability to play an active part in the governance of the AP Barnet Multi-Academy Trust. On their appointment, trustees are taken through an induction process which involves signposting to key documentation and assessment of skills, supported by training sessions run by the Trust, the London Borough of Barnet and other external providers.

The Board of trustees meet at least once per term and steer the strategic aims of the Trust.

Organisational structure

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

The Executive Headteacher, as the Chief Executive Officer and the Accounting Officer, is directly responsible for the day to day running of the Trust. She is assisted by the Headteacher of Oak Hill School.

The Executive Headteacher and Head of Oak Hill School implement the policies agreed by the Board of Trustees, supporting the school in the Trust and providing evidence, reports and data analysis to trustees to enable them to monitor effectively the performance of the Trust and its school.

The Head of Oak Hill School has delegated responsibility for the day-to-day running of the school and the implementation of the policies of the Trust and is responsible for the internal organisation, management and control of the school and for the direction of teaching and the curriculum. The Head of Oak Hill School is accountable to the Executive Headteacher.

The Trust has a Resource Committee to oversee the Finance Strategy, academy budget and the monitoring and review of the Trust's central services.

Resource Committee – This meets at least three times per year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and receiving reports from the Responsible Officer. The Committee also monitors the annual budget, including staffing levels. The Committee will approve the programme of work of the Trust's auditors to address risks; receive reports on the checks carried out to address the risks, receive the annual report of the auditors, inform the Trust's governance statement and make any comments or recommendations to the Board regarding audit and risk.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Arrangements for setting pay and remuneration of key management personnel

The Board of Trustees and the Resource Committee determine payscales for all key management personnel including the Executive Headteacher and the Head of School.

The rate of pay for the Executive Headteacher has been set following a benchmarking exercise of comparable academy trusts. The School Teachers Pay and Conditions have been used to set the pay range for the Head of Oak Hill School.

The performance of all key management personnel is assessed under the performance management framework. The Chair of Trustees completes an annual assessment of the Executive Headteacher and the Executive Headteacher assesses the Head of Oak Hill School performance. All pay decisions are approved by the Board of Trustees.

Trade Union Facility Time

The Trust has nothing to disclose in respect of the Trade Union (Facility Time Publication Requirements) Regulations 2017.

Connected organisations, including related party relationships

The Trust works with the Department of Education and the ESFA and maintains links with Barnet Local Authority. It also has strong links with other Local Authorities which commission the services of Oak Hill School. The Trust has strong links with secondary schools and primary schools in the areas it operates and participates in local school partnerships. The Trust works closely with the two pupil referral units in Barnet – Northgate and The Pavilion. The Executive Headteacher is also the Headteacher of The Pavilion Study Centre.

OBJECTIVES AND ACTIVITIES

Objects and aims

The aims of AP Barnet are very clear:

- ◆ Building personalised pathways to positive futures.
- ◆ Exceptional student outcomes as a consequence of excellent provision and high levels of aspiration.
- ◆ Meeting the aspirations and ambitions of a diverse and dynamic community.
- ◆ Same high quality learning opportunities, teaching and facilities for all, whilst rigorously tailoring learning to meet the distinctive needs of different groups of students.
- ◆ Distinctive career guidance and opportunities resulting in sustained post 16 destinations
- ◆ Parents and families should be fully engaged in the school community
- ◆ All staff will have access to high quality professional development through active membership of local partnerships and alliances

OBJECTIVES AND ACTIVITIES (continued)

Objects and aims (continued)

The Trust values the individual ethos and traditions of each provision and does not aim to impose uniformity although high expectations and standards in behaviour and learning are at the core of all.

The Trust believes that school-to-school support, sharing good practice, is the best way to improve.

The Trust has a commitment to inclusion and support for local schools and provides training and professional development opportunities for all.

AP Barnet provides alternative provision across Barnet and beyond for young people unable to remain in mainstream education for a wide range of reasons, predominantly social, emotional and mental health challenges.

Oak Hill School

Oak Hill School remains the first academy within the Multi Academy Trust with plans for the conversion of The Pavilion and Northgate continuing to be developed. Oak Hill School has grown from strength to strength, providing an innovative and progressive education for up to 40 young people aged between Year 7 and Year 11 with complex social, emotional and mental health needs.

The school continues to focus on driving up standards within teaching and learning, ensuring that all young people have access to an appropriate curriculum and make good or outstanding progress in all areas including academic, social and emotional.

Public benefit

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

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's objectives and aims and in planning future activities. The trustees consider that the Trust's aims are demonstrably to the public benefit.

