

---

# Watford Grammar School for Girls

(A Company Limited by Guarantee)



## Annual Report and Financial Statements Year ended 31 August 2019

Company Registration Number:07348254  
(England and Wales)

## Contents

Reference and Administrative details.....	3
Structure, Governance & Management .....	3
Trustees Report.....	5
Structure, Governance and Management .....	5
Organisational Structure .....	7
Objectives and Activities .....	9
Group Strategic Report .....	11
Summary Financial Performance .....	11
Examination Achievements and Performance 2018-2019.....	11
Key Performance Indicators .....	12
Going Concern.....	12
Financial Review .....	13
Fundraising.....	14
Plans for Future Periods.....	14
Auditor.....	14
Governance Statement .....	16
Review of Value for Money (VFM).....	19
Statement of Trustees' Responsibilities.....	23
Statement on Regularity, Propriety and Compliance.....	24
Independent Auditors' report on the financial statements.....	25
Independent reporting accountant's assurance report on regularity .....	28
Consolidated statement of financial activities (incorporating income and expenditure account) .....	30
Consolidated Balance Sheet .....	32
Academy Balance Sheet.....	34
Consolidated Statement of Cash Flows.....	36
Notes to the Financial Statements.....	37

## Reference and Administrative details

### Structure, Governance & Management

#### ATC Members

Sir John Holman  
David Arrighi  
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  
Dr Nigel Corp (resigned 18.03.18)  
Greg Crawford (resigned 22.10.18)  
Russell Deane  
Harvey Griffiths  
James Hughes (appointed 25.03.19)  
Prakash Jani  
Stephen Johnson (appointed 15.09.18)  
Alison King (appointed 19.11.18, resigned 19.06.19)  
Clare Kirwan  
Michael Lewis MBE  
Mary Meerabux  
Nick Moorhouse  
Akin Oyesola  
Sharmin Pirbhai (appointed 19.11.18)  
Zia Rehman  
Revd Tony Rindl  
Shilpa Shah (appointed 01.01.19)  
Andrew Turpie (resigned 30.06.18)  
Jane Willis

#### Finance and General Purpose Committee

Harvey Griffiths (Chair)  
Russell Deane  
Sylvia Chong-Tai  
Prakesh Jani  
Nick Moorhouse  
Akin Oyesola  
Andrew Turpie (resigned 30.06.18)  
Jane Willis

#### Clerk to the Governors

Sue Granville

#### Principal and Accounting Officer

Sylvia Chong-Tai

**Senior Leadership Team**

Headmistress: Sylvia Chong-Tai

Deputy Headmistress: Christina 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 2018 to 31<sup>st</sup> August 2019. 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 1,360 and had a roll of 1363 in the school census submitted in October 2019.

### 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, and to the date these accounts are approved, 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.

