

**ENFIELD GRAMMAR SCHOOL**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

**ENFIELD GRAMMAR SCHOOL**  
**(A Company Limited by Guarantee)**

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**ENFIELD GRAMMAR SCHOOL**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, TRUSTEES AND  
ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2018**

<b>Members</b>	Mrs R Collis Mr P Collard Mrs A Williams Mr K Barnfield (resigned 31 August 2018) Ms R Stanley-McKenzie (resigned 31 August 2018) Rev Dr S Griffiths (appointed 21 September 2018) Mr C Hide (appointed 21 September 2018)
<b>Trustees</b>	Mr C Lamb, Headteacher Rev Dr S Griffiths Mr K Barnfield (resigned 20 July 2018) Mr P Collard Ms R Stanley-McKenzie (resigned 20 July 2018) Ms J Garrad (resigned 20 July 2018) Mr P Riddell Mrs A Williams Mr C Hide, Responsible Officer Mr K Altman Mrs R Collis, Chair of Governors Mrs J Woodward Mrs S Melandri Mrs J Jones (resigned 20 July 2018) Ms N Irish Mrs H Ashley-Fraser Mr A Ness (resigned 14 September 2017) Mr S Berkkun (appointed 20 November 2017) Mr S Gilmore (appointed 1 December 2017) Mr G Jones-Owen (appointed 20 September 2018) Mrs V Thompson (appointed 26 September 2018) Mrs T Holloway (appointed 26 September 2018) Mrs D Clayton-Smith (appointed 8 November 2018)
<b>Company registered number</b>	07697044
<b>Company name</b>	Enfield Grammar School
<b>Registered and principal office</b>	Market Place Enfield Middlesex EN2 6LN
<b>Company Secretary</b>	Mrs R Sampson (resigned 20 July 2018) Mrs L Culora (appointed 21 July 2018)
<b>Chief Executive Officer</b>	Mr C Lamb
<b>Leadership Team</b>	Mr C Lamb, Headteacher Mr D Alder, Deputy Headteacher (resigned 31 August 2018) Mrs D Burke, Deputy Headteacher Mr S Purrier, Director of Sixth Form Mr Ali Cook, Head of Lower School (resigned 31 August 2018) Mrs E Carberry, School Business Manager (resigned 31 October 2017) Mr M Pieri, KS4 Achievement & Progression Mrs C Holmes, School Business Manager (appointed 21 May 2018) Miss N Faverjon, Assistant Headteacher (appointed 1 September 2017)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2018**

**Advisers (continued)**

**Independent Auditors**      Price Bailey LLP  
Chartered Accountants  
Statutory Auditors  
Causeway House  
1 Dane Street  
Bishop's Stortford  
Hertfordshire  
CM23 3BT

**Bankers**                      Lloyds TSB  
Silver Street  
Enfield  
Middlesex

**ENFIELD GRAMMAR SCHOOL**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Enfield Grammar School (the Academy, the Trust, or the Charitable Company) for the year ended 31 August 2018. The Annual Report serves the purposes of both Trustee's Report, and a Directors' Report under company law.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy is a Charitable Company limited by guarantee and was set up by a Memorandum of Association on 7 July 2011. The Academy converted on 1 August 2011.

The Academy is a Company and under the Academies Act 2010 it became an Exempt Charity on 1 August 2011 when it came into existence. The Academy's Memorandum and Articles of Association are the primary governing documents. The Trustees of the Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable. The Academy was set up to establish, maintain and carry on, for the public benefit, secondary education of boys in Enfield offering a broad curriculum with a strong emphasis on sport.

The Academy is commonly known as Enfield Grammar School (the School).

**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**

Academy insurers encompass all relevant insurance including Trustee third party indemnity provision.

**Methods, policies and procedures for recruitment, appointment, induction and training of new Trustees**

Trustees are appointed for a fixed term. The Headteacher is an ex officio member of the Board of Trustees. Parent Trustees and Staff Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. Foundation Trustees are invited to stand by the existing Foundation Trustees. They are selected from persons who have long standing links and/or association with the School.

New Trustees are required to attend a training programme. The induction programme would involve a tour of the School, meetings with students and staff and provision of policy and procedures documents that are appropriate to the role they undertake as Trustees with particular emphasis on the committee work that they will undertake. All Trustees undertake statutory child protection and GDPR training.

**Structure, Governance and Management**

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major strategic decisions about the direction of the Academy, capital expenditure and senior staff appointments. The Leadership Team consists of:

Headteacher	: Christopher Lamb
Deputy Heads	: Dawn Burke David Alder (resigned 31 August 2018)

**Assistant Headteachers**

Director of Sixth Form	: Simon Purrier
Head of Lower School	: Ali Cook (resigned 31 August 2018)
KS4 Achievement & Progressions	: Michael Pieri
Teaching and Learning	: Nathalie Faverjon
School Business Manager	: Eileen Carberry (until 31 October 2017) and Clea Holmes (from 21 May 2018)

The Leadership Team control the Academy at an executive level implementing policies and reporting to the Board of Trustees. The Leadership Team is responsible for the day to day operation of the Academy, in particular organising staff, resources and pupils. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment process. The Headteacher is the Accounting Officer.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

Trustees make up the membership of the following Committees which meet termly:

Resources & Management (including Pay and Performance) Committee  
Standards and Achievement Committee  
Stakeholders Committee  
Admissions Committee  
Strategic Development Committee

Trustees also have areas of special responsibilities for Equality and Diversity, the School Council, Health and Safety, Child Protection, ICT, SEND, Stakeholder Engagement, Pupil Premium and Vocational.

Individual Trustees are also linked to curriculum areas.