STRATEGIC REPORT

Achievements and performance

AP Barnet is dedicated, goal driven and unique with a growing reputation for high standards of social and emotional development, academic achievement, teaching and integrity. The Trust was formed with a vision that:

- ◆ Learning underpins everything for everyone
- ◆ Positive pathways for the future
- ◆ Personalised curriculum resulting in success
- ◆ Community focused, inclusive approach

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Oak Hill School remains the first academy in the trust and continues to be outward looking in its partnership work with The Pavilion, LBB (London Borough of Barnet), the MOON alliance of Barnet special schools. The school continues to offer high quality special educational needs provision that meets the needs of learners with SEMH.

Pupils on Roll 2017-2018

The roll at Oak Hill School has increased considerably since 2016/17 with an average roll of 37 in comparison to 29. This indicates the positive relationship which exists between the school and our main commissioners, London Borough of Barnet. The long term aim is to attract 40 pupils from the local area and offer additional places for commissioning by other boroughs. The maximum number of additional out of borough places would be 5.

Student Outcomes

KS4 Results

Qualification	Subject	Number of Entries	Grade Achieved
GCSE English	English	1	U
GCSE Maths	Maths	1	3
GCSE	Art & Design	2	3,3
BTEC Level 1 Cert	Sports	2	PASS x 2
BTEC Level 1 Cert	Engineering Studies	1	PASS
BTEC Level 1 Cert	Home Cooking Skills	1	PASS
Functional Skills	English Level 1	8	PASS x 7
Functional Skills	Maths Level 1	10	PASS x 8
Functional Skills	Maths Level 2	1	PASS
Functional Skills	English Level 2	1	PASS

STRATEGIC REPORT (continued)

Student Outcomes (continued)

KS4 Results (continued)

Although few learners currently make the academic progress that enables full access to GCSE qualifications, the data indicates that those that can be entered for subjects where they have particular strengths especially in vocational areas. This is an area which will be further developed through our new partnership with Building Zone 1 and Barnet and Southgate College. Basic skills in English and Maths are being accessed by all with most pupils achieving accreditation in Functional Skills. AP Barnet is very aware of its responsibility in supporting the development of a curriculum that works for all its learners and finding ways to measure the non-academic achievements of pupils at Oak Hill School.

KS4 Destinations

AP Barnet is proud to present the data for Year 11 2016/17. Only 1 pupil is currently NEET with all others accessing post 16 education at college.

- Number of KS4 Leavers: **8**
- Number of learners accessing college: **7**
- 1 pupil has become post-16 LAC and was subsequently moved to Essex where new educational placement is being arranged.
- 1 pupil declined college placement and is subject of legal action between parents and home LA.

Progress and interventions

At the beginning of each academic year, baseline data is collected and analysed to provide accurate starting points for all students. The baseline data for the 2017/18 cohort indicated the following:

- 86% of pupils are below the 20th percentile for Reading on entry.
- 53% are below the 20th percentile for Spelling on entry.

Interventions are a key tool at Oak Hill to enable success within learning and progress for pupils and also staff. In 2017 – 2018, Oak Hill commissioned Speech and Language Therapy, Educational Psychologist and CAMHS from Barnet traded services.

The impact of interventions is clearly evident in the summary of pupil progress below.

English	Total %	Maths	Total %
Exceptional	3%	Exceptional	3%
Exceeding	24%	Exceeding	19%
Expected	51%	Expected	54%
Below	22%	Below	24%

STRATEGIC REPORT (continued)

Going concern

After making appropriate enquiries, the Board of Trustees has 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 27 to 32.

FINANCIAL REVIEW

The majority of the Trust's income is obtained from the ESFA in the form of recurrent grant, the use of which is restricted to particular purposes. The grants received during the period ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities on page 24.

The Trust's total income for the year was £1,231,000 (2017: £135,000), and total expenditure for the year was £1,120,000 (2017: £418,000). This led to an in-year surplus of £111,000 (2017: deficit of £283,000) prior to the actual gain on the pension scheme. Taking into account the actuarial gain of £59,000 (2017: loss of £2,000) there was a positive net movement in funds for the year of £170,000 (2017: negative net movement in funds of £285,000).

The total funds carried forward balance at 31 August 2018 are in deficit by £115,000 (2017: deficit funds of £285,000).

Financial position and reserves policy

The trustees review the reserves of the Trust annually. The review encompasses the nature of income and expenditure stream, the need to match income with commitments and the nature of the reserves. The trustees have determined that the level of reserves held is adequate for the Trust's needs. The objective is to hold reserves to a level of between £60,000 to £80,000.

The Trust held free reserves at 31 August 2018 of £146,000 (2017: £8,000) consisting of restricted general reserves of £139,000 and unrestricted general reserves of £7,000. Hence the Trust has exceeded its target level of reserves.

The Trust is in the process of developing a three-year plan to expend excess free reserves on areas including ICT, curriculum and therapy.

The Trust has a tangible fixed asset reserve of £5,000 (2017: £nil) which consists of unspent capital grant funding at 31 August 2018.