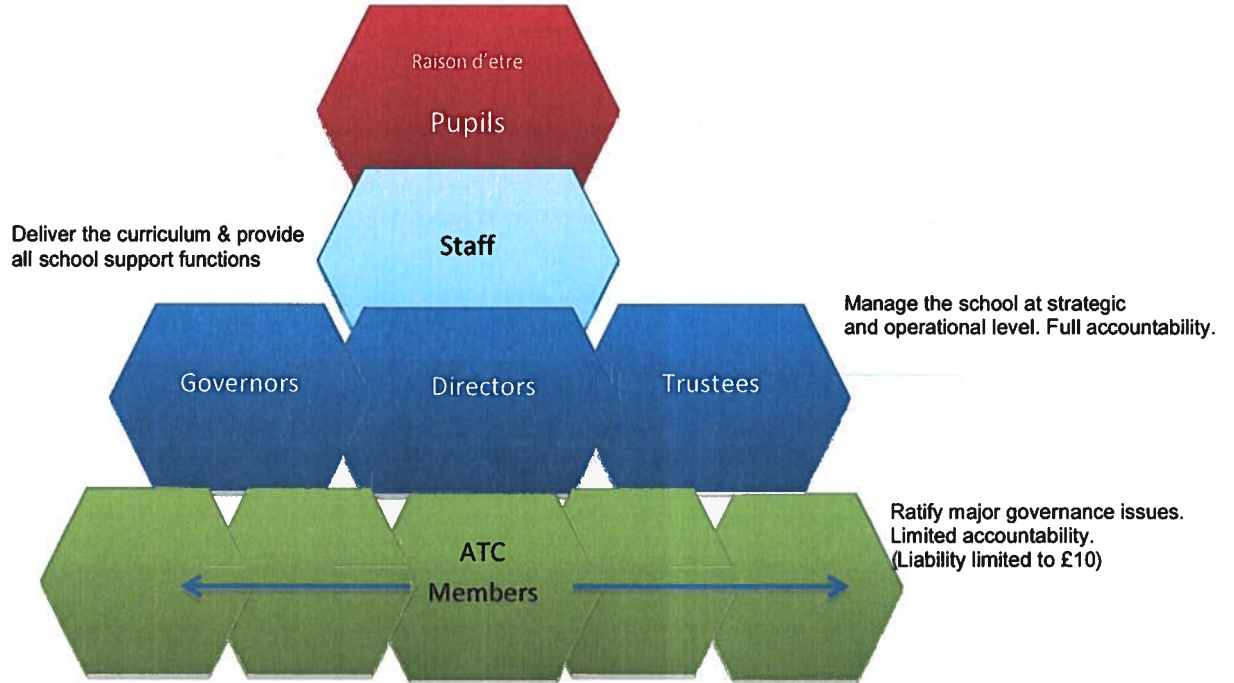
In addition, the Board of Governors can, under the Articles of Association, appoint persons who are not formal Governors to its Committees. These persons are known as Associate Governors and may attend meetings of the Board of Governors but do not have the right to vote.

### **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	£6,146.19
Provide the total pay bill	£101,113.44
Provide the percentage of the total pay bill spent on facility time calculated as: (total cost of facility time/total pay bill) x 100	6.1%

##### **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 = 156  Equates to 2.54%
--	---



## **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). 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 nine targets set are under the following categories:

#### **1) Quality of Education**

- a) A level: Improve the progress of the cohort at A level.
- b) Disadvantaged Pupils: Narrow the gap in progress between disadvantaged groups or specific groups and the rest of the cohort.
- c) Academic: Enable all staff to identify progress through lesson observations.

#### **2) Personal Development**

- a) Mental Health: Develop an environment in which pupils and adults are able to openly discuss good mental health, help and be supported without stigma.
- b) Independent Learning: Enable pupils to use Thinking Skills and self-assessment strategies to learn independently.

#### **3) Behaviour and Attitudes**

- a) Behaviour: Reduce low level disruption in lessons.

#### **4) Effectiveness of Leadership and Management**

- a) Staff well-being: Support staff wellbeing through considering workload implications in all major decisions and developing a culture of appreciation.
- b) Planning for change: Develop school facilities and systems to provide for increased pupils numbers until 2022.
- c) Governance / Leadership: Establish a collaborative and effective relationship between Governing Body and the staff

There are specific action points for each of the targeted areas which are regularly reviewed by the Senior Leadership Team (SLT). All the targets and areas for development are detailed in the School Development Plan 2018-19.

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

- The promotion of the Sixth Form for both internal and external candidates through a targeted advertising campaign, and Induction program.
- Employing a Learning Support Assistant / Cover Supervisor to provide one to one support for Disadvantaged Pupils in KS4.
- Middle leadership team members are all members of one of the School Development Groups that are linked to one of the school targets.

#### **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 and Skills Funding Agency (ESFA)) in the form of its General Annual Grant (GAG). The GAG received from the ESFA during the period ended 31<sup>st</sup> August 2019 and the associated expenditure are shown in the restricted funds section of the statement of funds note.

