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# Watford Grammar School for Girls

(A Company Limited by Guarantee)



## Annual Report and Financial Statements Year ended 31 August 2018

Company Registration Number:07348254  
(England and Wales)

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## **Reference and Administrative details**

### **Structure, Governance & Management**

#### **ATC Members**

Sir John Holman  
Chris Brearley  
Percy McCloskey (resigned 12.09.18)  
Fiona Shore (from 12.09.18)  
Ian Cooksey  
Camilla Woods

#### **Company Secretary**

Philip Beasley

#### **Governors**

Percy McCloskey (Chair resigned 12.09.18)  
Fiona Shore (Chair from 12.09.18)  
Camila Woods (Vice Chair)  
Sylvia Chong-Tai  
Gill Collison (resigned 31.12.17)  
Marianne Cordingley (resigned 31.07.18)  
Dr Nigel Corp  
Russell Deane  
Harvey Griffiths  
Revd Tony Rindl  
Michael Lewis MBE  
Prakash Jani  
Akin Oyesola  
Zia Rehman  
Clare Kirwan  
Mary Meerabux  
Nick Moorhouse (appointed 18.09.17)  
Andrew Turpie (resigned 30.06.18)  
Jane Willis (appointed 09.07.18)  
Stephen Johnson (appointed 15.09.18)  
Greg Crawford (appointed 01.09.18, resigned 22.10.18)

#### **Associate Governors**

#### **Finance and General Purpose Committee**

Harvey Griffiths (Chair)  
Russell Deane  
Sylvia Chong-Tai  
Ian Wells (resigned 09.03.18)  
Akin Oyesola  
Andrew Turpie (resigned 30.06.18)  
Prakesh Jani  
Nick Moorhouse (appointed 18.09.17)

**Clerk to the Governors**

Sue Granville

**Principal and Accounting Officer**

Sylvia Chong-Tai

**Senior Leadership Team**

Headmistress: Sylvia Chong-Tai (appointed 01.04.2018)

Acting Deputy Head: Jane Hart (to 31.08.18)

Deputy Headmistress: Christine Wilshaw (appointed 01.09.18)

Assistant Head (Director of Teaching & Learning): Jane Hart

Assistant Head (Head of Sixth Form): Chris Bevan

Assistant Head (Head of Key Stage 4): Stephen Cowling

Assistant Head (Head of Key Stage 3): Jo Shrimpton (appointed 01.09.18)

Associate Assistant Head: Dr S Macpherson (appointed 01.09.18)

Finance & Business Director: Philip Beasley, ACMA

**Principal and Registered Office**

Lady's Close, Watford, WD18 0AE

**Company Registration**

Number 07348254 (England and Wales)

**Independent Auditor**

Hillier Hopkins LLP

Radius House

51 Clarendon Road

Watford

Hertfordshire

WD17 1HP

**Bankers**

Clydesdale

4<sup>th</sup> floor

Verulam Point

Station Way

St Albans

AL1 5HE

Lloyds Bank

Unit 32 / 32a, Intu Shopping Centre

Watford

WD17 2UB

**Solicitors**

Stone King LLP

13 Queen Square

Bath

BA1 2HJ

## Trustees Report

The Trustees present their report together with the financial statements and auditors report for the period 1<sup>st</sup> September 2017 to 31<sup>st</sup> August 2018. The annual report serves the purposes of both a trustees' and a directors' report under company law.

The Academy Trust's principal activity is the provision of secondary education for girls between the ages of 11 -18 in the Watford and surrounding areas in accordance with section 78 of the Education Act of 2002.

The School also has (since 1<sup>st</sup> January 2014) a 100% shareholding in a Trading Company (Watford Grammar School for Girls Services Ltd) whose profits are all gift aided annually to the school. The Trading Subsidiary was started to facilitate commercial activities to generate additional revenue for the provision of education by the school. The school has a pupil capacity of 1,310 and had a roll of 1288 in the school census submitted in October 2018.

## Structure, Governance and Management

### Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust. The governors act as the trustees for the charitable activities of Watford Grammar School for Girls and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Watford Grammar School for Girls.

Details of the governors who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 3.

### Members' Liability

All members of the Charitable Company undertake to contribute to the assets of the Charitable Company in the event of it being wound up while they are members, or within one year after each ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before ceasing to be a member.

### Governors' Indemnities

The Governors are indemnified in respect of their duties on behalf of Watford Grammar School for Girls to the extent that they are covered within the specific provisions contained within the School's insurance policy, arranged through Marsh Insurance Brokers.

### Method of Recruitment and Appointment or Election of Governors

The Board of Governors consists of:

- a) 11 Foundation Governors appointed by the Watford Grammar Schools Foundation, of whom:
  - i) No fewer than 3 are parents of registered pupils attending the Academy at the date of appointment;

- ii) if a recommendation is made, 3 are appointed on the recommendation each of the University of Cambridge, the University of Oxford and the University of London, and
- iii) The Vicar for the time being of the Ecclesiastical Parish of Watford (or his alternative, appointed by the Diocese of St Albans).

b) 1 Community Governor, appointed by the Board of Governors.

c) 4 Parent Governors

Parent governors are elected by the parents of registered pupils of the Academy and must themselves be parents of a pupil at the time of their election. When a vacancy occurs, every parent is informed of the vacancy and that he/she is entitled to stand as a candidate. If the number of candidates exceeds the number of vacancies an election is held by secret ballot. Every parent is notified that he/she is entitled to a single vote, irrespective of the number of children they have at the Academy, and is provided with brief information on each candidate. Voting papers are circulated and a suitable time set for their return.

d) 3 Staff Governors

Staff governors are elected by all staff under a contract of employment with the Academy (excluding the Headmistress). When a vacancy occurs, every member of staff is notified and may stand as a candidate. If the number of candidates exceeds the number of vacancies an election is held by secret ballot.

e) The Head, ex officio.

The term of appointment of Governors is generally for four years except for the Vicar of Watford and the Head who hold their appointment for the term of their office. Also, if a Staff Governor leaves the employment of the Academy they are deemed to have resigned from the Board of Governors.

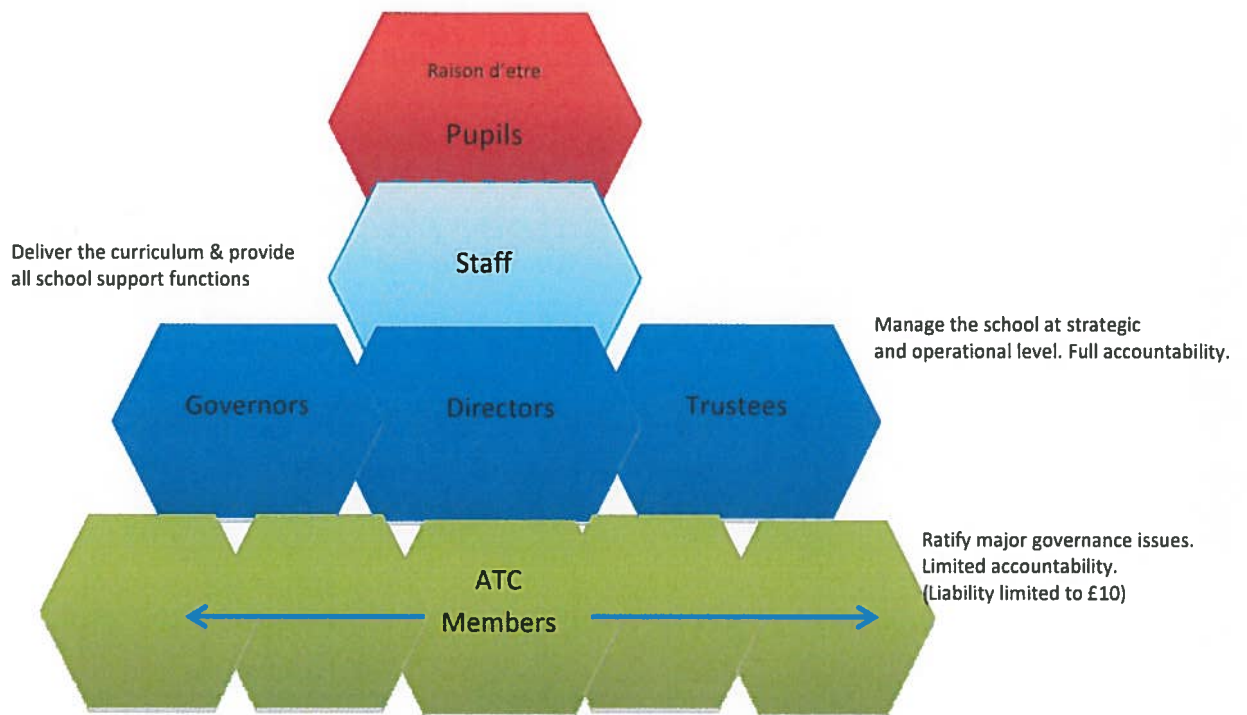
In addition, the Board of Governors can, under the Articles of Association, appoint persons who are not formal Governors to its Committees. These persons are known as Associate Governors and may attend meetings of the Board of Governors but do not have the right to vote.