The Trust also has a negative pension reserve of £266,000 (2017: £293,000), equal to the value of its liability in respect of the Local Government Pension Scheme.

Investment policy

The Trust's liquid assets are held in the form of cash balances. The Trust does not invest these cash balances in longer terms deposits or other investment vehicles. Should it wish to do so in the future, the trustees will consider a recommendation by the Trust's executive officers.

FINANCIAL REVIEW (continued)

Principal risks and uncertainties

1. Government funding

AP Barnet has considerable reliance on continued government funding through the ESFA and Top Up Funding from Local Authorities and this level of requirement is expected to continue. There can be no assurance that National or Local Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. This risk will be mitigated in a number of ways:

- ◇ Funding is derived through a number of direct and indirect contractual agreements;
- ◇ By ensuring the academy in AP Barnet is rigorous in delivering high quality education and training;
- ◇ Considerable focus and investment is placed on maintaining and managing key relationships with the EFA and local government.

2. Reputational

The continuing success of AP Barnet, in particular Oak Hill School, is dependent on attracting admissions in sufficient numbers by maintaining the highest educational standards. To mitigate this risk:

- ◇ Trustees ensure that student success and achievement are closely monitored, reviewed and published.
- ◇ The Executive Headteacher and Head of School continue to market AP Barnet and Oak Hill School to a variety of key stakeholders including Primary Schools, Secondary Schools and the LA Inclusion Team/SEND.

3. Staffing

The success of AP Barnet is reliant on the quality of its staff and so the trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

4. Expansion of AP Barnet

The expansion of AP Barnet is dependent on the academisation of two additional schools. Currently the factors relating to this are not within the control of AP Barnet.

Fundraising

The Academy Trust does not actively solicit donations and therefore is not registered with the Fundraising Regulator and does not subscribe to any fundraising codes of practice. When donations from individuals are received, the Academy Trust aims to protect personal data and to never sell data or swap data with other organisations. During 2018, AP Barnet received no complaints about fundraising activities.

PLANS FOR FUTURE PERIODS

Plans for future periods

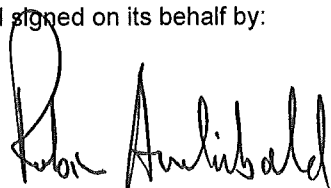
- ◆ To review and develop the curriculum to meet the needs of all learners.
- ◆ To research and develop alternative provision with The Pavilion to cater for the needs of learners with SEMH in Barnet and support mainstream schools.
- ◆ To finalise details regarding ownership of garages on Oak Hill site and, if belonging to AP Barnet, bid for funding to create a workshop to deliver mechanics.
- ◆ To increase the number of Year 11 learners achieving level 1 and 2 accredited courses at Oak Hill School.
- ◆ To introduce assessment programmes at Oak Hill School to support schools within Barnet and also provide an additional income stream for Oak Hill School.
- ◆ To develop a Year 6 provision which will be supported by a transition programme for appropriate pupils from The Pavilion Primary PRU.
- ◆ To work in partnership with local authorities to continue to develop SEND provision in and around Barnet.
- ◆ The Pavilion and Northgate will join AP Barnet and support the further development of alternative provision across Barnet and beyond.

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 was approved by order of the board of trustees, as the company directors, and signed on its behalf by:



Trustee

Date: 11 December 2018.

Governance statement 31 August 2018

AP Barnet Multi-Academy Trust is a company limited by guarantee and an exempt charity; the formal governance arrangements for the Trust are set out in its Articles of Association.

The following persons were in office for the year ended 31 August 2018 inclusive (or part thereof as indicated).

Members	Appointed/Resigned
Robin Archibald Geoffery Thompson Violet Walker	

Trustees	Appointed/Resigned
Robin Archibald Joanne Kelly Nick Christou Deborah Metcalf Stephanie Vergnaud Angela Trigg Lynda Walker Rhona Povey Ciara Plunkett Elaine Runswick	 Appointed on 3 July 2018 Appointed on 3 July 2018

The members of the Trust are the subscribers to the Memorandum of Association – the people who established the Trust – and any other individuals appointed by the members. The members have an overview of the governance arrangements of the Trust and may amend the Trust's Articles of Association. The members appoint trustees and may remove trustees.

The Board of Trustees

The members have delegated all their powers and duties, apart from those specified above, to the Board of Trustees.

The Board of Trustees consists of trustees appointed by the members plus the Executive Headteacher, as long as she remains in office. The trustees may in addition appoint co-opted trustees.

The Board of Trustees retains responsibility for:

- ◆ Formal accountability for the statutory functions of the Trust and for the operation and performance of all schools in the Trust.
- ◆ Ensuring clarity of vision, ethos and strategic direction of the Trust as a whole.
- ◆ Approving the Trust Budget and the Annual Report and Financial Statements of the Trust and ratifying the annual budget of each school.