As at 31<sup>st</sup> August 2019 the net book value of Fixed Assets was £14,656,995 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 2019 of £13,066,346 comprising of a net value of £12,429,022 in respect of restricted funds. The unrestricted funds available for spending at the discretion of the Trustees amounted to £637,324. 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 £120,735 to 31<sup>st</sup> August 2019 all of which will be gift aided back to the parent (Academy).

#### Examination Achievements and Performance 2018-2019

##### Key Stage 4

GCSEs have now been reformed in all subjects, with students sitting the new 9-1 grading GCSEs in the summer of 2019.

The GCSE grades were exceptionally strong, with the average grade being 7.1; equivalent to a low-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, 21.8% of all results were a grade 9.

The DfE have released their provisional "progress 8" figures for 2019 and this is +0.97, the highest score of any school in Hertfordshire. This was +0.46 in 2016 (above average), +0.83 in 2017 (well above average) and +1.03 (well above average) in 2018. This means that pupils at Watford Grammar School for Girls have achieved around 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 attainment and progress.

##### Key Stage 5

Examination reform is complete at Key Stage 5, students in all subjects sitting the new, linear A Level in summer 2019. As at GCSE, the A Level results were very impressive, with 41% of all grades being A\* and A grades and 73% A\*-B grades. These figures are each 1% up on 2018 figures.

At the time of writing, the DfE has yet to release provisional Level 3 value added figures, however, our provisional analysis suggests that students have performed slightly below their potential in 2019.

## Key Performance Indicators

Financial Performance at Watford Grammar School for Girls is measured using a series of control and monitoring systems and procedures including (but not limited to):

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 and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 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 2019 a small loss was recorded (excluding actuarial losses on defined benefit schemes and restricted fixed asset funds) the total expenditure was more than covered from other incoming resources and reserve transfers. 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 2019 the Academy had unrestricted reserves of £637,324 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:-

- The unfortunate by-product from the changes to data protection from the "General Data Protection Regulation" has had a significant impact on being able to contact current parents, previous students and contributors. In particular the potential impact has been 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.

- 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 employer's contribution to Teachers Pension Scheme and the time bound teacher's pay grant ending.

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), an independent registered charity (charity number 1069040) devoted to developing, maintaining and supporting the school's facilities, buildings and curriculum. Established in 1998, the WoV's primary objective is to raise funds to "advance the education of pupils of the school."

Each year parents are given the opportunity to commit to regular donations with the benefit of gift-aid received from HMRC. The school and the WoV Trustees are sensitive to the way that parents are approached for their support. Compliance with the General Data Protection Regulations (GDPR) ensures, for example, that only those parents giving their permission are approached to make donations. The bulk of reserves are invested with CCLA, one of the UK's largest charity fund managers.

The WoV do not use professional fundraisers, with it being run entirely by the volunteer Trustees and part-time administration personnel. As a consequence fundraising and administration costs are generally less than 4% of its income. The donation and administration processes are being further streamlined, with the recently launched website and the facility to donate online via JustGiving.

## Plans for Future Periods

Our primary focus in 2019-20 is to ensure our students make significant academic and personal progress, evident in their exam results and their destinations after WGS. The stable teaching and support staff groups allow for the School Development Plan to mature and be implemented effectively.

The development of the site to accommodate a growing student body continues with the building of a third bridge between the North and South Sites, the conversion of a technology workshop into a computing lab and installation of new toilets.

Good working relationships with the SLT, Governors and Parents Association ensure a common goal to maintain and improve the school site and ensure the delivery of the academic curriculum.