### **Policies and Procedures Adopted for the Induction and Training of Governors**

Newly appointed Governors are provided with recent minutes and other key documents prior to an induction session with the Headmistress, Chair of Governors and the Finance Director. Training opportunities are discussed with the Clerk to the Governors.

## Organisational Structure

### Underpinning Success at WGGG –The ATC Structure



The Head and 3 Governors of the school also act as Directors of the school's trading subsidiary (Watford Grammar School for Girls Services Ltd) which is 100% owned by the School.



## **Organisational Structure**

Subject to provisions of the Companies Act 2006, the Articles and to any directions given by special resolution, the business of the Academy Trust shall be managed by the Governors who may exercise all the powers of the Academy Trust. No alteration of the Articles and no such direction shall invalidate any prior act of the Governors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Governors by the Articles and a meeting of Governors at which a quorum is present may exercise all the powers exercisable by the Governors.

In addition to all powers hereby expressly conferred upon them and without detracting from the generality of their powers under the Articles the Governors shall have the following powers, namely to expend the funds of the Academy Trust in such manner as they shall consider most beneficial for the achievement of the Object and to invest in the name of the Academy Trust such part of the funds as they may see fit and to direct the sale or transposition of any such investments and to expend the proceeds of any such sale in furtherance of the Object.

The Governors may delegate to any Governor, committee, the Headmistress or any other holder of an executive office, such of their powers or functions as they consider desirable to be exercised by them. Any such delegation may be made subject to any conditions the Governors may impose and may be revoked or altered. Where any power or function of the Governors is exercised by any committee, any Governor, Headmistress or any other holder of an executive office, that person or committee shall report to the Governors in respect of any action taken or decision made with respect to the exercise of that power or function at the meeting of the Governors immediately following the taking of the action or the making of the decision.

## **Arrangements for setting pay and remuneration of key management personnel**

All key management personnel's remuneration, both method and amounts are covered by the school's current pay policy. This policy covers senior members of both support and teaching staff. The methodology is based on targets set at annual performance appraisals. The Headmistress discusses the outcomes of each appraisal (only of key personnel) with the Pay Committee and recommends or not according to the policy.

The Headmistress has an external appraiser appointed by the Pay Committee. The Pay Committee is a sub committee with members both from the Governors Personnel & Finance Committee. In accordance with the policy and recent budgetary circumstances the committee have been forced to become more focused and vigilant in the monitoring and remuneration of performance appraisals for key personnel.



## Trade Union Facility Time

### Relevant Union Officials

Number of employees who were relevant union officials during the period	Full Time equivalent employee number
2	2

### Percentage of time spent on facility time

Percentage of Time	Number of Employees
0%	
1%-50%	2
51%-99%	
100%	

### Percentage of pay bill spent on facility time

Provide the total cost of facility time	£4,610
Provide the total pay bill	£99,675
Provide the percentage of the total pay bill spent on facility time calculated as: (total cost of facility time/total pay bill) x 100	4.6%

### Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) x 100	Total hours = 117  Equates to 2.54%
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## Related Parties and other Connected Charities and Organisations

The following details the relationships which Watford Grammar School for Girls has with related parties with which it co-operates in the pursuit of charitable activities.

The Academy is supported through charitable donations from the Women of Vision Trust to support projects across the Academy. Whilst not a connected charity it is closely related thus we have disclosed any transactions in the related party note to the accounts.

The Academy is supported by the Watford Grammar Schools Foundation. The principal activities of this body are to apply the Foundation's land and buildings to be used for the purposes of charitable schools. In addition the Academy benefits through donations and other income received from bequests which are held and overseen by the Foundation. Whilst not a connected charity, it is closely related, thus we have disclosed any transactions in the related party note to the accounts.

The Academy had related party transactions with other local schools namely Watford Grammar School for Boys & Watford St John's CofE Primary school (by virtue of Revd A Rindl being a governor at both schools) and Christchurch CofE Primary School (by virtue of Nick Moorhouse being a governor at both schools). The cost and details of all transactions associated with these relationships are shown within the financial statements.

## Objectives and Activities

### Objects and Aims

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

### Objectives, Strategies and Activities: School Development Plan (2018-19)

The main objectives of the Academy Trust as identified in the School Development Plan will be to prepare for the changes experienced by the school in the short and long term. The six targets set are within the following categories:

- 1) Effectiveness of Leadership and Management
  - a) Staff & Wellbeing
  - b) External Partnerships
  - c) Robust and trusted leadership on all levels.
  - d) Planning for change
  - e) Effective relationship between Governing Body and the staff
- 2) Quality of Teaching, Learning and Assessment
  - a) Academic
  - b) Thinking Skills (use De Bono Thinking Skills to develop more independent learning).
- 3) Personal Development, Behavior and Welfare
  - a) Welfare
  - b) Personal Development
  - c) Pupil Leaderships
  - d) Reduce low level disruption in lessons.
- 4) Outcomes for Students
  - a) Disadvantaged Pupils Close the gap in progress between disadvantaged groups and non-disadvantaged groups.
  - b) A level (Increase the progress made by all students).

There are specific action points for target in each of these areas and the Senior Leadership Team meet on a weekly basis to review and act upon the targets set. All the targets and areas for development are detailed in 'the School Development Plan 2018-19 which all staff and Governors are aware of.

Some examples of these objectives linking to the charitable activities of the Academy led by SLT members include:

- The promotion of tolerance through the collaboration with Interfaith groups
- Employing a Learning Support Assistant to provide one to one support for Disadvantaged Pupils in KS4.

## **Public Benefit**

The Governors are satisfied that the Academy has complied with its requirement for the public benefit of secondary education for girls in the Watford and surrounding areas. This can be demonstrated by the continued excellent public examination results achieved by the students of the Academy and the destination choices of the majority of its students at Universities. Additionally Watford Grammar School for Girls engages with the local community and demonstrates a continued commitment to:

1. Education
2. Community Cohesion
3. Provision of services for the community
4. Extended use of buildings and premises

## Group Strategic Report

### Achievements and Performance

#### Summary Financial Performance

Most of the Academy's income is received directly from the Department for Education (via the Education Funding Agency (EFA)) in the form of its General Annual Grant (GAG). The GAG received from the EFA during the period ended 31<sup>st</sup> August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

As at 31<sup>st</sup> August 2018 the net book value of Fixed Assets was £14,508,479 and details are shown in note 16 of the accounts. The assets were used exclusively for providing education and the associated support services to pupils of the Academy.

The Academy held fund balances at 31<sup>st</sup> August 2018 of £13,673,997 comprising of a net value of £13,158,478 in respect of restricted funds. The unrestricted funds available for spending at the discretion of the Trustees amounted to £515,519. In common with other Academies and Local Authorities our share of the LGPS fund is in deficit.

The Academy also has a 100% shareholding in a Trading Subsidiary (Watford Grammar School for Girls Services Ltd). During this year of operation the company generated a profit of £112,067 to 31<sup>st</sup> August 2018 all of which will be gift aided back to the parent (Academy).

#### Examination Achievements and Performance 2017-18

##### Key Stage 4

GCSEs have now been reformed in the majority of subjects, with students sitting the new 9-1 grading GCSEs in the summer of 2018.

The GCSE grades were exceptionally strong, with the average grade being 7.4; equivalent to a mid-A grade on the old system. In the new system grade 9s represent around 3% of grades nationally but pupils at Watford Grammar School for Girls achieved 130 grade 9s between them. This is an increase on attainment in 2017, where the average grade was just below an A.

The DfE have released their provisional "progress 8" figures for 2018. This was +0.46 in 2016 (above average), +0.83 in 2017 (well above average) and is +1.03 (well above average) in 2018. This means that pupils at Watford Grammar School for Girls have achieved over a grade higher in each of their GCSEs than they would have done if they had attended a school in which students made average progress. This is exceptional and only 26 schools in the country exceeded this figure in 2017, and none of these were in Hertfordshire.

##### Key Stage 5

Examination reform is almost complete at Key Stage 5, with Mathematics being the only subject yet to sit the new, linear A Level. As at GCSE, the A Level results were very impressive, with 40% of all grades being A\* and A grades and 72% A\*-B grades.

At the time of writing the DfE has yet to release provisional Level 3 value added figures. We use ALIS, which measured student progress, and this suggests that student progress has improved slightly since 2017. We are therefore expecting that our Level 3 value added figure will indicate that our students have made progress in line with students nationally.