The Board of trustees (continued)

- ◆ Oversight of the financial and educational performance of the schools in the Trust.
- ◆ Holding the Executive Headteacher to account for the financial and educational performance of the Trust as a whole.
- ◆ Agreeing Trust policies and procedures and ratifying school policies and procedures as required to ensure that the Trust fulfills its statutory responsibilities and the oversight, monitoring and review of the implementation of those policies.

The Board of Trustees can delegate powers and functions other than those above to committees, but retains legal accountability for any decisions taken. The Board of Trustees will not get involved in the day-to-day running of the Trust or its schools.

Trust Committees

Resource Committee – This meets at least three times per year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and receiving reports from the Responsible Officer. The Committee also drafts the annual budget, including setting staffing levels. The Committee will approve the programme of work of the Trust's Auditors to address risks; receive reports on the checks carried out to address the risks, receive the annual report of the Auditors, inform the Trust's governance statement and make any comments or recommendations to the Board regarding audit and risk. Since May 2017, this work has been carried out by the Board of Trustees due to the complexities regarding de-amalgamation.

Educational Standards Committee – This meets at least three times per year and its key responsibility is to ensure sound management of the school's academic life, including the monitoring and evaluation of pupil achievement and the quality of teaching, ensuring the school provides a high quality learning experience and delivers a broad and balanced curriculum in keeping with the school's aims, all pupil needs and legal requirements.

Delegation to Trust Executive officers

The Board of Trustees delegates to the Executive Headteacher (CEO) responsibility for delivery of the Trust's strategy and for the implementation of the policies of the Trust, and for the day-to-day running, internal organisation, management and control of central Trust services. The Executive Headteacher is responsible for the performance management of the Trust executive and the Headteacher of Oak Hill School.

The Board of trustees has delegated to the Headteacher of Oak Hill School the responsibility for the day-to-day running of the school, including the internal organisation, management and control of the school and the direction of teaching and the curriculum, and for the implementation of the policies of the Trust.

Meeting attendance

The Board of Trustees formally met three times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
R Archibald	3	3
N Christou	3	3
K Grant	1	1
J Kelly	3	3
D Medcalf	3	3
C Plunkett	1	1
R Povey	1	3
A Trigg	1	3
S Vergnaud	2	3
L Walker	1	3

The Resources Committee formally met once during the year. Attendance at the meeting was as follows:

Member	Meetings attended	Out of a possible
R Archibald	1	1
K Grant	1	1
J Kelly	1	1
R Povey	1	1
C Plunkett	1	1

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Headteacher, 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 Trust and the Secretary of State for Education. The Executive Headteacher is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Review of value for money

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

Review of value for money (continued)

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

- ◆ Reviewing the catering contract at Oak Hill School and implementing a more cost effective solution from April 2018;
- ◆ Reviewing the energy supplies for Oak Hill School; and
- ◆ The new budgeting package from HCSS has improved financial information available to the Accounting Officer and senior management. This will be used to ensure that budgeting is more accurate, enables different long term scenarios to be assessed, which will allow for more effective use of resources.

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 year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The trustees have reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The trustees are of the view that there is an ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ended 31 August 2018 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 Board of Trustees are satisfied that they have a plan in place to improve processes and controls to ensure compliance with the standards expected under the Academies Financial Handbook and internal policies to improve the achievement of value for money.

The framework for risk and control includes the following:

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;

Governance statement 31 August 2018

- ◆ regular reviews by the Resources 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;
- ◆ identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, for the year ended 31 August 2018, a trustee, Ciara Plunkett, performed a 'Responsible Officer' style visit which involved checking a range of financial controls. The results of the visit have been reported to the Board of Trustees.

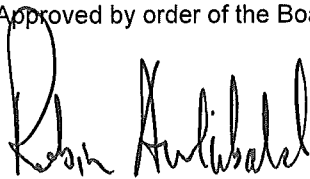
Review of effectiveness

As Accounting Officer, the Executive Headteacher 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 external auditor;
- ◆ the additional assurance work carried out by a trustee;
- ◆ the financial management and governance self-assessment process;
- ◆ the work of the senior management team within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has advised the Board of the implications of her review of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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



(Chair of trustees)



(Executive Headteacher and Accounting Officer)

Approved on: 11 December 2018.

Statement of regularity, propriety and compliance 31 August 2018

As Accounting Officer of AP Barnet Multi-Academy Trust, I have considered my responsibility to notify the trustees of the Trust and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

Accounting Officer

A handwritten signature in black ink, appearing to read 'J. Kelly', written in a cursive style.