## 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 25<sup>th</sup> November 2019 and signed on its behalf by:



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

## 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 misstatement 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 4 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)	0	0
Fiona Shore (Chair from 12.09.18)	4	4
Camila Woods (Vice Chair)	4	4
Sylvia Chong-Tai	4	4
Dr Nigel Corp (resigned 18.03.18)	0	3
Greg Crawford (resigned 22.10.18)	1	1
Russell Deane	4	4
Harvey Griffiths	4	4
James Hughes (appointed 25.03.19)	1	1
Prakash Jani	3	4
Stephen Johnson (appointed 15.09.18)	2	3
Alison King (appointed 19.11.18, resigned 19.06.19)	2	2
Clare Kirwan	2	4
Michael Lewis MBE	4	4
Mary Meerabux	4	4
Nick Moorhouse	3	4
Akin Oyesola	3	4
Sharmin Pirbhai (appointed 19.11.18)	3	3
Zia Rehman	2	4
Revd Tony Rindl	2	4
Shilpa Shah (appointed 01.01.19)	2	2
Andrew Turpie (resigned 30.06.18)	1	3

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



## **Review of Governance 2018/19**

The Chair and the Board of Trustees keep the governance of the School and the role of the Trustees continually under review. There have been some changes to the Board of Governors. There is a new Chair (in place since September 2018), one new parent governor, one new staff governor and two new foundation governors. All new governors receive appropriate induction training.

The Senior Leadership Team has been operating effectively and we consider the restructuring carried out last year to have been very successful.

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 Headmistress and the School Business Manager. The Governors were delighted to be able to open a new Sixth Form Centre in April 2018 to enhance our offer to KS5 students and the new facilities have been much appreciated by the girls.

A programme of refurbishment has begun in order to make better use of some of our accommodation. This has necessitated several departments relocating and was achieved with the minimum of disruption to teaching and the staff are all delighted with their new surroundings.

All Board members have been encouraged to attend training to meet their individual needs. A regular schedule of visits has been instigated and each governor, in addition to their committee responsibilities and special roles (e.g. Safeguarding, Pupil Premium, SEND etc) has been assigned to a department. This has enabled us to understand more clearly the day to day operation of the School. Governors' regular visits inform their questioning at meetings.

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.

The Board also receives reports on new educational initiatives and recently, for example, we had a presentation on how our Careers provision meets the Gatsby Standards

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. To this end, a skills audit was carried out, and governors redeployed more appropriately to the various committees. In this way we have been able to maximise the expertise we have and broaden the knowledge base of our members.

The main priority actions going forward include:

- Continuing to build on the collaborative and effective relationship between staff and governors by strengthening the subject links, continuing the regular visits and increasing the attendance at School events, such as Prize Giving, concerts etc.
- Carrying out an annual survey of governors' understanding of the school
- An on-going commitment to training (the new governor charged with this responsibility to review training needs and suggest appropriate courses).
- To review our committee structure
- To revisit and assess our vision for the school.

## 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 2018/19 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.
- 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)
- The School's health and safety policy has been reviewed, a formal health and safety inspection of the school's premises is carried out annually and both have been subject to external scrutiny.

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
Prakesh Jani	3	3
Nick Moorhouse	3	3
Akin Oyesola	2	3
Andrew Turpie (resigned 30.06.18)	0	3
Jane Willis	3	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 7.1; equivalent to a low-A grade on the old system. In the new system grade 9s represent around 3% of grades nationally but at Watford Grammar School for Girls 21.8% of all results were a grade 9. 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 0.97 the highest score of any school 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 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 Telephony Infrastructure and costs**

During this financial year the Academy took the decision to review its telephony infrastructure due to its ageing and unpredictable performance issues. In addition to the current provider three alternative providers were invited to review our operation and submit a proposal.

All these proposals were evaluated comparing individual cost items which included (but were not limited too) overall cost of the system, Broadband and DDI connection charges and call charges. In parallel each proposal was analysed comparing the cost of the system and its potential payback over a 10 year period.

Based upon this analysis the Governors took the decision to change provider to achieve a more robust and modern system which equally would provide value for money over the longer term.