### **Key Performance Indicators**

Financial Performance at Watford Grammar School for Girls is measured using a series of control and monitoring systems and procedures including:

1. Budget monitoring and variance analysis
2. Commercial development and initiatives
3. Income generation targets
4. Strategic Capital & Estate Planning
5. Benchmarking activities
6. Pupil Numbers
7. Staff Attrition
8. Staff Profile

These are regularly reviewed by the Trustees and the appropriate committees and where necessary corrective action is initiated and taken.

### **Going Concern**

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

## Financial Review

### Financial and Risk Management Objectives and Policies

The majority of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE, the Women of Vision Trust and Watford Grammar Schools Foundation. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Whilst during the year ended 31 August 2018 a small surplus was recorded (excluding restricted Fixed Asset funds) the total expenditure was more than covered from other incoming resources and reserves. Assets are used for providing education and the associated support services to the pupils of the Academy as well as supporting activities for generating funds. The financial results of the school are shown in the Statement of Financial Activities, Balance Sheet and accompanying notes.

### Reserves Policy

In a period of substantial financial uncertainty, Watford Grammar School for Girls has produced budgets that are sustainable for the duration of the comprehensive spending review period, and that also ensure continued high standards of teaching and learning.

Reserves are carefully managed to ensure the delivery of our curriculum to maintain the high teaching standards. Where possible reserves are also used to support our capital investment strategy. As at 31<sup>st</sup> August 2018 the Academy had unrestricted reserves of £515,519 and restricted funds of £nil excluding the pension deficit reserve.

### Investment Policy

Any significant unrestricted reserves are placed on deposit for a period that the school deems will maintain sufficient operating liquidity.

### Principal Risks and Uncertainties

One of the main risks to the Academy is how it responds to and plans for the continued economic uncertainty and the effect of school funding reforms as these changes in funding are not keeping pace with increases in the cost base. The Academy is directly under pressure with recently announced increases in the employer's contribution to Teachers Pension Scheme, unfunded staff pay increases (which will be compounded when the teachers' pay grant ends), impact of the National Living Wage, increases to National Insurance contributions, apprenticeship levy, general cost inflation and pressures in attracting staff to an area with high housing costs and general cost inflation.

Within the financial year ahead the schools senior leadership team (SLT) and Governing body recognise that the following may develop into financial risks:-

- Changes to data protection from the “General Data Protection Regulation” may have a significant impact on being able to contact current parents, previous students and contributors. In particular the potential impact maybe seen in fund raising by Women of Vision Trust as a result of the fact that contact can only be made with potential contributors if they have submitted in writing that they give explicit permission to be contacted.
- This unexpected drop in sixth form numbers in 2017 has had an adverse financial impact on current & future budgets. The school has planned for the shortfall and seeks to mitigate the impact before the lagged funding from the higher Sixth Form pupils numbers from September 2018 begins to be realised.
- Staffing Costs - The challenge triggered from ensuring the school has high calibre staff; the challenge of recruitment and retention; combined with the recognition that the age and the experience profile of the schools current workforce; cost of housing vs recruiting new staff has established a context within which staffing costs may present a future financial risk and therefore warrants attention.
- Challenges in funding from the impact of changes in the schools funding formula and other strains placed onto the school budget by unfunded requirements from government such as increase in employers contribution to Teachers Pension Scheme.

The Governing Body, in accordance with its terms of reference, supports the Head and Senior Leadership Team in making any necessary changes to the school’s cost base and income streams, to ensure that a balanced budget is prepared for the ensuing year and actions taken to address the risk of non-balanced budgets in future years. The Academy has well established ancillary income initiatives and reserves that are able to mitigate against the impact of these risks over the next few years.

## **Fundraising**

The school is very proud of its relationship with The Women of Vision Trust (WoV), which is a registered charity (charity number 1069040) devoted to providing financial support to the school. The WoV was established in 1998, primarily to raise funds to “advance the education of pupils of the school.” Each year parents are given the opportunity to commit to regular donations which are uplifted with the gift-aid claims received from HMRC.

Most of the funds raised are from parents and the school and the WoV Trustees have always been sensitive to the way that parents are approached for their support. Compliance with the recently enacted General Data Protection Regulations (GDPR) ensures, for example, that only those parents who give their permission are approached to make donations. The very few complaints and issues that may arise are speedily dealt with by the Trustees.

The WoV fundraising and administration costs are generally less than 4% of its income. This is because the WoV do not engage with professional fundraisers with it being run entirely by the volunteer Trustees and part-time administration personnel. There is currently a plan to make changes to further streamline the donation and administration processes with the recently launched website.

## Plans for Future Periods

Our primary focus in 2018-19 is to ensure our students make significant progress and achieve high degrees of success in their exams. With the appointment of a new Deputy Head and the restructuring of the Senior Leadership Team (alongside an updated School Development Plan that reflects the needs of a growing school) puts the school in a strong position to continue to be successful.

As part of a whole south side development and through the support of the Parents Association we have put in place a Multi Use Games Area (MUGA) surface then re-laid and re-surfaced other hard court areas.

Following the change in the PAN in September 2018 the school will continue to plan for the increase in pupil numbers. The school has made an application to Hertfordshire County Council for funding to convert existing buildings and technology areas into classroom and toilets to accommodate the increased pupil numbers.

We will ensure we use our resources wisely, for the benefit of our students, and deliver against our budget plans. To safeguard against reductions in school funding, we continue to work hard ensuring our commercial revenue streams can support any shortfall in state funding. In January 2014 we set up a Trading Subsidiary (Watford Grammar School for Girls Services Limited) to facilitate the multiple business opportunities which the school may wish to pursue.

Future plans also include continuing to invest time in engagement with primary school partners and other stakeholders for the mutual benefit of students.

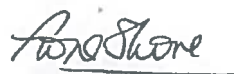


## **Auditor**

Hillier Hopkins LLP

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

Approved by order of the members of the Governing Body on 26 November 2018 and signed on its behalf by:



**Fiona Shore**  
**Chair of the Governing Body**

**Date: 26 November 2018**

## Governance Statement

### Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Watford Grammar School for Girls has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage and mitigate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material mis-statement or loss.

The Governing Body has delegated the day-to-day responsibility to the Head, as Accounting Officer, for ensuring that financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities assigned to it in the funding agreement between Watford Grammar School for Girls and the Secretary of State for Education. They are also responsible for reporting to the Governing Body 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 Governing Body has formally met 5 times during the year. Attendances during the year at meetings of the Governing body were as follows:

Trustee	Meetings Attended	Out of a possible
Percy McCloskey (Chair resigned 12.09.18)	5	5
Fiona Shore (Chair from 12.09.18)	4	5
Camila Woods (Vice Chair)	5	5
Sylvia Chong-Tai	4	4
Marianne Cordingley (resigned 31.07.18)	5	5
Dr Nigel Corp	1	5
Russell Deane	5	5
Gill Collison (resigned 31.12.17)	1	2
Harvey Griffiths	3	5
Revd Tony Rindl	3	5
Michael Lewis MBE	5	5
Prakash Jani	4	5
Akin Oyesola	4	5
Zia Rehman	4	5
Clare Kirwan	3	5
Mary Meerabux	5	5
Nick Moorhouse (appointed 18.09.17)	5	5
Andrew Turpie (resigned 30.06.18)	4	4
Jane Willis (appointed 09.07.18)	1	1
Greg Crawford (appointed 01.09.18, resigned 22.10.18)	3	5
Peter Baird (resigned 09.03.18)	1	3
Ian Wells (resigned 09.03.18)	3	3

Changes to members are details on the structure of the Governing Body on page 3.

## **Review of Governance 2017/18**

The Chair and the Board of Trustees keep the governance of the School and the role of the Trustees continually under review. Throughout 2017/18 the Board remained largely unchanged since last year with The Chair and Vice Chair both being re-elected. (Note since the end of the financial year 2017/18 a new Chair has been elected).

During the academic year 2017/18 the Board was responsible for appointing a new Headteacher, following the resignation of Mrs Clare Wagner in the prior academic year. After a rigorous recruitment process, the Acting Head, Ms Sylvia Tai, was confirmed in post. With support from the Board, she then restructured the Senior Leadership Team and we believe we now have a very effective leadership team in place.

We are fortunate in being able to attract talented trustees and governors whose expertise is invaluable. We are able to draw on a wide range of skills and have good succession planning in place. Through regular meetings of the full board and committees we have had oversight of every aspect of the School, including (but not limited to) health and safety, safeguarding, finance, HR and its 'core' business, education. In all this we work closely with the Headteacher and the School Business Manager. The Governors were delighted to be able to open a new Sixth Form Centre to enhance our offer to KS5 students in April 2018.