Date: 11/12/2018

Statement of Trustees' responsibilities 31 August 2018

The trustees (who are also the 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 Requirements 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:

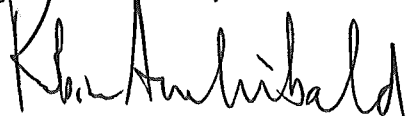
- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The trustees are responsible for keeping proper 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 Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the 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 Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 11 December 2018 and signed on its behalf by:



Chair of Board of Trustees of the Trust

Independent auditor's report to the members of AP Barnet Multi-Academy Trust

Opinion

We have audited the financial statements of AP Barnet Multi-Academy (the 'charitable company') for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP 2015) and the Academies Accounts Direction 2017 to 2018.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

- ◆ the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

Conclusions relating to going concern (continued)

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

Other information

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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- ◆ adequate accounting records have not been kept; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or

Matters on which we are required to report by exception (continued)

- ◆ 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; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Independent auditor's report on the financial statements 31 August 2018

Use of our report

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

Buzzacott LLP 14 December 2018

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

Independent reporting accountant's assurance report on regularity to AP Barnet Multi-Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the AP Barnet Multi-Academy Trust during the year to 31 August 2018 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 AP Barnet Multi-Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the AP Barnet Multi-Academy 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 AP Barnet Multi-Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of AP Barnet Multi-Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of AP Barnet Multi-Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

Approach (continued)

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

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Buzzacott LLP 14 December 2018

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Statement of financial activities Year to 31 August 2018

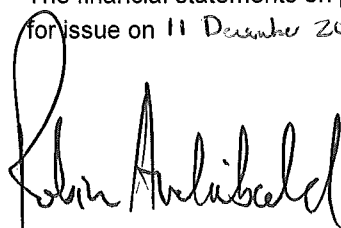
	Notes	Un- restricted general fund £'000	Restricted general fund £'000	Fixed assets fund £'000	Year ended 31 August 2018 Total funds £'000	Period from 5 April 2017 to 31 August 2017 Total funds £'000
Income from:						
Donations and capital grants		—	—	5	5	—
Transfer of existing academy into the Trust	20	—	—	—	—	(280)
Charitable activities						
. Funding for the Trust's educational operations	2	1	1,220	—	1,221	410
Other trading activities	3	1	4	—	5	5
Total income		2	1,224	5	1,231	135
Expenditure on:						
Charitable activities						
. Trust's educational operations	4	—	1,120	—	1,120	418
Total expenditure	3	—	1,120	—	1,120	418
Net income (expenditure)		2	104	5	111	(283)
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension scheme		—	59	—	59	(2)
Net movement in funds		2	163	5	170	(285)
Reconciliation of funds						
Funds brought forward		5	(290)	—	(285)	—
Funds carried forward		7	(127)	5	(115)	(285)

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

Balance sheet 31 August 2018

	Notes	2018 £'000	2018 £'000	2017 £'000	2017 £'000
Current assets					
Debtors	12	81		125	
Cash at bank and in hand		142		219	
		<u>223</u>		<u>344</u>	
Liabilities					
Creditors: amounts falling due within one year	13	<u>(72)</u>		<u>(336)</u>	
Net assets excluding pension scheme liability					
			151		8
Pension scheme liability	18		<u>(266)</u>		<u>(293)</u>
Total net liabilities			<u>(115)</u>		<u>(285)</u>
Funds of the Trust					
Restricted funds					
. Fixed asset fund	14		5		—
. Restricted income	14		139		3
. Pension reserve	14		<u>(266)</u>		<u>(293)</u>
			<u>(122)</u>		<u>(290)</u>
Unrestricted funds					
. General fund	14		7		5
Total funds			<u>(115)</u>		<u>(285)</u>

The financial statements on pages 24 to 45 were approved by the trustees, and authorised for issue on 11 December 2018 and are signed on their behalf by:



Trustee

AP Barnet Multi-Academy Trust
Company Limited by Guarantee
Registration Number: 010711125 (England and Wales)

Statement of cash flows Year to 31 August 2018

		2018 £'000	2017 £'000
Net cash (outflow) inflow from operating activities			
Net cash (used in) provided by operating activities	A	(82)	219
Cash flows from investing activities			
		5	—
Change in cash and cash equivalents in the year		<u>(77)</u>	<u>219</u>
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September		219	—
Cash and cash equivalents at 31 August	B	<u>142</u>	<u>219</u>

A Reconciliation of income to net cash flow from operating activities

		2018 £'000	2017 £'000
Net income for the year (as per the statement of financial activities)			
		111	(283)
Adjusted for:			
Capital grants from DfE and other capital income		(5)	—
Inherited pension deficit		—	280
Defined benefit pension scheme cost less contributions payable (note 18)		32	11
Decrease (increase) in debtors		44	(125)
(Decrease) increase in creditors		(264)	336
Net cash (used in) provided by operating activities		<u>(82)</u>	<u>219</u>

B Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<u>142</u>	<u>219</u>

C Cash flows from investing activities

	2018 £	2017 £
Capital grants from DfE/ESFA	5	—
Net cash provided by investing activities	<u>5</u>	<u>—</u>

Principal accounting policies Year to 31 August 2018

Statement of accounting policies

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

Basis of preparation

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

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

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust 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.