#### **VFM – Renewal of Online communication systems with parents.**

As an academy we use an online market leader software as our primary communication method with parents on a daily basis. We had taken advantage of the extended functionality within this software provided by also subscribing to their online forms element allowing us to send and receive information in an electronic format with parents.

During November 2018 the online forms functionality needed to be renewed and the original cost for a 1 year renewal was felt to be too high. Over the following month we sought out alternatives and also spoke direct to the software provider. Whilst alternative options and providers were possible our preference was the option via our current software provider due to the integrated nature of the software within the school infrastructure and ease of functionality making it more efficient for both the school and end user alike.

As a result of our investigations and discussion we subsequently negotiated a 2 year renewal price for a figure which was better value for money than the original quote which was based upon a 1 year renewal. As a result of this information the Governors agreed to move forward with the 2 year renewal option providing continuity of service to parents whilst also delivering value for money for the academy.

#### **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 2019 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 2019 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.

## **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
- Exam Income
- Trip Income
- Employee expense claims
- Reporting to Governors

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;
- 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 25<sup>th</sup> November 2019 and signed on its behalf by:



.....  
**Fiona Shore**  
**Chair of Governing Body**



.....  
**Miss Sylvia Tai**  
**Accounting Officer**

## Statement of Trustees' Responsibilities

The Governors (who act as trustees for charitable activities of Watford Grammar School for Girls and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency (ESFA), 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 Governors 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 Group and Charitable Company and of its incoming resources and application of resources, including its income and expenditure for that period.

In preparing these financial statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018-2019.
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Charitable Company 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 Group and Charitable Company applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Governing Body on 25<sup>th</sup> November 2019 and signed on its behalf by:



**Fiona Shore**  
Chair of the Governing Body

## Statement on Regularity, Propriety and Compliance

As accounting officer of Watford Grammar School for Girls I have considered my responsibility to notify the academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy board of Trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2018.

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.



.....  
**Miss Sylvia Tai**  
**Accounting Officer**

25.11.19

.....  
**Date**



## 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 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated balance sheet, the Academy balance sheet, the 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 2018 to 2019 issued by the Education & 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 2019 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 2018 to 2019 issued by the Education & Skills Funding Agency.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. 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 Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the 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 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 Trustees' responsibilities statement, 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.

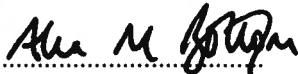
### **Auditors' responsibilities for the audit of the financial statements**

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 Accountants  
Statutory Auditor

Radius House  
51 Clarendon Road  
Watford  
Herts  
WD17 1HP



.....  
Date

## **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 2018 to 2019, 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 2018 to 31 August 2019 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 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 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by 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 suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

  
.....  
Hillier Hopkins LLP

Radius House  
51 Clarendon Road  
Watford  
Herts  
WD17 1HP

  
.....  
Date

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

		Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds	Total funds
	Note	2019	2019	2019	2019	2018
		£	£	£	£	£
<b>Income from:</b>						
Donations and capital grants	3	34,307	184,719	616,726	835,752	296,565
Charitable activities		420,244	6,353,780	-	6,774,024	6,810,963
Other trading activities		604,522	-	-	604,522	586,552
Investments	6	573	-	-	573	675
Other income	7	-	-	-	-	17,843
<b>Total income</b>		<b>1,059,646</b>	<b>6,538,499</b>	<b>616,726</b>	<b>8,214,871</b>	<b>7,712,598</b>
<b>Expenditure on:</b>						
Raising funds		351,391	-	-	351,391	344,043
Charitable activities	9	403,479	6,923,416	290,182	7,617,077	7,376,661
<b>Total expenditure</b>		<b>754,870</b>	<b>6,923,416</b>	<b>290,182</b>	<b>7,968,468</b>	<b>7,720,704</b>
<b>Net income/(expenditure) before taxation</b>		<b>304,776</b>	<b>(384,917)</b>	<b>326,544</b>	<b>246,403</b>	<b>(8,106)</b>
Taxation	15	(54)	-	-	(54)	-
<b>Net income/(expenditure) after taxation</b>		<b>304,722</b>	<b>(384,917)</b>	<b>326,544</b>	<b>246,349</b>	<b>(8,106)</b>
Transfers between funds	21	(182,917)	182,917	-	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>121,805</b>	<b>(202,000)</b>	<b>326,544</b>	<b>246,349</b>	<b>(8,106)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	23	-	(854,000)	-	(854,000)	493,000
<b>Net movement in funds</b>		<b>121,805</b>	<b>(1,056,000)</b>	<b>326,544</b>	<b>(607,651)</b>	<b>484,894</b>