All Board members have been encouraged to attend training to meet their individual needs. We also set aside time to review our vision statement. We have had a full board training session on 'Understanding School Data' enabling us to question closely the figures that are presented to us. In parallel the Assistant Head outlined the School's 'Pathways' assessment system to a meeting of the full Board of Governors.

Through its committee structure, the Board receives regular quality data on the school's performance both financially and academically. Academic reports include statistics relating to examination results published by the DfE as well as internal monitoring of student achievement. Financial results comply with DfE reporting. These reports are scrutinised both at committee and Board level, and the Board is satisfied that they are accurate and valid for the purposes of future planning.

Governors regularly spend time in School which informs their questioning at meetings. Many members of the Board hold additional posts of special responsibility such as this year we appointed a governor for GDPR.

The Board of Governors works tirelessly to enable the staff to offer the students the best possible education. Looking ahead the governing body is fully aware that it has to continually review its own operation so that it is properly fulfilling its full range of governance responsibilities and that members collectively offer a wide range of specific skills and are trained to be able to carry out their roles in an effective, professional and supportive manner. With potential changes to governors' positions, a governance self-review is suggested to ensure the range of skill-set among governors is appropriate and to ensure that adequate governors' training has taken place.

The main priority actions going forward include:

- Embedding (and supporting) the new SLT structure to ensure the most effective leadership
- a skills audit of the current Board to make best use of the talent available
- higher visibility of Board members around the School with the appointment of link governors
- preparation for the continual expansion of Year 7

### **Finance & General Purposes Committee**

The Finance and General Purposes Committee is a sub-committee of the main board of directors. The Governors are responsible for ensuring that appropriate financial management practices are followed by the Academy Trust and legal requirements are adhered to. Responsibility also lies with the Governors for safeguarding the assets of the Trust including implementing processes for the prevention and detection of fraud and other irregularities. The role of the independent auditor Hillier Hopkins LLP supports the Governing body in this process.

The Academy Trust has a long history of sound financial management and has well established ancillary income initiatives and reserves. The Trust has funds it can draw upon to mitigate financial exposure but cannot keep using these to plug funding holes generated by the government constantly obligating the school to expenditure that it has not funded from the General Annual Grant (GAG).

In common with other similar schools, the primary material issue being dealt with by the Committee during the year was in respect of the impact of changes to the school's funding formula not keeping pace with increases in the cost base. Some of the issues discussed and addressed in the year include:

- Effective projection and monitoring of 2017/2018 income and expenditure, in a tight financial environment. Targets were achieved and the school worked within budget.
- Reviewing the opportunities and challenges of the continual increase of the Planned Admissions Number of entry to the school in Year 7 from 180 to 210.
- Assessing the impact of the pay award for both teaching and non teaching staff and ensuring the right balance affordability and staff retention.
- Significant savings strategies were employed including reviewing the curriculum offer, teacher contact (teaching) time and regular benchmarking of costs and supplies. These resulted in savings >£100k however the operational impact on the school was a reduction in teaching staff. We are therefore cautious that we cannot look to these strategies again without the directly having an impact on learning and achievement.
- Financial controls have been operating in each curriculum areas budgets and spending but there is little room to enforce tighter disciplines.
- Looking at the scope for improved fundraising arrangements for the School on behalf of the Governing Body. (Women of Vision/ parent contributions/ exploring new strategies).
- Additionally the School's health and safety policy is regularly reviewed and a formal health and safety inspection of the school's premises is carried out annually.

The Finance & General Purposes Committee (F&GP) has formally met 3 times during the year. Attendances during the year at meetings of the F&GP were as follows:

Governor	Meetings Attended	Out of a possible
Harvey Griffiths (Chair)	3	3
Russell Deane	3	3
Sylvia Chong-Tai	3	3
Ian Wells (resigned 09.03.18)	1	2
Akin Oyesola	2	3
Andrew Turpie (resigned 30.06.18)	0	3
Prakesh Jani	2	3
Nick Moorhouse (appointed 18.09.17)	2	3

## Review of Value for Money (VFM)

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

Watford Grammar School for Girls can clearly demonstrate achievement of value for money from the taxpayer resources received. All students have the opportunity and ability to benefit from the educational and wider societal outcomes achieved from a prudent and strategic allocation of resources aligned to clear objectives.

The accounting officer considers how the trust's use of 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 available. The Accounting Officer for the Trust has delivered improved value for money during the year by:

### **VFM - Improving educational results**

The value for money achieved by Watford Grammar School for Girls is most evident from student performance. In each key stage, students are making strong progress.

Exam performances at GCSE, and A Level remain consistently high, compared to national and regional standards. The GCSE grades were exceptionally strong, with the average grade being 7.4; equivalent to a mid-A grade on the old system. In the new system grade 9s represent around 3% of grades nationally but pupils at Watford Grammar School for Girls achieved 130 grade 9s between them. This is an increase on attainment in 2017, where the average grade was just below an A.

The progress made by pupils from joining in Year 7 continues to be significantly higher than the national average and a clear indication that the school adds value with our initial Progress 8 score of 1.03. This is exceptional and only 26 schools in the country exceeded this figure in 2017, and none of these were in Hertfordshire.

### **VFM - Financial Governance and Oversight**

The Board of Governors and the Finance & General Purposes Committee (F&GP) ensure that the school complies with the principle of financial control which conforms with the requirements both of propriety and good financial management.

The F&GP Committee review management accounts and challenge the business director on all material variances. Additionally the committee scrutinizes the annual budget before formally recommending approval by the full Governing Body. In line with the scheme of financial delegation the committee is actively involved in reviewing proposed contracts ensuring that the authorisation of any such contract is compliant.

The Responsible Officer is appointed by the Board of Governors and provides governors with an independent oversight of the school's financial procedures. The Responsible Officer reports that there are sound systems of financial control and these are being maintained and financial considerations are fully taken into account in reaching decisions.

## **VFM - Benchmarking of Energy Costs**

During this financial year (2017/18) we tendered and entered into new energy contracts, choosing a one year contract to mitigate against falling energy costs. These new rates are applicable from 1<sup>st</sup> October 2017 and based on constant energy use will reduce our expenditure on a like for like basis. For 2017/18 we will continue to review and update our benchmarking of this provision to ensure our decision is still financially prudent.

## **VFM – Procurement of new electronic security gates**

The Academy took the decision during 2017/18 to install new electronic security gates on the entrances/exits to the site. The importance of enhanced security to ensure all pupils and staff feel 'safe' cannot be underestimated. We invited 3 suppliers to make a site visit and prepare a quotation which included the security features, ease of use for both pedestrian and vehicle owners on a daily basis as well as the actual design of the gates themselves. We also performed site visits at other local school to view previous installations and gauge feedback from other customers directly. Following this process we then appointed the best supplier to undertake the installation balancing both costs and operational design/use as necessary. We agreed with the supplier to a phased installation schedule to ensure that the school could continue to operate on a daily basis with the minimum of interruption.

## **The Purpose of the System of Internal Control**

The system of internal control is designed to manage and mitigate risk within the school's risk appetite in order to achieve its policies, aims and objectives; such a risk management approach, therefore, can only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and their impact, managing them efficiently, effectively and economically.

The system of internal control has been in place in Watford Grammar School for Girls for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

## **Capacity to Handle Risk**

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

## **The Risk and Control Framework**

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic review.
- Financial reports which are reviewed and agreed by the Governing Body.
- Regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- Setting targets to measure financial and other performance.
- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- Delegation of authority and segregation of duties.

## **Identification and Management of Risks**

The Governing Body in line with the guidelines in the Academies Financial Handbook has considered the need for a specific internal audit function and has decided to appoint an internal auditor. Hillier Hopkins LLP were appointed to fulfil the role of Internal Auditor.

The Internal Auditors role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current year included a review of:

- Bank Reconciliations
- Lettings Income
- General Purchases
- Cash Card purchases
- Procurement/Contracts
- VAT returns
- Payroll
- Fixed Assets
- Management Reporting
- Exam Income
- Trip Income
- Employee expense claims

On a termly basis, the Internal Auditor reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The reports produced by the Internal Auditor identified no material concerns.