The Trustees undertake annual training, in addition to receiving reports from the Heads of Departments at Committee meetings and undertaking suitable training provided by the Local Authority and the School.

#### **Related Parties and Connected Organisations**

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, it is inevitable that from time to time transactions will take place with organisations in which a Trustee may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procedures.

In furtherance of its stated aims, Enfield Grammar School works in close partnership with various bodies and organisations including, for example, ETSA (Enfield School Teaching Alliance), PiXL (Partners in Excellence), Middlesex University and other further and higher education institutions, the Youth Sport Trust, Tottenham Hotspur Football Club, Middlesex Cricket Club, Football Foundation, British Council, Trinity College, Waitrose and Nuffield Health.

#### **The Foundation**

The Enfield Grammar School Foundation is a separate Trust governed by the Charity Commission and owns the land and buildings from which the Academy operates. Additionally there are limited financial funds which are invested to provide an income which is used in the following ways:

- For the maintenance of those at School or for those going on to higher education.
- To enable travel in this country or abroad.
- For the study of music or other arts and sciences.
- To promote education for pupils and former pupils.

There are 5 Foundation Trustees:

Keith Barnfield  
Paul Collard  
Rev Dr Stephen Griffiths  
Chris Hyde  
Anna Williams

#### **OBJECTIVES AND ACTIVITIES**

##### **Objects and aims**

As set out in the Articles of Association, the Academy's object is to advance for the public benefit education in the United Kingdom:

- to establish high quality teaching, learning and assessment;
- to provide a full and diverse curriculum and other activities;
- to provide an environment where every child and every member of staff matters; and
- the provision of community facilities.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

The main objectives of the Academy during the year ended 31 August 2018 were included in the School year Development Plan, and include enriching the lives of all pupils to make them better individuals by providing:

- a well-rounded, comprehensive education with a commitment to success and achievement for all; and
- a rich and broad experience that prepares students for life in the 21st Century and enables them to make a significant contribution to their local community, the wider society in which they live and to become good citizens.

To this end the priorities were:

- to improve the quality of learning and teaching across the School, to improve pupil progress and outcomes of all boys;
- developing a curriculum for all boys;
- enhancing care, guidance and support; and
- ensuring effective governance.

The aim of the management structure is to devolve responsibility, increase accountability and encourage involvement in decision making at all levels. The Leadership Team is responsible for delivering the approved strategic actions of the plan agreed by the Trustees through the School Development Plan (SDP). Trustees carefully monitor the SDP at each Committee meeting.

The Trustees confirm they have referred to the guidance contained in the Charity Commission's guidance on public benefit.

## **ACHIEVEMENTS AND PERFORMANCE**

### **Achievements and performance**

Through the delivery of its vision and priorities the Academy aims to raise standards.

The critical success factors for the Academy are pupil progress; quality of teaching, leadership, behaviour of pupils and safeguarding. These are closely aligned to the Ofsted criteria for assessing schools.

The key GCSE measure showed a rate of improvement in excess of the local and national averages. The quality of the teaching staff improved and the qualitative leadership indicators are also improving. In behaviour and safety, attendance, fixed term and permanent exclusions steps have been taken which have seen general overall improvements.

A comprehensive self-evaluation process was externally verified by consultants using the national framework developed by Ofsted, confirmed the progress made and the effectiveness of the year's work.

### **Examination results for the Academic year 2017/18.**

The GCSE examination results for 2018 were good and continue to be above the national average for attainment and are improved with regards to pupil progress.

The A Level results for 2018 were consistent with last year and progress remains positive.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**Ofsted**

The Academy was inspected by OFSTED in September 2018 with the overall outcome being "Good".

The key findings of the report were:

- There is a strong focus on pupils' progress and the School's leaders train teachers well to improve the quality of their teaching. This training is having a marked positive impact on pupils' learning and their progress.
- Leaders and teachers are ambitious for their pupils.
- Leaders understand the importance of good behaviour for learning and a new system for checking and rewarding good behaviour has been introduced (which is already having a positive effect).
- Pupils' behaviour around the School is calm and orderly.
- Pupils who have special educational needs (SEN) and/or disabilities are supported well and these pupils now make much better progress than in previous years.
- Pupils, sixth-form students and staff are proud of their School and its traditions.
- Safeguarding is a strength and staff ensure that pupils are well informed about local risks.
- Leaders ensure effective provision for students in the sixth form and these students enjoy their learning and make good progress.

The Inspection was rigorous, challenging and extremely helpful in confirming our areas of strength and our areas of development and we have already begun acting upon the latter.

**Risk Management**

The Trustees confirm that the major risks to which the Academy is exposed are reviewed and monitored by the Resources Committee. In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim.

**Equal Opportunities**

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

**Fundraising**

The Academy only held small fundraising events during the year in addition to minor events to raise funds for donating to charities. The Academy does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

**Trade Union**

Trade union time was outsourced to the London Borough of Enfield at a cost of £2,619. There were 2 trade union representatives employed by the Academy however they did not undertake any work relating to trade union activities during the year.

**Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

**FINANCIAL REVIEW**

The principle source of funding for the Academy is the General Annual Grant (GAG) funding that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2018 the Academy received £7,613,121 in GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Academy spent £7,949,804 (excluding capital expenditure) and transferred £41,267 to support capital new build and improvement projects on the various School sites. The Academy brought forward from 17/18, £Nil of restricted funds (excluding donation in kind, pension and restricted fixed assets) and £774,947 unrestricted funding. The carry forward for 17/18 is £1,390 restricted funding and £487,030 unrestricted funding. This has resulted in a deficit for the 17/18 year of £169,722.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £758,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

**Principal risks and uncertainty**

The Academy maintains a risk register identifying the major risks to which the Academy is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the Resources Committee. The principal risks facing the Academy at a contextual level are outlined below in the principal risks and uncertainties section; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Academy's financial and internal controls conform to guidelines issued by the Education and Skills Funding Agency (ESFA), and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

The Trustees assess the principle risks and uncertainties facing the Academy as follows:

- Staff retention/recruitment: possibly the biggest single risk to the Academy would lie in its failure to retain key staff. However, it is not felt that there are any immediate threats in this regard.
- Our ability/inability to access additional funding streams and generate additional income outside of GAG. The budget for 2018-19 is sound, and the longer-term financial plan shows sufficient contingency against unwelcome future developments.
- Falling rolls: Unlikely. The Academy has been oversubscribed for many years and there is every sign of this continuing. In fact, the Academy's increased control over its admissions is leading to efficiencies and optimization of its roll.
- Debtors: there are no material debtors.
- The Academy's cash flow is monitored rigorously and long-term financial planning will endeavour to maintain the current position.

**Reserves policy**

The Trustees review the cash reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of cash reserves. The Trustees have determined that the appropriate level of contingency cash reserves should be equivalent to one month of expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £488,420 which is considered to be adequate to meet the Academy needs over future years.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £718,947.

**Investment policy**

The Academy has a policy of investing its cash balances with a view to maximising returns, but where greater weight is assigned to the safety of the investment. The policy aims to invest cash such that its cash balances and liquid investments at least equal the figure outlined in the reserves policy.

**PLANS FOR FUTURE PERIODS**

The Academy will continue striving to improve the progress and performance of all its students, both academically and pastorally through quality teaching and learning and extra-curricular activities.

The Trustees intend to improve and update facilities in pursuance of the School's commitment to ensure that all students achieve their potential. It is recognised that students with differing abilities and aptitudes will have differing curriculum requirements and that a greater diversity of learning environments will be required to deliver these.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**PROVISION OF INFORMATION TO AUDITORS**

Each of the persons who are Trustees at the time when this Trustees Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the Charitable Company's Auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the Charitable Company's Auditors in connection with preparing their report and to establish that the Charitable Company's Auditors are aware of that information.

**AUDITORS**

The Auditors, Price Bailey LLP, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

This Report was approved by the Board of Trustees on 13 December 2018 and signed on their behalf, by:

**Mrs R Collis**  
Chair of Trustees

**ENFIELD GRAMMAR SCHOOL**  
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**GOVERNANCE STATEMENT**

**SCOPE OF RESPONSIBILITY**

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

The Board of Trustees has delegated the day-to-day responsibility to the 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 Enfield Grammar School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year. Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr C Lamb	4	4
Rev Dr S Griffiths	1	4
Mr K Barnfield	4	4
Mr P Collard	4	4
Ms R Stanley-McKenzie	2	4
Ms J Garrad	2	4
Mr P Riddell	4	4
Mrs A Williams	4	4
Mr C Hide	2	4
Mr K Altman	2	4
Mrs R Collis	3	4
Mrs J Woodward	4	4
Mrs S Melandri	2	4
Mrs J Jones	3	4
Ms N Irish	3	4
Mrs H Ashley-Fraser	1	4
Mr A Ness	0	0
Mr S Berkkun	3	3
Mr S Gilmore	3	3

Key challenges for the academic year of 2017/18 was to secure a successful Ofsted outcome and to manage the business of the Academy in the absence of the School Business Manager.

The Resources & Management Committee is a sub-committee of the Board of Trustees. The sub-committee has formally met 4 times during the year. Its purpose is to address financial matters.

There have been no key changes in the composition of the committee.

Our key challenges have been:

- Completion of the 3G pitch and engaging a partner to manage the external lettings of the pitch for income generation
- The marketing and promotion of the School facilities to external parties for income generation

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**GOVERNANCE STATEMENT (continued)**

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr C Lamb	4	4
Mrs S Melandri	2	4
Mrs R Collis	4	4
Mr C Hide	4	4
Ms A Williams	4	4
Mrs J Jones	4	4
Mrs J Woodward	4	4
Mrs H Ashley-Fraser	3	4
Mr P Collard	4	4

**All committees have the following responsibilities:**

- To receive reports about matters relating to any of the issues listed in the terms of reference.
- To contribute to, monitor and evaluate relevant parts of the School's self-evaluation or equivalent, the School Development Plan and the policies allocated to them, reporting or making recommendations to the Board of Trustees.
- To consider recommendations from relevant external reviews for example audit, Ofsted or local authority review, to agree the actions needed to address any issues identified and to monitor and evaluate regularly the implementation of any plan agreed, reporting or making recommendations to the Board of Trustees.
- To take appropriate action on any other relevant matter referred by the Board of Trustee.

**The Resources and Management Committee will oversee:**

- The School finances ensuring that the School operates within the financial regulations of Education Funding Agency and with the Academies Financial Handbook requirements & responds to any issues arising from the audit of the School's accounts or reviews, ensuring value for money.
- The maintenance and short-term development of the School site and premises.
- The adoption and implementation of staffing policies and procedures, ensuring that all principles of good and fair employment practice are adhered to, that staff and trade unions are consulted and legal requirements fulfilled.

**Finance**

- Keep under review the scheme of delegation in financial matters including the level of delegation to the Headteacher for the day-to-day financial management of the School and present to the Board of Trustees any recommendations for change.
- Prepare and present to the Board of Trustees for ratification an annual budget reflecting priorities in the School Development Plan.
- Monitor the budget (and any other devolved funds eg General Annual Grant) and ensure a termly report to the Board of Trustees with an evaluation of the use of resources and any appropriate recommendations.