<b>Note</b>	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	515,519	(1,350,000)	14,508,478	13,673,997	13,189,103
Net movement in funds	121,805	(1,056,000)	326,544	(607,651)	484,894
<b>Total funds carried forward</b>	<b>637,324</b>	<b>(2,406,000)</b>	<b>14,835,022</b>	<b>13,066,346</b>	<b>13,673,997</b>

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

## Consolidated Balance Sheet

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	16	14,656,995	14,508,478
		<u>14,656,995</u>	<u>14,508,478</u>
<b>Current assets</b>			
Debtors	18	255,463	193,374
Cash at bank and in hand		1,440,020	942,367
		<u>1,695,483</u>	<u>1,135,741</u>
Creditors: amounts falling due within one year	19	(871,965)	(598,055)
<b>Net current assets</b>		<u>823,518</u>	<u>537,686</u>
<b>Total assets less current liabilities</b>		<u>15,480,513</u>	<u>15,046,164</u>
Creditors: amounts falling due after more than one year	20	(8,167)	(22,167)
<b>Net assets excluding pension liability</b>		<u>15,472,346</u>	<u>15,023,997</u>
Defined benefit pension scheme liability	23	(2,406,000)	(1,350,000)
<b>Total net assets</b>		<u><u>13,066,346</u></u>	<u><u>13,673,997</u></u>



	Note	2019	2019 £	2018	2018 £
<b>Funds of the academy</b>					
<b>Restricted funds:</b>					
Fixed asset funds	21	14,835,022		14,508,478	
Pension reserve	21	(2,406,000)		(1,350,000)	
<b>Total restricted funds</b>	21		<b>12,429,022</b>		<b>13,158,478</b>
<b>Unrestricted income funds</b>	21		<b>637,324</b>		<b>515,519</b>
<b>Total funds</b>			<b>13,066,346</b>		<b>13,673,997</b>

The financial statements on pages 30 to 64 were approved by the Trustees, and authorised for issue on 27.11.19 and are signed on their behalf, by:



Fiona Shore  
Chair of Trustees



Sylvia Tai  
Accounting Officer

## Academy Balance Sheet

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	16	14,656,995	14,508,478
Investments	17	100	100
		<u>14,657,095</u>	<u>14,508,578</u>
<b>Current assets</b>			
Debtors	18	459,781	270,550
Cash at bank and in hand		1,209,520	844,648
		<u>1,669,301</u>	<u>1,115,198</u>
Creditors: amounts falling due within one year	19	(845,883)	(577,612)
<b>Net current assets</b>		<b>823,418</b>	<b>537,586</b>
<b>Total assets less current liabilities</b>		<b>15,480,513</b>	<b>15,046,164</b>
Creditors: amounts falling due after more than one year	20	(8,167)	(22,167)
<b>Net assets excluding pension liability</b>		<b>15,472,346</b>	<b>15,023,997</b>
Defined benefit pension scheme liability	23	(2,406,000)	(1,350,000)
<b>Total net assets</b>		<b>13,066,346</b>	<b>13,673,997</b>
<b>Funds of the academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	21	14,835,022	14,508,478
Pension reserve	21	(2,406,000)	(1,350,000)
<b>Total restricted funds</b>	21	<b>12,429,022</b>	<b>13,158,478</b>
<b>Unrestricted income funds</b>	21	<b>637,324</b>	<b>515,519</b>
<b>Total funds</b>		<b>13,066,346</b>	<b>13,673,997</b>