## Review of Effectiveness

As Accounting Officer, the Headmistress 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 Finance and Business Director;
- The work of the Internal Auditor;
- The work of the external auditor;
- The financial management and governance self-assessment process; and
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 26 November 2018 and signed on its behalf by:



**Fiona Shore**  
Chair of Governors

**Date: 26 November 2018**



**Miss Sylvia Tai**  
Accounting Officer

**Date: 26 November 2018**

## Statement on Regularity, Propriety and Compliance

As Accounting Officer of Watford Grammar School for Girls I have considered my responsibility to notify the academy trust 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 trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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



**Sylvia Tai**  
**Accounting Officer**

**Date: 26 November 2018**

## Statement of Governors' Responsibilities

The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Group 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 Governors 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 the group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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



**Fiona Shore**  
**Chair of Trustees**

**Date: 26 November 2018**

## Independent auditors' report on the financial statements

### OPINION

We have audited the financial statements of Watford Grammar School for Girls (the 'parent academy') and its subsidiaries (the 'group') for the year ended 31 August 2018 which comprise the group Consolidated statement of financial activities incorporating income and expenditure account, the group Consolidated balance sheet, the group Consolidated 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 and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent academy's affairs as at 31 August 2018 and of the group's 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 and 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 group 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 group's or the parent 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.

## **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 Group Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Group 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 group and the parent academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Group 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:

- the parent academy has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent academy 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 Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent 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 group or the parent 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.

## 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Alexander Bottom ACA (Senior statutory auditor)**

For and on behalf of

**Hillier Hopkins LLP**  
Chartered Accounts  
Statutory Auditor

Radius House  
51 Clarendon Road  
Watford  
Herts  
WD17 1HP

Date: *5<sup>th</sup> December 2018*

## Independent reporting accountant's assurance report on regularity

In accordance with the terms of our engagement letter dated 10 September 2012 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 Watford Grammar School for Girls 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 Watford Grammar School for Girls and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Watford Grammar School for Girls 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 Watford Grammar School for Girls and the ESFA, for our work, for this report, or for the conclusion we have formed.

### **RESPECTIVE RESPONSIBILITIES OF WATFORD GRAMMAR SCHOOL FOR GIRLS' ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Watford Grammar School for Girls' funding agreement with the Secretary of State for Education dated 25 August 2010, 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:

- An assessment of the risk of material misstatement and irregularity across the Academy Trust's activities;
- Testing and review of areas identified through risk assessment including enquiry, observation, inspection and review of supporting evidence;
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime;
- Consideration of evidence obtained through the work performed as part of our financial statements audit in order to support the regularity conclusion.

## CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 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.



Hillier Hopkins LLP

Chartered Accountants  
Statutory Auditor

Radius House  
51 Clarendon Road  
Watford  
Herts  
WD17 1HP

Date: *5th June 2018*


## Consolidated statement of financial activities incorporating income and expenditure account

	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	33,612	21,221	241,732	296,565	1,990,445
Charitable activities	6	450,571	6,360,392	-	6,810,963	6,889,075
Other trading activities:						
Fundraising	3	146,394	-	-	146,394	149,252
Trading activities	4	440,158	-	-	440,158	505,045
Investments	5	675	-	-	675	603
Other income		17,843	-	-	17,843	5,236
<b>TOTAL INCOME</b>		<b>1,089,253</b>	<b>6,381,613</b>	<b>241,732</b>	<b>7,712,598</b>	<b>9,539,656</b>
<b>EXPENDITURE ON:</b>						
Raising funds:						
Voluntary income	7	18,977	-	-	18,977	20,898
Fundraising trading	4	328,091	-	-	328,091	389,337
Charitable activities		440,652	6,673,809	259,176	7,373,637	7,623,150
<b>TOTAL EXPENDITURE</b>	10	<b>787,720</b>	<b>6,673,809</b>	<b>259,176</b>	<b>7,720,705</b>	<b>8,033,385</b>
<b>NET BEFORE TRANSFERS</b>		<b>301,533</b>	<b>(292,196)</b>	<b>(17,444)</b>	<b>(8,107)</b>	<b>1,506,271</b>
Transfers between Funds	22	(306,371)	64,196	242,175	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>(4,838)</b>	<b>(228,000)</b>	<b>224,731</b>	<b>(8,107)</b>	<b>1,506,271</b>
Actuarial gains on defined benefit pension schemes	27	-	493,000	-	493,000	1,299,000
<b>NET MOVEMENT IN FUNDS</b>		<b>(4,838)</b>	<b>265,000</b>	<b>224,731</b>	<b>484,893</b>	<b>2,805,271</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		520,357	(1,615,000)	14,283,747	13,189,104	10,383,833
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>515,519</b>	<b>(1,350,000)</b>	<b>14,508,478</b>	<b>13,673,997</b>	<b>13,189,104</b>

## Consolidated Balance Sheet

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	16		14,508,479		13,345,106
<b>CURRENT ASSETS</b>					
Debtors	19	193,373		379,286	
Cash at bank and in hand		942,367		1,638,907	
		<u>1,135,740</u>		<u>2,018,193</u>	
<b>CREDITORS: amounts falling due within one year</b>	20	<b>(598,055)</b>		<b>(559,195)</b>	
<b>NET CURRENT ASSETS</b>			<b>537,685</b>		<b>1,458,998</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>15,046,164</b>		<b>14,804,104</b>
<b>CREDITORS: amounts falling due after more than one year</b>	21		<b>(22,167)</b>		<b>-</b>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<b>15,023,997</b>		<b>14,804,104</b>
Defined benefit pension scheme liability	27	(1,350,000)		(1,615,000)	
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<b>13,673,997</b>		<b>13,189,104</b>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds excluding pension liability		14,508,478		14,283,747	
Pension reserve		<u>(1,350,000)</u>		<u>(1,615,000)</u>	
Total restricted income funds			<b>13,158,478</b>		<b>12,668,747</b>
Unrestricted income funds	22		<b>515,519</b>		<b>520,357</b>
<b>TOTAL FUNDS</b>			<b>13,673,997</b>		<b>13,189,104</b>

The financial statements on pages 34 to 61 were approved by the Trustees, and authorised for issue, on 26 November 2018 and are signed on their behalf, by:

  
**Fiona Shore**  
 Chair of Trustees

  
**Sylvia Tai**  
 Accounting Officer

## Academy balance sheet

	Note	£	2018 £	£	2017 £
<b>FIXED ASSETS</b>					
Tangible assets	16		14,508,478		13,345,106
Investments	17		100		100
			<u>14,508,578</u>		<u>13,345,206</u>
<b>CURRENT ASSETS</b>					
Debtors	19	270,550		490,978	
Cash at bank and in hand		844,648		1,505,901	
		<u>1,115,198</u>		<u>1,996,879</u>	
<b>CREDITORS: amounts falling due within one year</b>	20	<b>(577,612)</b>		<b>(537,981)</b>	
<b>NET CURRENT ASSETS</b>			<u>537,586</u>		<u>1,458,898</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>15,046,164</u>		<u>14,804,104</u>
<b>CREDITORS: amounts falling due after more than one year</b>	21		<u>(22,167)</u>		<u>-</u>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>15,023,997</u>		<u>14,804,104</u>
Defined benefit pension scheme liability	27		<u>(1,350,000)</u>		<u>(1,615,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>13,673,997</u>		<u>13,189,104</u>
<b>FUNDS OF THE ACADEMY</b>					
<b>Restricted funds:</b>					
Restricted funds excluding pension asset		14,508,478		14,283,747	
Pension reserve		<u>(1,350,000)</u>		<u>(1,615,000)</u>	
<b>Total restricted funds</b>			<u>13,158,478</u>		<u>12,668,747</u>
<b>Unrestricted funds</b>			<u>515,519</u>		<u>520,357</u>
<b>TOTAL FUNDS</b>			<u>13,673,997</u>		<u>13,189,104</u>

The financial statements were approved by the Trustees, and authorised for issue, on 26 November 2018 and are signed on their behalf, by:



**Fiona Shore**  
Chair of Trustees



**Sylvia Tai**  
Accounting Officer

## Consolidated statement of cash flows

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	24	483,600	(71,774)
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		675	603
Purchase of tangible fixed assets		(1,422,547)	(895,277)
Capital grants from DfE Group		28,098	1,533,393
Capital funding received from sponsors and others		213,634	277,271
Net cash (used in)/provided by investing activities		(1,180,140)	915,990
Change in cash and cash equivalents in the year		(696,540)	844,216
Cash and cash equivalents brought forward		1,638,907	794,691
Cash and cash equivalents carried forward	25	942,367	1,638,907

## Notes to the financial statements

### 1. ACCOUNTING POLICIES

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

#### 1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Watford Grammar School for Girls constitutes a public benefit entity as defined by FRS 102.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the academy and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the academy alone as permitted by section 408 of the Companies Act 2006.

#### 1.2 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.

#### 1.3 Income

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

Grants are included in the Statement of Financial Activities 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 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.

Donated goods, facilities and services. The School occupies land owned by the Watford Grammar Schools Foundation. The land is occupied rent free by the school. It is not considered practical to obtain a market value for the annual rent of the land for the purposes of the accounts.