As at 31 August 2018, the total free reserves, excluding the pension reserve and fixed asset fund carried forward were £146,000. A detailed cash flow forecast has been prepared by the Trust for the following 12 months.

Having prepared and reviewed this forecast together with the operational plans going forward, the trustees have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Principal accounting policies Year to 31 August 2018

Income

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

Grants

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

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, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

Transfer of existing academies into the Trust

Where assets are received on the transfer of an existing academy into the Trust, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing academy into the Trust within donations and capital grant income.

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.

Principal accounting policies Year to 31 August 2018

Expenditure (continued)

Expenditure on raising funds

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

Charitable activities

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

All expenditure is stated net of recoverable VAT.

Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. 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.

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:

Leasehold buildings	Over 50 years
Fixtures, fittings and equipment	Over 7 years
Plant and machinery	Over 5 years
Computer equipment and software	Over 5 years
Motor vehicles	Over 5 years.

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.

Principal accounting policies Year to 31 August 2018

Liabilities

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

Leased assets

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

Financial instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments.

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

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

Taxation

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

Pensions benefits

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

Principal accounting policies Year to 31 August 2018

Pensions benefits (continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability 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 trustees.

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 ESFA funds comprise all other grants received from the Education and Skills Funding Agency.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority, London Borough of Barnet.

Principal accounting policies Year to 31 August 2018

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, 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 2018. 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.

Notes to the financial statements Year to 31 August 2018

1 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Year ended 31 August 2018 Total Funds £'000	Period from 5 April 2017 to 31 August 2017 Total Funds £'000
ESFA – devolved formula capital	—	5	5	—
	—	5	5	—

2 Funding for academy's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Year ended 31 August 2018 Total Funds £'000	Period from 5 April 2017 to 31 August 2017 Total Funds £'000
DfE / ESFA grants				
. General Annual Grant (GAG)	—	409	409	129
. Other DfE / ESFA	—	20	20	9
	—	429	429	138
Other government grants				
. Local Authority grants	—	791	791	272
	—	791	791	272
Other income from the academy trust's educational operations	1	—	1	—
	1	1,220	1,221	410

3 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Year ended 31 August 2018 Total Funds £'000	Period from 5 April 2017 to 31 August 2017 Total Funds £'000
Hire of facilities	—	—	—	5
Catering income	—	4	4	—
Miscellaneous income	1	—	1	—
	1	4	5	5

Notes to the financial statements Year to 31 August 2018

4 Expenditure

	Non pay expenditure			Year ended	Period from
	Staff costs	Premises	Other costs	31 August	5 April 2017
	£'000	£'000	£'000	2018	to 31 August
				Total	2017
				Funds	Total
				£'000	Funds
					£'000
Charitable activities					
Academy educational operations					
. Direct costs	579	—	70	649	237
. Allocated support costs	289	77	105	471	181
	868	77	175	1,120	418

	Year ended	Period from
	31 August	5 April 2017
	2018	to 31 August
	Total	2017
	Funds	Total
	£'000	Funds
		£'000
Net expenditure for the year include:		
Operating leases	7	—
Fees payable to auditor		
. Audit of financial statements	6	5
. Other services	2	2

5 Charitable activities – Trust's educational operations

	Year ended	Period from
	31 August	5 April 2017
	2018	to 31 August
	Total	2017
	Funds	Total
	£'000	Funds
		£'000
Direct costs	649	237
Support costs	471	181
	1,120	418

Notes to the financial statements Year to 31 August 2018

5 Charitable activities – Trust's educational operations

	Year ended 31 August 2018 Total Funds £'000	Period from 5 April 2017 to 31 August 2017 Total Funds £'000
Analysis of support costs		
Support staff costs	289	97
Technology costs	12	8
Premises costs	77	41
Other support costs	61	18
Governance costs	32	17
Total support costs	471	181

6 Staff

(a) Staff costs

Staff costs during the period were:

	Year ended 31 August 2018 Total Funds £'000	Period from 5 April 2017 to 31 August 2017 Total Funds £'000
Wages and salaries	597	204
Social security costs	60	22
Pension costs	102	37
	759	263
Supply teacher costs	85	23
Consultancy costs	24	7
	868	293

(b) Staff numbers

The average number of persons (including the senior management team) employed by the Academy Trust during the period ended 31 August was as follows:

Charitable activities	Year ended 31 August 2018 Total Funds No.	Period from 5 April 2017 to 31 August 2017 Total Funds No.
Teachers	8	7
Administration and support	11	11
Management	1	1
	20	19

Notes to the financial statements Year to 31 August 2018

6 Staff

(c) Higher paid staff

There were no employees who received employee benefits (excluding employer pension costs) of more than £60,000 during the period.