**Premises, health and safety**

- Agree the lettings and charges policy for the use of School premises;
- Keep the health and safety and emergency procedures and policies under review, ensuring that necessary checks and assessments are carried out and prioritised for action; and
- Ensuring the Board of Trustees is compliant with all statutory requirements in this respect.

**REVIEW OF VALUE FOR MONEY**

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

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

- Restructuring of SLT to ensure that key areas of responsibility are linked to the School Development Plan.
- Repairs and maintenance costs have been managed well and savings have been identified through the use of alternative, more cost effective suppliers.
- Installation of a pedestrian gate at the Lower School (which was necessary to safeguard staff and pupils), ensuring financial probity by obtaining 4 quotations and seeking best value.

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**GOVERNANCE STATEMENT (continued)**

- Use of internal site staff to deliver a major refurbishment programme to the façade of the Lower School building at a significant cost saving.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Enfield Grammar School for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the Annual Report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2017 to 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 Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an Internal Auditor. However, the Trustees have appointed Mr Chris Hide, a Trustee, to carry out a programme of internal checks.

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

- External audit
- IT systems
- Best value
- Health and safety

On an annual basis, the Responsible Officer reports to the Board of Trustees through the Resources and Management Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Responsible Officer has delivered all work as planned

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**GOVERNANCE STATEMENT (continued)**

**REVIEW OF EFFECTIVENESS**

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

- the work of the Responsible Officer;
- the work of the external Auditors;
- the rigorous financial management through the Resources and Management Committee;
- the work of the Senior leaders within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by the Board of Trustees on 13 December 2018 and signed on their behalf, by:

**Mrs R Collis**  
**Chair of Trustees**

**Mr C Lamb**  
**Accounting Officer**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Enfield Grammar School I have considered my responsibility to notify the Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 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, or material non-compliance with the terms and conditions of funding under the Academy'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. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.

**Mr C Lamb**  
**Accounting Officer**

Date: 13 December 2018

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees (who act as Governors of Enfield Grammar School and are the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 Charitable Company will continue in business.

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

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

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

Approved by the Board of Trustees on 13 December 2018 and signed on its behalf by:

**Mrs R Collis**  
Chair of Trustees

**ENFIELD GRAMMAR SCHOOL**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ENFIELD GRAMMAR SCHOOL**

**OPINION**

We have audited the financial statements of Enfield Grammar School (the 'Academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

**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 Auditors' 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.

**ENFIELD GRAMMAR SCHOOL**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ENFIELD GRAMMAR SCHOOL**

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' 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 Academy'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 Academy or to cease operations, or have no realistic alternative but to do so.

**AUDITORS' 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 Auditors' 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**ENFIELD GRAMMAR SCHOOL**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ENFIELD  
GRAMMAR SCHOOL**

**USE OF OUR REPORT**

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

Gary Miller (Senior Statutory Auditor)  
for and on behalf of  
**Price Bailey LLP**  
Chartered Accountants  
Statutory Auditors  
Causeway House  
1 Dane Street  
Bishop's Stortford  
Hertfordshire  
CM23 3BT  
19 December 2018

**ENFIELD GRAMMAR SCHOOL**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ENFIELD GRAMMAR SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 7 November 2018 and further to the requirements of the Education & 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 Enfield Grammar School during the year 1 September 2017 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 Enfield Grammar School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Enfield Grammar School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Enfield Grammar School and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF ENFIELD GRAMMAR SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING AUDITOR**

The Accounting Officer is responsible, under the requirements of Enfield Grammar School's funding agreement with the Secretary of State for Education dated 1 August 2011, and the Academies Financial Handbook extant from 1 September 2017, 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 1 September 2017 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.

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

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

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the Academy, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

**ENFIELD GRAMMAR SCHOOL**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ENFIELD  
GRAMMAR SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

**Price Bailey LLP**  
Chartered Accountants

19 December 2018

**ENFIELD GRAMMAR SCHOOL**  
**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	41,327	756,328	57,577	855,232	1,028,021
Charitable activities	5	247,546	6,303,539	-	6,551,085	6,585,186
Other trading activities	3	206,270	-	-	206,270	169,091
Investments	4	534	-	-	534	728
<b>TOTAL INCOME</b>		<u>495,677</u>	<u>7,059,867</u>	<u>57,577</u>	<u>7,613,121</u>	<u>7,783,026</u>
<b>EXPENDITURE ON:</b>						
Charitable activities		784,344	7,165,460	77,039	8,026,843	7,878,728
<b>TOTAL EXPENDITURE</b>	6	<u>784,344</u>	<u>7,165,460</u>	<u>77,039</u>	<u>8,026,843</u>	<u>7,878,728</u>
<b>NET EXPENDITURE BEFORE TRANSFERS</b>						
Transfers between funds	15	(288,667) 750	(105,593) (42,017)	(19,462) 41,267	(413,722) -	(95,702) -
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		(287,917)	(147,610)	21,805	(413,722)	(95,702)
Actuarial gains on defined benefit pension schemes	20	-	244,000	-	244,000	892,000
<b>NET MOVEMENT IN FUNDS</b>		<u>(287,917)</u>	<u>96,390</u>	<u>21,805</u>	<u>(169,722)</u>	<u>796,298</u>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		774,947	1,247,000	2,322,609	4,344,556	3,548,258
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>487,030</u></u>	<u><u>1,343,390</u></u>	<u><u>2,344,414</u></u>	<u><u>4,174,834</u></u>	<u><u>4,344,556</u></u>