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.

#### **1.4 Expenditure**

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

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

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

All expenditure is inclusive of irrecoverable VAT.

#### **1.5 Going concern**

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

#### **1.6 Basis of consolidation**

The financial statements consolidate the accounts of Watford Grammar School for Girls and all of its subsidiary undertakings ('subsidiaries').

The academy has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The income and expenditure account for the year dealt with in the accounts of the academy was £484,893 surplus (2017 - £1,506,271 surplus).

## 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 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.

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	-	2% straight line
Leasehold property	-	2% straight line
Furniture and fixtures	-	25% straight line
Motor vehicles	-	25% 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.

## 1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

## 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 19. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 20 and 21. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

## 1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 27, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities 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 trust 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 as the academy does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of the financial activities.

The academy trust also acts as an agent for distributing Schools Direct grants to contribute to training costs for salaried trainees to achieve qualified teacher status. Grant monies received and subsequent disbursements to local schools are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The element of grant monies received in relation to staff based at the academy trust has been recognised in the statement of financial activities.

The academy trust receives funding on behalf of Chessbrook Education Support Centre from Hertfordshire County Council and makes subsequent disbursements to Chessbrook Education Support Centre.

The funds received and paid and any balances held are disclosed in note 31.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, 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.

Critical areas of judgment:

#### **Valuation of tangible fixed assets**

Governors have considered the value of tangible fixed assets. Changes in the circumstances or expectations of future performance of an individual asset may be an indicator that the asset is impaired, which would require the book value to be written down to its recoverable amount. Impairments are reversed if conditions for impairment are no longer present. Due to their nature, evaluating whether an asset is impaired requires a significant degree of judgement and may to a large

extent depend on the assumptions made in its evaluation. The governors have concluded that the valuation of the tangible fixed assets as at the year end are appropriate.

#### Depreciation and residual values

The governors have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

## 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	33,612	21,221	213,634	268,467	457,052
Government grants	-	-	28,098	28,098	1,533,393
	<u>33,612</u>	<u>21,221</u>	<u>241,732</u>	<u>296,565</u>	<u>1,990,445</u>
<i>Total 2017</i>	<u>36,779</u>	<u>143,002</u>	<u>1,810,664</u>	<u>1,990,445</u>	

## 3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Beat Commission	3,800	-	3,800	2,100
School shop	26,715	-	26,715	26,632
Hire of facilities	71,916	-	71,916	75,102
Other income	19,634	-	19,634	29,786
Evening classes	24,329	-	24,329	15,632
	<u>146,394</u>	<u>-</u>	<u>146,394</u>	<u>149,252</u>
<i>Total 2017</i>	<u>149,252</u>	<u>-</u>	<u>149,252</u>	

#### 4. TRADING SUBSIDIARY

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>As restated</i> Total funds 2017 £
<b>Charity trading income</b>				
Caretaking, gym and car parking income	369,471	-	369,471	435,767
Lettings income	70,640	-	70,640	62,619
Trips income	-	-	-	6,610
Commissions receivable	47	-	47	49
	<u>440,158</u>	<u>-</u>	<u>440,158</u>	<u>505,045</u>
<b>Charity trading expenses</b>				
Direct costs - wages and salaries	294,665	-	294,665	338,633
Direct costs - other	7,121	-	7,121	25,624
Support costs	26,305	-	26,305	25,080
	<u>328,091</u>	<u>-</u>	<u>328,091</u>	<u>389,337</u>
<b>Gross profit from trading subsidiary</b>	<u>112,067</u>	<u>-</u>	<u>112,067</u>	<u>115,708</u>

In 2017, the academy generated £505,045 in income and incurred £389,338 in costs relating to unrestricted trading activities within its subsidiary.

#### 5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Interest received	675	-	675	603
	<u>675</u>	<u>-</u>	<u>675</u>	<u>603</u>
<i>Total 2017</i>	<u>603</u>	<u>-</u>	<u>603</u>	

## 6. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Educational activities	450,571	6,360,392	6,810,963	6,889,075
<i>Total 2017</i>	<u>415,832</u>	<u>6,473,243</u>	<u>6,889,075</u>	

## 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)	-	6,217,590	6,217,590	6,242,819
Pupil Premium	-	78,140	78,140	81,610
National College	-	11,816	11,816	120,806
Other ESFA grants	-	26,540	26,540	27,099
	<u>-</u>	<u>6,334,086</u>	<u>6,334,086</u>	<u>6,472,334</u>
<b>Other government grants</b>				
Local authority grants	-	26,264	26,264	769
	<u>-</u>	<u>26,264</u>	<u>26,264</u>	<u>769</u>
<b>Other funding</b>				
Trip income	379,029	-	379,029	354,501
Other income	71,542	42	71,584	61,471
	<u>450,571</u>	<u>42</u>	<u>450,613</u>	<u>415,972</u>
	<u>450,571</u>	<u>6,360,392</u>	<u>6,810,963</u>	<u>6,889,075</u>
<i>Total 2017</i>	<u>415,832</u>	<u>6,473,243</u>	<u>6,889,075</u>	

## 7. EXPENDITURE ON RAISING VOLUNTARY INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
School shop	107	-	107	3,333
Staff costs - trading	18,870	-	18,870	17,565
	<u>18,977</u>	<u>-</u>	<u>18,977</u>	<u>20,898</u>
<i>Total 2017</i>	<u>20,898</u>	<u>-</u>	<u>20,898</u>	

## 8. DIRECT COSTS

	Educational activities £	Total 2018 £	Total 2017 £
Educational supplies	121,635	121,635	139,508
Examination fees	147,369	147,369	156,346
Staff development	25,141	25,141	37,731
Trip and journey expenditure	379,001	379,001	354,442
Catering costs	2,401	2,401	196
Wages and salaries	3,607,408	3,607,408	3,897,778
National insurance	354,399	354,399	377,990
Pension cost	591,732	591,732	620,560
	<u>5,229,086</u>	<u>5,229,086</u>	<u>5,584,551</u>
<i>Total 2017</i>	<u>5,584,552</u>	<u>5,584,552</u>	

## 9. SUPPORT COSTS

	Educational activities £	Total 2018 £	Total 2017 £
FRS102 Pension cost	43,000	43,000	55,000
Administration supplies	1,872	1,872	1,037
Recruitment	42,994	42,994	28,219
Premises maintenance costs	108,658	108,658	125,782
Rent and rates	39,124	39,124	35,696
Technology costs	96,817	96,817	103,618
Insurance costs	45,562	45,562	50,242
Heat and light costs	119,819	119,819	99,106
Printing, postage and stationery	48,581	48,581	53,749
Cleaning and caretaking costs	34,781	34,781	34,979
Professional fees	39,903	39,903	34,881
Other support costs	59,222	59,222	52,226
Governance costs	28,051	28,051	24,467
Wages and salaries	757,680	757,680	679,703
National insurance	65,658	65,658	57,743
Pension cost	353,653	353,653	338,612
Depreciation	259,176	259,176	263,538
	<u>2,144,551</u>	<u>2,144,551</u>	<u>2,038,598</u>
<i>Total 2017</i>	<u>2,038,598</u>	<u>2,038,598</u>	

## 10. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income	18,869	-	108	18,977	20,898
Expenditure on fundraising trading	294,665	-	33,426	328,091	389,337
Educational activities:					
Direct costs	4,553,539	-	675,547	5,229,086	5,584,552
Support costs	1,176,991	561,558	406,002	2,144,551	2,038,598
	<u>6,044,064</u>	<u>561,558</u>	<u>1,115,083</u>	<u>7,720,705</u>	<u>8,033,385</u>
<i>Total 2017</i>	<u>6,328,585</u>	<u>559,101</u>	<u>1,145,698</u>	<u>8,033,384</u>	

## 11. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charitable group	259,175	263,537
Auditors' remuneration - audit	11,000	10,650
Auditors' remuneration - other services	9,900	6,000

## 12. STAFF COSTS

### a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	4,528,217	4,663,321
Social security costs	437,330	454,194
Operating costs of defined benefit pension schemes	1,000,279	1,020,762
	<u>5,965,826</u>	<u>6,138,277</u>
Agency staff costs	78,238	123,565
Staff restructuring costs	-	66,743
	<u>6,044,064</u>	<u>6,328,585</u>

Staff restructuring costs comprise:

Redundancy payments	-	24,958
Severance payments	-	41,785
		<u>66,743</u>

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

There were no non-statutory/non-contractual severance payments included in staff costs in 2018 (2017: one payment totalling £41,785).