(d) Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employee pension contributions) received by key management personnel for their services to the Academy Trust was £90,176 (2017 - £28,946).

7 Comparative statement of financial activities

	Unrestricted funds £'000	Restricted general funds £'000	2017 Total funds £
Income from:			
Donations and capital grants	—	(280)	(280)
Other trading activities	5	—	5
Charitable activities			
· Funding for the Academy Trust's educational operations	—	410	410
Total income	5	130	135
Expenditure on:			
Charitable activities			
· Academy Trust's educational operations	—	418	418
Total expenditure	—	418	418
Net income (expenditure)	5	(288)	(283)
Other recognised gains and losses			
Actuarial gains on defined benefit pension scheme	—	(2)	(2)
Net movement in funds	5	(290)	(285)
Reconciliation of funds			
Fund balances brought forward at 5 April 2017	—	—	—
Fund balances carried forward at 31 August 2017	5	(290)	(285)

Notes to the financial statements Year to 31 August 2018

8 Trustees' remuneration and expenses

One trustee has been paid remuneration and has received other benefits from employment with the Academy Trust. The Chief Executive only received remuneration in respect of services they provide undertaking the roles of Chief Executive and not in respect to their services as a trustee. Other trustees did not receive any payments from the Academy Trust in respect of their role as trustees. The value of trustees' remuneration and other benefits whilst in office was as follows:

	2018 £'000	2017 £'000
Joanne Kelly, Chief Executive Officer and trustee		
. Remuneration	20 – 25	5 - 10
. Employer's pension contributions	—	up to 5

During the period to 31 August 2018, no travel and subsistence expenses were reimbursed to trustees (2017: £nil). Other related party transactions are set out in note 19.

9 Trustees' and Officers' insurance

The Academy 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.

10 Central services

As there was only one school within the Trust during the period, no central services were provided and no central charges arose.

11 Tangible fixed assets

Land and school buildings

The school buildings and the land on which they are situated were occupied by the Trust under a tenancy at will arrangement at 31 August 2018 with the London Borough of Barnet. The tenancy at will agreement is technically terminable at any time by either party and hence means that the Trust did not exercise legal control over the assets or the benefits flowing from them at 31 August 2018. The value of these have not been included on the balance sheet in these financial statements.

12 Debtors

	2018 £'000	2017 £'000
VAT recoverable	11	27
Prepayments and accrued income	70	98
	81	125

Notes to the financial statements Year to 31 August 2018

13 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Trade creditors	12	75
Taxation and social security	24	26
Other creditors	—	164
Accruals and deferred income	36	71
	72	336

14 Funds

	At 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	At 31 August 2018 £'000
Restricted general fund					
. General Annual Grant (GAG)	3	409	(273)	—	139
. Pupil premium	—	20	(20)	—	—
. Pension reserve	(293)	—	(32)	59	(266)
	(290)	429	(325)	59	(127)
Other restricted funds					
. Local authority grants	—	791	(791)	—	—
. Other restricted funds	—	4	(4)	—	—
	—	795	(795)	—	—
Restricted fixed asset funds					
DfE/ESFA capital grants	—	5	—	—	5
Total restricted funds	(290)	1,229	(1,120)	59	(122)
Unrestricted funds					
. General funds	5	2	—	—	7
Total unrestricted funds	5	2	—	—	7
Total funds	(285)	1,231	(1,120)	59	(115)

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

ESFA revenue grant fund and other restricted funds

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Other funds relate to monies received for specific purposes such as pupil premium funding.

Pension reserve

The pension reserve relates to the local government pension scheme liability.

Notes to the financial statements Year to 31 August 2018

14 Funds (continued)

Comparative information

Comparative information in respect of the preceding period as follows:

	Balance at 5 April 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted general fund					
. General Annual Grant (GAG)	—	129	(126)	—	3
. Pupil premium	—	6	(6)	—	—
. Other ESFA grants	—	3	(3)	—	—
. Pension reserve	—	(280)	(11)	(2)	(293)
	—	(142)	(146)	(2)	(290)
Other restricted funds					
. Local authority grants	—	272	(272)	—	—
	—	272	(272)	—	—
Total restricted funds	—	130	(418)	(2)	(290)
Unrestricted funds					
. Unrestricted funds	—	5	—	—	5
Total unrestricted funds	—	5	—	—	5
Total funds	—	130	(418)	(2)	(285)

Notes to the financial statements Year to 31 August 2018

14 Funds (continued)

Comparative information (continued)

A current year 12 months and prior period combined position is as follows:

	At 5 April 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	At 31 August 2018 £'000
Restricted general fund					
. General Annual Grant (GAG)	—	538	(399)	—	139
. Pupil premium	—	26	(26)	—	—
. Other ESFA grants	—	3	(3)	—	—
. Pension reserve	—	(280)	(43)	57	(226)
	—	287	(471)	57	(127)
Other restricted funds					
. Local authority grants	—	1,063	(1,063)	—	—
. Other restricted funds	—	4	(4)	—	—
	—	1,067	(1,067)	—	—
Restricted fixed asset funds					
DfE/ESFA capital grants	—	5	—	—	5
Total restricted funds	—	1,359	(1,538)	57	(122)
Unrestricted funds					
. General funds	—	7	—	—	7
Total unrestricted funds	—	7	—	—	7
Total funds	—	1,360	(1,538)	57	(115)

15 Analysis of net assets between funds

Group	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset fund £'000	Total 2018 £'000
Fund balances at 31 August 2018 are represented by:				
Current assets	7	211	5	223
Current liabilities	—	(72)	—	(72)
Pension scheme liability	—	(266)	—	(266)
Total net assets	7	(127)	5	(115)

16 Members' liability

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

17 Commitments under operating leases

	2018 £'000	2017 £'000
Amounts due within one year	7	—
Amounts due between two and five years	19	—
	26	—

18 Pension and similar obligations

The Academy 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 the London Borough of Barnet pension fund. Both are multi-employer defined benefit schemes.

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

There were no contributions payable to the schemes at 31 August 2018.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- ◆ employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge);

18 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme (continued)

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

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

The employer's pension costs paid to TPS in the period amounted to £13,000 (2017: £15,805).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £39,000, of which employer's contributions totalled £31,000 and employees' contributions totalled £8,000. The agreed contribution rates for future years are unknown pending valuation information.

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

18 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS)(continued)

Principal Actuarial Assumptions	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	2.6%	2.7%
Rate of increase for pensions in payment / inflation	2.3%	2.4%
Discount rate for scheme liabilities	2.8%	2.5%

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 2018	At 31 August 2017
<i>Retiring today</i>		
Males	21.9	21.9
Females	24.3	24.3
<i>Retiring in 20 years</i>		
Males	23.9	23.9
Females	26.5	26.5
	At 31 August 2018	At 31 August 2017
	%	%
Discount rate -0.1%	13	13
Mortality assumption – 1 year increase	3	16
CPI rate +0.1%	10	10

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

	Fair value at 31 August 2018 £'000	Fair value at 31 August 2017 £'000
Equities	162	164
Bonds	84	67
Cash and other liquid assets	33	—
Total market value of assets	279	231
Present value of scheme liabilities		
Funded	(545)	(524)
Deficit in the scheme	266	293

The actual return on scheme assets was £6,000 (2017: £2,000)

18 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS)(continued)

Amounts recognised in statement of financial activities	2018 £'000	2017 £'000
Current service cost	(55)	(22)
Interest income	6	4
Interest cost	(14)	(2)
Total amount recognised in the SOFA	(63)	(24)

Changes in the present value of defined benefit obligations were as follows:	2018 £'000	2017 £'000
At 1 September	524	—
Transferred in on existing academies joining the trust	—	482
Current service cost	55	22
Interest cost	14	4
Employee contributions	8	3
Actuarial (gain)/loss	(56)	13
At 31 August	545	524

Changes in the present value of the Academy's share of scheme assets	2018 £'000	2017 £'000
At 1 September	231	—
Transferred in on existing academies joining the trust	—	202
Interest income	6	2
Actuarial gain	3	11
Employee contributions	31	13
Employer contributions	8	3
At 31 August	279	231

19 Related party transactions

Owing to the nature of the Trust's operations and the composition of the Board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted in accordance with the Trust's financial regulations and normal procurement procedures.

In the prior period ended 31 August 2017, the Trust paid £152,718 to Mill Hill County High School in respect of Oak Hill School's payroll costs, and as at 31 August 2017, the total amount due to Mill Hill County High School was £164,492. Also, in the period ended 31 August 2017 there was also the transfer of accumulated deficit from Mill Hill of £280,000 in relation to the LGPS pension deficit (note 20). There were no transactions with Mill Hill County High School during the year ended 31 August 2018.

20 Transfer of Schools into the Academy Trust

No new schools joined the Academy Trust in the year ended 31 August 2018.

In the prior period, on 1 May 2017, Oak Hill School, previously part of an existing Multi-Academy Trust, Mill Hill County High School, joined AP Barnet Multi-Academy Trust for £nil consideration. The transfer was accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised net amount recognised in the statement of financial activities as donations – transfer from an existing Academy Trust.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the prior period's statement of financial activities.

	Unrestricted funds £'000	Restricted general fund £'000	Restricted fixed asset fund £'000	Total £'000
LGPS pension deficit	—	(280)	—	(280)
Net (liabilities)	—	(280)	—	(280)