The financial statements on pages 30 to 64 were approved by the Trustees, and authorised for issue on 28.11.19 and are signed on their behalf, by:



**Fiona Shore**  
Chair of Trustees



**Sylvia Tai**  
Accounting Officer

## Consolidated Statement of Cash Flows

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities		319,053	483,602
<b>Cash flows from investing activities</b>		178,600	(1,180,140)
<b>Change in cash and cash equivalents in the year</b>		497,653	(696,538)
Cash and cash equivalents at the beginning of the year		942,367	1,638,905
<b>Cash and cash equivalents at the end of the year</b>		<u>1,440,020</u>	<u>942,367</u>

## 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, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Watford Grammar School for Girls meets the definition of a public benefit entity under FRS 102.

The Consolidated 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.

The academy has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

#### 1.2 Going Concern

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

#### 1.3 Income

All incoming resources are recognised when the academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

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

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

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

- **Donations**  
Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.
- **Other income**  
Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the academy has provided the goods or services.

#### **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**  
This includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable activities**  
These are costs incurred on the Group's educational operations, including support costs and costs relating to the governance of the Group apportioned to charitable activities

All resources expended are inclusive of irrecoverable VAT.

#### **1.5 Government grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the Consolidated statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Consolidated statement of financial activities as the related expenditure is incurred.

#### **1.6 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

## 1.7 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 Part 11, chapter 3 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.

## 1.8 Tangible fixed assets

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

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 Consolidated 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 Consolidated statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Long-term leasehold property	- 2% straight line
Furniture and equipment	- 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 Consolidated statement of financial activities.

## 1.9 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 the 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 presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

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

#### **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**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy 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.

#### **1.13 Financial Instruments**

The Group only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Group and their measurement bases 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 18. 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 cost as detailed in notes 19 and 20. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

#### **1.14 Operating leases**

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

#### **1.15 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Group 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers.



Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the Group 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 Consolidated 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.

#### **1.16 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.

#### **1.17 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

Investment income, gains and losses are allocated to the appropriate fund.

## 2. 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 2019. 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.

## 3. Income from donations and capital grants

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Donations	34,307	350,462	384,769	268,467
Government grants	-	450,983	450,983	28,098
	<u>34,307</u>	<u>801,445</u>	<u>835,752</u>	<u>296,565</u>
<i>Total 2018</i>				
	<u>33,613</u>	<u>262,952</u>	<u>296,565</u>	

#### 4. Funding for the academy's educational activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	5,985,443	5,985,443	6,217,590
Pupil premium	-	72,465	72,465	78,140
Other ESFA income	-	142,361	142,361	38,356
	-	6,200,269	6,200,269	6,334,086
<b>Other government grants</b>				
Local authority	-	153,388	153,388	26,264
	-	153,388	153,388	26,264
<b>Other income from educational activities</b>				
Trip income	341,738	-	341,738	379,029
Other direct school income	78,506	123	78,629	71,584
<b>Total 2019</b>	<b><u>420,244</u></b>	<b><u>6,353,780</u></b>	<b><u>6,774,024</u></b>	<b><u>6,810,963</u></b>
	<i>Total 2018</i>			
	<b><u>450,571</u></b>	<b><u>6,360,392</u></b>	<b><u>6,810,963</u></b>	

**5. Income from other and trading activities**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Beat commission	4,533	4,533	3,800
School shop	29,449	29,449	26,715
Hire of facilities	58,656	58,656	71,916
Other activities for generating funds	29,946	29,946	24,545
Evening class income	16,448	16,448	11,696
Teacher release income	6,738	6,738	7,722
Income from trading subsidiary	458,752	458,752	440,158
	<u>604,522</u>	<u>604,522</u>	<u>586,552</u>