**ENFIELD GRAMMAR SCHOOL**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07697044**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	12		2,286,837		2,322,609
<b>CURRENT ASSETS</b>					
Debtors	13	2,256,022		2,270,184	
Cash at bank and in hand		718,947		964,664	
		<u>2,974,969</u>		<u>3,234,848</u>	
<b>CREDITORS:</b> amounts falling due within one year	14	(328,972)		(359,901)	
<b>NET CURRENT ASSETS</b>			<u>2,645,997</u>		<u>2,874,947</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,932,834</u>		<u>5,197,556</u>
Defined benefit pension scheme liability	20		(758,000)		(853,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>4,174,834</u></u>		<u><u>4,344,556</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	15	2,101,390		2,100,000	
Restricted fixed asset funds	15	2,344,414		2,322,609	
Restricted income funds excluding pension liability		4,445,804		4,422,609	
Pension reserve		(758,000)		(853,000)	
Total restricted income funds			<u>3,687,804</u>		<u>3,569,609</u>
Unrestricted income funds	15		487,030		774,947
<b>TOTAL FUNDS</b>			<u><u>4,174,834</u></u>		<u><u>4,344,556</u></u>

The financial statements on pages 20 to 40 were approved by the Trustees, and authorised for issue, on 13 December 2018 and are signed on their behalf, by:

**Mrs R Collis**  
Chair of Trustees

**ENFIELD GRAMMAR SCHOOL**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	17	(262,561)	256,473
		<hr/>	<hr/>
<b>Cash flows from investing activities:</b>			
Interest received		534	1,019
Capital expenditure		(41,267)	(336,400)
Capital grants from DfE Group		57,577	24,087
		<hr/>	<hr/>
<b>Net cash provided by/(used in) investing activities</b>		16,844	(311,294)
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>		(245,717)	(54,821)
Cash and cash equivalents brought forward		964,664	1,019,485
		<hr/>	<hr/>
<b>Cash and cash equivalents carried forward</b>		718,947	964,664
		<hr/> <hr/>	<hr/> <hr/>

**ENFIELD GRAMMAR SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the Academy, 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Enfield Grammar School constitutes a public benefit entity as defined by FRS 102.

The functional and presentational currency is Pounds Sterling.

**1.2 Company status**

The is a company limited by guarantee. Members are noted on page 1. In the event of the being wound up, the liability in respect of the guarantee is limited to £ 10 per Member.

The address of its Registered Office is Market Place, Enfield, Middlesex, EN2 9LN.

**1.3 Fund accounting**

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

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

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

**1.4 Income**

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

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

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

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

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

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

**ENFIELD GRAMMAR SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.5 Expenditure**

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

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

All expenditure is inclusive of irrecoverable VAT.

**1.6 Going concern**

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

**1.7 Tangible fixed assets and depreciation**

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

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

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

Freehold property	-	50 years straight line
Furniture and equipment	-	10 years straight line
Motor vehicles	-	5 years straight line
Computer equipment	-	5 years straight line

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

**1.8 Operating leases**

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

**ENFIELD GRAMMAR SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

**1.9 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.

**1.10 Debtors**

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

**1.11 Cash at Bank and in hand**

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

**1.12 Liabilities and provisions**

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

**1.13 Financial instruments**

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

**1.14 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, 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.

**ENFIELD GRAMMAR SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. ACCOUNTING POLICIES (continued)**

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

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

**1.15 Agency arrangements**

The Academy acts as an agent in distributing 16-19 Bursary Funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities incorporating Income and Expenditure Account, as the Academy does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities incorporating Income and Expenditure Account. Where the funds have not been fully applied in the accounting period then an amount will be included as amounts due to the ESFA.

**1.16 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

The Trustees make 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 20, 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.

**ENFIELD GRAMMAR SCHOOL**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	41,327	56,328	-	97,655	313,944
Notional rent (see note 22)	-	700,000	-	700,000	700,000
Capital grants	-	-	57,577	57,577	14,077
	<u>41,327</u>	<u>756,328</u>	<u>57,577</u>	<u>855,232</u>	<u>1,028,021</u>
Total 2017	<u>31,911</u>	<u>819,943</u>	<u>176,167</u>	<u>1,028,021</u>	

**3. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	146,222	146,222	97,768
Exam fees	9,046	9,046	6,594
Other income	51,002	51,002	64,729
	<u>206,270</u>	<u>206,270</u>	<u>169,091</u>
Total 2017	<u>169,091</u>	<u>169,091</u>	

**4. INVESTMENT INCOME**

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	534	534	728
	<u>534</u>	<u>534</u>	<u>728</u>
Total 2017	<u>728</u>	<u>728</u>	

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**5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	5,923,418	5,923,418	5,975,298
Other DfE / ESFA grants	-	348,250	348,250	321,303
	-	6,271,668	6,271,668	6,296,601
<b>Other government grants</b>				
Local Authority grants	-	31,871	31,871	51,428
	-	31,871	31,871	51,428
<b>Other funding</b>				
Catering income	247,546	-	247,546	237,157
	247,546	-	247,546	237,157
	247,546	6,303,539	6,551,085	6,585,186
Total 2017	237,157	6,348,029	6,585,186	

**6. EXPENDITURE**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Provision of education:					
Direct costs	5,171,569	-	318,998	5,490,567	5,442,664
Support costs	727,365	597,074	1,211,837	2,536,276	2,436,064
	5,898,934	597,074	1,530,835	8,026,843	7,878,728
Total 2017	5,653,399	586,302	1,639,027	7,878,728	

In 2017, of total expenditure, £628,687 was to unrestricted funds, £7,152,234 was to restricted funds and £97,807 was to restricted fixed asset fund.