### c. Staff numbers

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

	2018 No.	2017 No.
Teachers	84	91
Education support	22	19
Administration	44	49
Management	7	6
Temporary	4	5
	<u>161</u>	<u>170</u>



**d. Higher paid staff**

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

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>0</b>	<b>3</b>
In the band £70,001 - £80,000	<b>2</b>	<b>0</b>
In the band £80,001 - £90,000	<b>1</b>	<b>0</b>
In the band £140,001 - £150,000	<b>0</b>	<b>1</b>

2 of the above employees (2017: 3) participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for these staff amounted to £26,266 (2017: £39,683).

1 of the above employees (2017: 1) also participated in the Local Government Pension Scheme. During the year ended 31 August 2018, pension contributions for this staff member amounted to £17,817 (2017: £17,223).

**e. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on pages 3 and 4. The total employee benefits (including employer pension contributions) paid by key management personnel for their services to the academy trust was £646,564 (2017: £659,910).

**13. TRUSTEES' REMUNERATION AND EXPENSES**

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

		<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
Sylvia Chong-Tai	Remuneration	<b>85,000-90,000</b>	<i>n/a</i>
	Pension contributions paid	<b>10,000-15,000</b>	<i>n/a</i>
Yvonne Bateson	Remuneration	<i>n/a</i>	<i>20,000-25,000</i>
	Pension contributions paid	<i>n/a</i>	<i>0-5,000</i>
Clare Wagner	Remuneration	<i>n/a</i>	<i>145,000-150,000</i>
	Pension contributions paid	<i>n/a</i>	<i>15,000-20,000</i>
Mary Meerabux	Remuneration	<b>40,000-45,000</b>	<i>20,000-25,000</i>
	Pension contributions paid	<b>5,000-10,000</b>	<i>0-5,000</i>
Clare Kirwan	Remuneration	<b>25,000-30,000</b>	<i>15,000-20,000</i>
	Pension contributions paid	<b>0-5,000</b>	<i>0-5,000</i>
Fiona Shore	Remuneration	<b>0-5,000</b>	<i>0-5,000</i>
	Pension contributions paid	<b>0-5,000</b>	<i>0-5,000</i>
Andrew Turpie	Remuneration	<b>30,000-35,000</b>	<i>15,000-20,000</i>
	Pension contributions paid	<b>5,000-10,000</b>	<i>0-5,000</i>

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year, 1 (2017: 1) Trustee received reimbursement of expenses for travel and stationery amounting to £564 (2017 - £29).

#### 14. TRUSTEE'S 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 £10,000,000 on any one claim and the cost for the year ended 31 August 2018 was £220 (2017 - £220).

#### 15. OTHER FINANCE INCOME

	2018 £	2017 £
Interest income on pension scheme assets	94,000	60,000
Interest expense on pension scheme liabilities	(137,000)	(115,000)
	<u>(43,000)</u>	<u>(55,000)</u>

#### 16. TANGIBLE FIXED ASSETS

Group and Academy	Freehold property £	Leasehold property £	Furniture and fixtures £	Motor vehicles £	Assets under construction £	Total £
<b>Cost</b>						
At 1 Sep 2017	10,453,840	3,116,082	449,492	47,785	842,471	14,909,670
Additions	-	935	41,656	-	1,379,957	1,422,548
Transfers	-	2,131,531	4,574	-	(2,136,105)	-
At 31 August 2018	<u>10,453,840</u>	<u>5,248,548</u>	<u>495,722</u>	<u>47,785</u>	<u>86,323</u>	<u>16,332,218</u>
<b>Depreciation</b>						
At 1 Sep 2017	951,971	218,323	366,128	28,142	-	1,564,564
Charge for the year	135,995	69,595	45,899	7,686	-	259,175
At 31 August 2018	<u>1,087,966</u>	<u>287,918</u>	<u>412,027</u>	<u>35,828</u>	<u>-</u>	<u>1,823,739</u>
<b>Net book value</b>						
At 31 August 2018	<u>9,365,874</u>	<u>4,960,630</u>	<u>83,695</u>	<u>11,957</u>	<u>86,323</u>	<u>14,508,479</u>
At 31 August 2017	<u>9,501,869</u>	<u>2,897,759</u>	<u>83,364</u>	<u>19,643</u>	<u>842,471</u>	<u>13,345,106</u>

#### 17. FIXED ASSET INVESTMENTS

Academy	Shares in group undertakings £
<b>Cost</b>	
At 1 September 2017 and 31 August 2018	<u>100</u>

## 18. PRINCIPAL SUBSIDIARIES

### Watford Grammar School for Girls Services Ltd

Subsidiary name	Watford Grammar School for Girls Services Ltd
Company registration number	08823700
Basis of control	Equity
Equity shareholding %	100%
Total assets as at 31 August 2018	£ 132,611
Total liabilities as at 31 August 2018	£ 132,511
Total equity as at 31 August 2018	£ 100
Turnover for the year ended 31 August 2018	£ 440,158
Expenditure for the year ended 31 August 2018	£ (328,091)
Profit for the year ended 31 August 2018	£ 112,067

## 19. DEBTORS

	<u>Group</u>		<u>Academy</u>	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	31,468	25,591	832	21,575
Amounts owed by group undertakings	-	-	112,067	115,708
Tax recoverable	47,192	143,579	47,193	143,579
Prepayments and accrued income	114,713	84,826	110,458	84,826
Grants Receivable	-	125,290	-	125,290
	<u>193,373</u>	<u>379,286</u>	<u>270,550</u>	<u>490,978</u>

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

	<b>Group</b>		<b>Academy</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	15,203	23,856	14,803	23,275
Other taxation and social security	120,778	123,668	107,264	107,733
Other creditors	138,521	175,289	138,521	175,290
Accruals and deferred income	323,553	236,382	317,024	231,683
	<b>598,055</b>	<b>559,195</b>	<b>577,612</b>	<b>537,981</b>

	<b>Group</b>		<b>Academy</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Deferred income</b>				
Deferred income opening balance	172,691	196,143	172,691	180,311
Resources deferred during the year	245,497	172,691	245,497	172,691
Amounts released from previous years	(172,691)	(196,143)	(172,691)	(180,311)
Deferred income closing balance	<b>245,497</b>	<b>172,691</b>	<b>245,497</b>	<b>172,691</b>

At the balance sheet date, the academy trust was holding funds received in advance for trading services, school trips and the pupil premium and capital grants relating to the 2017/18 financial period.

**21. CREDITORS: Amounts falling due after one year**

	<b>Group</b>		<b>Academy</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accruals and deferred income	22,167	-	22,167	-

## 22. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds	520,357	1,089,253	(787,720)	(306,371)	-	515,519
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	6,217,590	(6,281,786)	64,196	-	-
Pupil Premium	-	78,140	(78,140)	-	-	-
National College	-	11,816	(11,816)	-	-	-
Other ESFA	-	26,540	(26,540)	-	-	-
Other government grants	-	26,264	(26,264)	-	-	-
Other restricted income	-	42	(42)	-	-	-
Restricted donations	-	21,221	(21,221)	-	-	-
Pension reserve	(1,615,000)	-	(228,000)	-	493,000	(1,350,000)
	(1,615,000)	6,381,613	(6,673,809)	64,196	493,000	(1,350,000)
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Fund	13,345,106	-	(259,176)	1,422,548	-	14,508,478
ESFA capital funds	-	28,098	-	(28,098)	-	-
Other donations	-	213,634	-	(213,634)	-	-
CIF funding	938,641	-	-	(938,641)	-	-
	14,283,747	241,732	(259,176)	242,175	-	14,508,478
Total restricted funds	12,668,747	6,623,345	(6,932,985)	306,371	493,000	13,158,478
Total of funds	13,189,104	7,712,598	(7,720,705)	-	493,000	13,673,997

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the academy that has been provided via the Education & Skills Funding Agency (ESFA) by the Department for Education. The GAG fund must be used for the normal running costs of the academy. The transfer of unrestricted funds to the GAG fund represents the use of unrestricted funds to fund educational activities.

Pupil Premium is a grant allocated to academies with pupils that are known to be eligible for free school meals. The purpose is to raise attainment for pupils from low income families.

National College funds relate to Schools Direct/ITT grants for the provision of initial teacher training.

The pension reserve represents the net deficit on the LGPS defined benefit pension scheme. The deficit arose because of the pension scheme deficit inherited upon conversion and future GAG funding agreed by the ESFA is expected to be sufficient to take the fund back into surplus.

The restricted fixed asset fund includes all significant items of fixed assets. Depreciation charged on the assets is allocated to the fund. The transfer of unrestricted monies to the fixed asset restricted fund represents the use of unrestricted monies for fixed asset additions.

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.

## STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2016</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2017</i>
	£	£	£	£	£	£
General Funds	348,466	1,112,747	(815,569)	(125,287)	-	520,357
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	6,242,819	(6,344,852)	102,033	-	-
Pupil Premium	-	81,610	(81,610)	-	-	-
National College	-	120,806	(120,806)	-	-	-
Other ESFA	-	27,099	(27,099)	-	-	-
Other government grants	-	769	(769)	-	-	-
Other restricted income	-	140	(140)	-	-	-
Restricted donations	-	143,002	(143,002)	-	-	-
Pension reserve	(2,678,000)	-	(236,000)	-	1,299,000	(1,615,000)
	<u>(2,678,000)</u>	<u>6,616,245</u>	<u>(6,954,278)</u>	<u>102,033</u>	<u>1,299,000</u>	<u>(1,615,000)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Fund	12,713,367	-	(263,538)	895,276	-	13,345,105
ESFA capital funds	-	1,533,393	-	(594,751)	-	938,642
Other donations	-	277,271	-	(277,271)	-	-
	<u>12,713,367</u>	<u>1,810,664</u>	<u>(263,538)</u>	<u>23,254</u>	<u>-</u>	<u>14,283,747</u>
<b>Total restricted funds</b>	<u>10,035,367</u>	<u>8,426,909</u>	<u>(7,217,816)</u>	<u>125,287</u>	<u>1,299,000</u>	<u>12,668,747</u>
<b>Total of funds</b>	<u>10,383,833</u>	<u>9,539,656</u>	<u>(8,033,385)</u>	<u>-</u>	<u>1,299,000</u>	<u>13,189,104</u>

### 23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	14,508,478	14,508,478
Current assets	659,766	475,975	-	1,135,741
Creditors due within one year	(122,080)	(475,975)	-	(598,055)
Creditors due in more than one year	(22,167)	-	-	(22,167)
Provisions for liabilities and charges	-	(1,350,000)	-	(1,350,000)
	<u>515,519</u>	<u>(1,350,000)</u>	<u>14,508,478</u>	<u>13,673,997</u>

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	13,345,105	13,345,105
Current assets	645,245	434,307	938,642	2,018,194
Creditors due within one year	(124,888)	(434,307)	-	(559,195)
Provisions for liabilities and charges	-	(1,615,000)	-	(1,615,000)
	<u>520,357</u>	<u>(1,615,000)</u>	<u>14,283,747</u>	<u>13,189,104</u>

### 24. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group	
	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(8,107)	1,506,271
<b>Adjustment for:</b>		
Depreciation charges	259,175	263,537
Dividends, interest and rents from investments	(675)	(603)
Decrease/(increase) in debtors	185,914	(203,650)
Increase/(decrease) in creditors	61,025	(62,665)
Capital grants from DfE and other capital income	(241,732)	(1,810,664)
Defined benefit pension scheme cost less contributions payable	228,000	236,000
<b>Net cash provided by/(used in) operating activities</b>	<u>483,600</u>	<u>(71,774)</u>

## 25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Cash in hand	<b>942,367</b>	<b>1,638,907</b>
Total	<b>942,367</b>	<b>1,638,907</b>

## 26. CAPITAL COMMITMENTS

At 31 August 2018 the group and academy had capital commitments as follows:

	<b>Group</b>		<b>Academy</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Contracted for but not provided in these financial statements	<b>64,725</b>	<b>992,321</b>	<b>64,725</b>	<b>992,321</b>

## 27. PENSION COMMITMENTS

The group'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 Hertfordshire County Council Pension Fund. Both are Multi-employer defined benefit pension schemes.

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

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

### Teachers' Pension Scheme

#### Introduction

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

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



## Valuation of the Teachers' Pension Scheme

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

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

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 £504,888 (2017 - £540,182).

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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

## Local Government Pension Scheme

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 £390,000 (2017 - £372,000), of which employer's contributions totalled £314,000 (2017 - £298,000) and employees' contributions totalled £76,000 (2017 - £74,000). The agreed contribution rates for future years are 25.3% for employers and 5.5% to 12.5% 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	2.50 %	2.50 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

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	22.5	22.5
Females	24.9	24.9
Retiring in 20 years		
Males	24.1	24.1
Females	26.7	26.7

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

	Fair value at 31 August 2018 £	<i>Fair value at</i> <i>31 August</i> <i>2017</i> £
Equities	2,187,310	2,349,100
Debt instruments	1,444,450	903,500
Property	330,160	252,980
Cash	165,080	108,420
<b>Total market value of assets</b>	<b>4,127,000</b>	<b>3,614,000</b>

The actual return on scheme assets was £202,000 (2017 - £482,000).

The amounts recognised in the Statement of financial activities are as follows:

	2018 £	2017 £
Current service cost	(499,000)	(479,000)
Interest income	94,000	60,000
Interest cost	(137,000)	(115,000)
<b>Total</b>	<b>(542,000)</b>	<b>(534,000)</b>

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

	2018 £	2017 £
Opening defined benefit obligation	5,229,000	5,523,000
Current service cost	499,000	479,000
Interest cost	137,000	115,000
Employee contributions	76,000	74,000
Actuarial gains	(385,000)	(877,000)
Benefits paid	(79,000)	(85,000)
	<hr/>	<hr/>
Closing defined benefit obligation	<u>5,477,000</u>	<u>5,229,000</u>

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

	2018 £	2017 £
Opening fair value of scheme assets	3,614,000	2,845,000
Interest income	94,000	60,000
Actuarial losses	108,000	422,000
Employer contributions	314,000	298,000
Employee contributions	76,000	74,000
Benefits paid	(79,000)	(85,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	<u>4,127,000</u>	<u>3,614,000</u>

## 28. OPERATING LEASE COMMITMENTS

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

<b>Group</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Amounts payable:</b>		
Within 1 year	17,891	17,891
Between 1 and 5 years	4,473	22,364
<b>Total</b>	<b>22,364</b>	<b>40,255</b>

At 31 August 2018 the academy had annual commitments under non-cancellable operating leases as follows:

<b>Academy</b>		
<b>Amounts payable:</b>		
Within 1 year	17,891	17,891
Between 1 and 5 years	4,473	22,364
<b>Total</b>	<b>22,364</b>	<b>40,255</b>

## 29. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year, restricted donations totalling £10,013 (2017: £7,569) was received from Watford Grammar Schools Foundation, relating to revenue grants. Watford Grammar Schools Foundation is related by virtue of governors P McCloskey and T Rindl also being governors of the Watford Grammar Schools Foundation. At the year end, there were no amounts outstanding (2017: £nil).

During the year, restricted donations totalling £168,000 (2017: £380,000) was received from Women of Vision Trust, relating to revenue and capital grants. Women of Vision Trust is related by virtue of trustee, J Herman also being a governor of Watford Grammar School for Girls. At the year end, there were no amounts outstanding (2017: £nil).

During the year, the group made purchases from Watford Grammar School for Boys of £49,276 (2017: £79,002) and sales of £24,529 (2017: £32,510). Watford Grammar School for Boys is a related by virtue of T Rindl being a governor of both schools. At the year end, there were no amounts outstanding (2017: £2,340 payable).

During the year, the group made sales to Watford St John's Church of England Primary School of £7,177 (2017: £16,547). Watford St John's Church of England Primary School is a related by virtue of T Rindl being a governor of both schools. At the year end, there were no amounts outstanding (2017: £nil).

During the year, the group received £700 for consultancy services (2017: £800) from Christ Church Chorleywood C of E School, related by virtue of F Shore, trustee of Christ Church Chorleywood C of E School also being governor of Watford Grammar School for Girls. As at 31 August 2018, £nil was outstanding as due from Christ Church Chorleywood C of E School (2017: £nil).

### **30. CONTROLLING PARTY**

In the opinion of the Governors there is no ultimate controlling party.

### **31. AGENCY ARRANGEMENTS**

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. For the year ended 31 August 2018, the academy received £18,056 (2017: £17,568) and disbursed £16,973 (2017: £18,465) from the fund, including £5,297 for reasonable administrative costs dating back to 2011. An amount of £29,240 (2017: £28,752) is included in other creditors relating to undistributed funds that is repayable to the ESFA.

The academy trust acts as an agent for the Schools Direct scheme, where the academy trust receives funds from the ESFA as contributions towards the salary costs for trainee teachers in local schools. For the year ended 31 August 2017, the academy received £111,300 (2017: £270,900) and disbursed £101,366 (2017: £296,301) from the fund. At the year end there is £9,934 (2017: £nil) of undistributed funds included in other creditors.

The academy trust acts as an agent for local government funding for Chessbrook Education Support Centre. For the year ended 31 August 2018, the academy received £622,156 (2017: £1,066,553) and disbursed £622,156 (2017: £1,066,553). There are no outstanding balances as at 31 August 2018 (2017: £nil).

### **32. MEMBERS' LIABILITY**

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