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**7. CHARITABLE ACTIVITIES**

	2018	2017
	£	£
Direct costs	5,490,567	5,442,664
Support costs	2,536,276	2,436,064
	<u>8,026,843</u>	<u>7,878,728</u>
	<u>8,026,843</u>	<u>7,878,728</u>

Analysis of support costs	2018	2017
	£	£
Support staff costs	727,365	685,776
Depreciation	77,039	70,587
Technology costs	106,290	106,870
Premises costs (excluding depreciation)	520,035	515,715
Other support costs	1,094,447	1,044,241
Governance costs	11,100	12,875
	<u>2,536,276</u>	<u>2,436,064</u>
	<u>2,536,276</u>	<u>2,436,064</u>

**8. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned or leased by the Academy	77,039	70,587
Auditors' remuneration - audit	6,900	6,750
Auditors' remuneration - non-audit	4,370	4,200
Operating lease rentals	22,135	24,860
	<u>110,534</u>	<u>106,397</u>
	<u>110,534</u>	<u>106,397</u>

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**9. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	4,540,915	4,371,960
Social security costs	450,362	439,629
Operating costs of defined benefit pension schemes	831,643	834,529
	5,822,920	5,646,118
Supply teacher costs	61,014	7,281
Staff restructuring costs	15,000	-
	5,898,934	5,653,399

**b. Non-statutory/non-contractual staff severance payments**

Included in staff restructuring costs are non-statutory severance payments totalling £15,000 (2017 - £NIL).

**c. Staff numbers**

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

	2018 No.	2017 No.
Management	8	8
Teachers	71	72
Administration and support	66	65
	145	145

**d. Higher paid staff**

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

	2018 No.	2017 No.
In the band £ 60,001 - £ 70,000	5	4
In the band £ 70,001 - £ 80,000	1	1
In the band £ 80,001 - £ 90,000	1	0

**e. Key management personnel**

The key management personnel of the Academy comprise the Trustees and the Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £685,670 (2017 - £851,408).

Included in the above are employer pension contributions of £87,107 (2017 - £110,079) and employer national insurance contributions of £62,402 (2017 - £78,742).

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**10. TRUSTEES' REMUNERATION AND EXPENSES**

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

		2018 £	2017 £
J Kerr (resigned 31 December 2016)	Remuneration	£NIL	35,000-40,000
	Pension contributions paid	£NIL	5,000-10,000
C Lamb	Remuneration	80,000-85,000	50,000-55,000
	Pension contributions paid	10,000-15,000	5,000-10,000
A Fairhurst (resigned 31 August 2017)	Remuneration	£NIL	45,000-50,000
	Pension contributions paid	£NIL	5,000-10,000
A Ness (resigned 14 September 2017)	Remuneration	£NIL	45,000-50,000
	Pension contributions paid	£NIL	5,000-10,000
J North (resigned 31 August 2017)	Remuneration	£NIL	40,000-45,000
	Pension contributions paid	£NIL	0-5,000
S Berkun (appointed 20 November 2017)	Remuneration	25,000-30,000	£NIL
	Pension contributions paid	0-5,000	£NIL

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - none).

**11. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2018 was included in the total insurance cost.

**12. TANGIBLE FIXED ASSETS**

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2017	2,255,282	270,525	38,705	229,383	2,793,895
Additions	17,626	21,142	-	2,499	41,267
Disposals	-	(625)	-	(13,621)	(14,246)
At 31 August 2018	<u>2,272,908</u>	<u>291,042</u>	<u>38,705</u>	<u>218,261</u>	<u>2,820,916</u>
<b>Depreciation</b>					
At 1 September 2017	79,161	228,077	38,705	125,343	471,286
Charge for the year	44,373	8,078	-	24,588	77,039
On disposals	-	(625)	-	(13,621)	(14,246)
At 31 August 2018	<u>123,534</u>	<u>235,530</u>	<u>38,705</u>	<u>136,310</u>	<u>534,079</u>
<b>Net book value</b>					
At 31 August 2018	<u><u>2,149,374</u></u>	<u><u>55,512</u></u>	<u><u>-</u></u>	<u><u>81,951</u></u>	<u><u>2,286,837</u></u>
At 31 August 2017	<u><u>2,176,121</u></u>	<u><u>42,448</u></u>	<u><u>-</u></u>	<u><u>104,040</u></u>	<u><u>2,322,609</u></u>

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**13. DEBTORS**

	2018 £	2017 £
<b>Due after more than one year</b>		
Other debtors (note 22)	1,400,000	1,400,000
<b>Due within one year</b>		
VAT recoverable	22,957	23,101
Other debtors (note 22)	700,000	700,000
Prepayments and accrued income	133,065	147,083
	2,256,022	2,270,184
	2,256,022	2,270,184

**14. CREDITORS: Amounts falling due within one year**

	2018 £	2017 £
Trade creditors	41,870	71,181
Other taxation and social security	122,055	117,333
Other creditors	92,780	88,075
Accruals and deferred income	72,267	83,312
	328,972	359,901
	328,972	359,901
	2018 £	2017 £
<b>Deferred income</b>		
Deferred income at 1 September 2017	51,949	54,508
Resources deferred during the year	38,895	51,949
Amounts released from previous years	(51,949)	(54,508)
	38,895	51,949
	38,895	51,949

Resources deferred at the year end relate mainly to rates relief income, high needs grants and school trips.

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**15. STATEMENT OF FUNDS**

	Balance at 1 September 2017 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
Unrestricted funds	749,947	495,677	(784,344)	-	-	461,280
Sinking fund for 3G pitch	25,000	-	-	750	-	25,750
	<u>774,947</u>	<u>495,677</u>	<u>(784,344)</u>	<u>750</u>	<u>-</u>	<u>487,030</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	5,923,418	(5,880,011)	(42,017)	-	1,390
Other DfE/ESFA grants	-	83,715	(83,715)	-	-	-
Pupil Premium	-	264,535	(264,535)	-	-	-
SEN	-	31,871	(31,871)	-	-	-
Educational visits	-	56,328	(56,328)	-	-	-
Donation in kind (see note 22)	2,100,000	700,000	(700,000)	-	-	2,100,000
Pension reserve	(853,000)	-	(149,000)	-	244,000	(758,000)
	<u>1,247,000</u>	<u>7,059,867</u>	<u>(7,165,460)</u>	<u>(42,017)</u>	<u>244,000</u>	<u>1,343,390</u>
<b>Restricted fixed asset funds</b>						
Fixed assets fund	2,322,609	-	(77,039)	41,267	-	2,286,837
DFC	-	57,577	-	-	-	57,577
	<u>2,322,609</u>	<u>57,577</u>	<u>(77,039)</u>	<u>41,267</u>	<u>-</u>	<u>2,344,414</u>
Total restricted funds	<u>3,569,609</u>	<u>7,117,444</u>	<u>(7,242,499)</u>	<u>(750)</u>	<u>244,000</u>	<u>3,687,804</u>
Total of funds	<u><u>4,344,556</u></u>	<u><u>7,613,121</u></u>	<u><u>(8,026,843)</u></u>	<u><u>-</u></u>	<u><u>244,000</u></u>	<u><u>4,174,834</u></u>

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**15. STATEMENT OF FUNDS (continued)**

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

**Unrestricted funds**

This represents income received that does not have restrictions.

**General Annual Grant (GAG)**

This represents funding from the ESFA to cover the costs of recurrent expenditure.

**Other DfE/ESFA grants**

This represents funding from the DfE/ESFA grants for specific projects.

**Pupil Premium**

This funding is to be used to raise achievement and improve outcomes for pupils from low-income families who are eligible for free school meals.

**Special Educational Needs (SEN)**

This represents allocated funding for special educational needs pupils.

**Educational visits**

This represents contributions made by parents to the running of educational visits for the pupils of the Academy and the associated costs of running the trips.

**Donation in kind**

This fund represents the rent free occupation of the land and buildings from the Enfield Grammar School Foundation Trust.

**Pension reserve**

This fund represents the Academy's share of the deficit of the Local Government Pension Scheme (LGPS) transferred to the Academy on conversion from being a state controlled school.

**Fixed assets fund**

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

**Devolved formula capital (DFC) fund**

This represents funding received from ESFA specifically for the maintenance and improvement of the Academy's buildings and facilities.

**Transfers**

The transfers represent contributions to fixed assets from the General Annual Grant and a transfer from the 3G pitch Fund to the Fixed Asset Fund on completion of the project.

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

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**15. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
<b>General funds</b>						
Unrestricted funds	940,520	438,114	(628,687)	-	-	749,947
Sinking fund for 3G pitch	-	-	-	25,000	-	25,000
	<u>940,520</u>	<u>438,114</u>	<u>(628,687)</u>	<u>25,000</u>	<u>-</u>	<u>774,947</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	5,962,870	(5,759,359)	(203,511)	-	-
Other DfE/ESFA grants	-	21,201	(21,201)	-	-	-
Pupil Premium	-	313,303	(313,303)	-	-	-
SEN	-	51,428	(51,428)	-	-	-
Educational visits	-	119,943	(119,943)	-	-	-
Donation in kind	2,100,000	700,000	(700,000)	-	-	2,100,000
Pension reserve	(1,558,000)	-	(187,000)	-	892,000	(853,000)
	<u>542,000</u>	<u>7,168,745</u>	<u>(7,152,234)</u>	<u>(203,511)</u>	<u>892,000</u>	<u>1,247,000</u>
<b>Restricted fixed asset funds</b>						
Fixed assets fund	2,056,796	-	(70,587)	336,400	-	2,322,609
DFC	-	14,077	(14,077)	-	-	-
3G pitch fund	8,942	162,090	(13,143)	(157,889)	-	-
	<u>2,065,738</u>	<u>176,167</u>	<u>(97,807)</u>	<u>178,511</u>	<u>-</u>	<u>2,322,609</u>
Total restricted funds	<u>2,607,738</u>	<u>7,344,912</u>	<u>(7,250,041)</u>	<u>(25,000)</u>	<u>892,000</u>	<u>3,569,609</u>
Total of funds	<u>3,548,258</u>	<u>7,783,026</u>	<u>(7,878,728)</u>	<u>-</u>	<u>892,000</u>	<u>4,344,556</u>

**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	2,286,837	2,286,837
Debtors due after more than 1 year	-	1,400,000	-	1,400,000
Current assets	487,030	1,030,362	57,577	1,574,969
Creditors due within one year	-	(328,972)	-	(328,972)
Provisions for liabilities and charges	-	(758,000)	-	(758,000)
	<u>487,030</u>	<u>1,343,390</u>	<u>2,344,414</u>	<u>4,174,834</u>

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**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2017 £	2017 £	2017 £	2017 £
Tangible fixed assets	-	-	2,322,609	2,322,609
Debtors due after more than 1 year	-	1,400,000	-	1,400,000
Current assets	1,134,848	700,000	-	1,834,848
Creditors due within one year	(359,901)	-	-	(359,901)
Provisions for liabilities and charges	-	(853,000)	-	(853,000)
	<u>774,947</u>	<u>1,247,000</u>	<u>2,322,609</u>	<u>4,344,556</u>

**17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(413,722)	(95,702)
<b>Adjustment for:</b>		
Depreciation charges	77,039	70,587
Gains on investments	(534)	(1,019)
Decrease in debtors	14,162	612,309
Decrease in creditors	(30,929)	(492,615)
Capital grants from DfE and other capital income	(57,577)	(24,087)
Pension adjustments	149,000	187,000
<b>Net cash (used in)/provided by operating activities</b>	<u>(262,561)</u>	<u>256,473</u>

**18. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018 £	2017 £
Cash in hand	718,947	964,664
Total	<u>718,947</u>	<u>964,664</u>

**19. 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 of liabilities contracted before he/she ceases to be a Member.

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**20. PENSION COMMITMENTS**

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

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

Contributions amounting to £91,586 were payable to the schemes at 31 August 2018 (2017 - £86,511) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge;
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- 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 £ 511,590 (2017 - £493,832).

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

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

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**20. PENSION COMMITMENTS (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £236,000 (2017 - £226,000), of which employer's contributions totalled £184,000 (2017 - £176,000) and employees' contributions totalled £52,000 (2017 - £50,000). The agreed contribution rates for future years are 17.8% plus £48,891 per annum for employers and 5.5-7.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.60 %	3.60 %
Rate of increase for pensions in payment / inflation	2.10 %	2.10 %
Inflation assumption (CPI)	2.10 %	2.10 %
Inflation assumption (RPI)	3.20 %	3.20 %

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

	2018	2017
Retiring today		
Males	24.5	24.4
Females	27.2	27.0
Retiring in 20 years		
Males	26.6	26.5
Females	29.4	29.3

As at the 31 August 2018 the Academy had a pension liability of £3,969,000 (2017 - £3,857,000). The sensitivity analysis detailed below would increase/ (decrease) the closing defined benefit obligation in the following way;

<b>Sensitivity analysis</b>	At 31 August 2018 £	At 31 August 2017 £
Discount rate +0.1%	(80,000)	(78,000)
Discount rate -0.1%	82,000	80,000
Mortality assumption - 1 year increase	113,000	115,000
Mortality assumption - 1 year decrease	(113,000)	(114,000)
CPI rate +0.1%	57,000	55,000
CPI rate -0.1%	(56,000)	(54,000)

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**20. PENSION COMMITMENTS (continued)**

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,663,000	1,508,008
Gilts	379,000	456,608
Corporate bonds	212,000	219,292
Property	212,000	207,276
Cash and other liquid assets	279,000	135,180
Other	466,000	477,636
	<u>3,211,000</u>	<u>3,004,000</u>
Total market value of assets	<u>3,211,000</u>	<u>3,004,000</u>

The actual return on scheme assets was £98,000 (2017 - £281,000).

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

	2018 £	2017 £
Current service cost	(314,000)	(334,000)
Interest income	77,000	53,000
Interest cost	(96,000)	(82,000)
	<u>(333,000)</u>	<u>(363,000)</u>
Total	<u>(333,000)</u>	<u>(363,000)</u>
Actual return on scheme assets	<u>98,000</u>	<u>281,000</u>

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

	2018 £	2017 £
Opening defined benefit obligation	3,857,000	4,092,000
Current service cost	314,000	334,000
Interest cost	96,000	82,000
Employee contributions	52,000	50,000
Actuarial gains	(223,000)	(664,000)
Benefits paid	(127,000)	(37,000)
	<u>3,969,000</u>	<u>3,857,000</u>
Closing defined benefit obligation	<u>3,969,000</u>	<u>3,857,000</u>

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**20. PENSION COMMITMENTS (continued)**

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

	2018 £	2017 £
Opening fair value of scheme assets	3,004,000	2,534,000
Interest income	77,000	53,000
Actuarial gains	21,000	228,000
Employer contributions	184,000	176,000
Employee contributions	52,000	50,000
Benefits paid	(127,000)	(37,000)
	<u>3,211,000</u>	<u>3,004,000</u>

**21. OPERATING LEASE COMMITMENTS**

At 31 August 2018 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
<b>Amounts payable:</b>		
Within 1 year	22,135	24,610
Between 1 and 5 years	14,711	29,491
	<u>36,846</u>	<u>54,101</u>

**22. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy 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 Trustee have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

Any transactions where the Trustee has a pecuniary interest is only undertaken in accordance with the 'at cost' principle stated in the Academies Financial Handbook.

Trustees' remuneration and expenses have already disclosed in note 10.

Some Members of the Academy are also Trustees of the Enfield Grammar School Foundation Trust, a separate charity registered with the Charity Commission. The Academy operates from land and buildings provided rent free by the Enfield Grammar School Foundation Trust. In accordance with the Academies Accounts Direction 2017 to 2018 the Academy Trustees have concluded that, on the basis of the circumstances existing at the year end, and based upon the probable course of subsequent events, the Academy does have an asset representing the future value of occupying the property free of rent. The Academy Trustees consider that the appropriate period for which to recognise this asset is the length of the notice period detailed in the Supplemental Funding Agreement with the Secretary of State, i.e. 3 years. The Academy Trustees estimate that the cost of renting equivalent buildings would be £700,000 per annum, on this basis a donation from the Enfield Grammar School Foundation Trust of £700,000 is shown in the accounts together with a notional expense of the same amount. In addition, included within debtors is a donation in kind receivable of £2,100,000 representing the commitment by the Enfield Grammar School Foundation Trust to provide the land and buildings rent free for a minimum of a further 3 years.

There were no other related party transactions.

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**23. AGENCY ARRANGEMENTS**

The Academy distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2018 the Academy received £12,542 and disbursed £11,152 from the fund. An amount of £1,390 is included in the carry forward at year end relating to undistributed funds that are repayable to the ESFA.