**6. Investment income**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Interest received	<u>573</u>	<u>573</u>	<u>675</u>

**7. Other incoming resources**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Insurance Income	<u>-</u>	<u>-</u>	<u>17,843</u>

## 8. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Expenditure on raising voluntary income:					
Direct costs	18,453	-	-	18,453	18,977
Expenditure on fundraising trading activities:					
Direct costs	311,697	-	21,241	332,938	325,066
Educational activities:					
Direct costs	4,736,946	-	661,698	5,398,644	5,229,086
Allocated support costs	1,179,476	633,182	405,775	2,218,433	2,147,576
	<u>6,246,572</u>	<u>633,182</u>	<u>1,088,714</u>	<u>7,968,468</u>	<u>7,720,705</u>
<i>Total 2018</i>					
	<u>6,044,064</u>	<u>561,558</u>	<u>1,115,083</u>	<u>7,720,705</u>	

## 9. Analysis of expenditure on charitable activities

### Summary by fund type

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
Educational activities	403,479	7,173,598	-	7,577,077	7,333,661
Pension cost	-	40,000	-	40,000	43,000
<b>Total 2019</b>	<u>403,479</u>	<u>7,213,598</u>	<u>-</u>	<u>7,617,077</u>	<u>7,376,661</u>
<i>Total 2018</i>	<u>397,651</u>	<u>6,979,010</u>	<u>-</u>	<u>7,376,661</u>	

## 10. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Educational activities	5,398,644	2,218,433	7,617,077	7,376,662
<b>Total 2019</b>	<u>5,398,644</u>	<u>2,218,433</u>	<u>7,617,077</u>	<u>7,376,661</u>
<i>Total 2018</i>	<u>5,229,086</u>	<u>2,147,576</u>	<u>7,376,662</u>	

### Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	4,736,946	4,553,538
Educational supplies	124,866	121,635
Examination fees	166,243	147,370
Staff development	26,850	25,141
Trip expenditure	341,738	379,001
Catering costs	2,001	2,401
	<u>5,398,644</u>	<u>5,229,086</u>

## Analysis of support costs

	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Pension income	40,000	43,000
Staff costs	1,179,476	1,176,991
Depreciation	290,182	259,176
Educational supplies	1,703	1,872
Recruitment	27,549	42,994
Premises maintenance costs	135,771	108,658
Rent and rates	41,456	39,124
Technology costs	103,431	96,817
Insurance costs	45,945	45,562
Heat and light costs	130,940	119,819
Printing, postage and stationery	55,878	48,581
Cleaning and caretaking costs	34,833	34,782
Professional fees	67,926	70,978
Other support costs	63,343	59,222
	<b><u>2,218,433</u></b>	<b><u>2,147,576</u></b>

## 11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
	290,182	259,175
Depreciation of tangible fixed assets		
Fees paid to auditors for:		
- audit	11,000	11,000
- other services	<u>9,025</u>	<u>9,900</u>

## 12. Staff costs

### a. Staff costs

Staff costs during the year were as follows:

	Group 2019 £	Group 2018 £	academy 2019 £	academy 2018 £
Wages and salaries	4,734,056	4,528,217	4,734,056	4,528,217
Social security costs	458,748	437,330	458,748	437,330
Pension costs	1,026,968	1,000,279	1,026,968	1,000,279
	<u>6,219,772</u>	<u>5,965,826</u>	<u>6,219,772</u>	<u>5,965,826</u>
Agency staff costs	26,800	78,238	26,800	78,238
	<u>6,246,572</u>	<u>6,044,064</u>	<u>6,246,572</u>	<u>6,044,064</u>
	Group 2019 £	Group 2018 £	academy 2019 £	academy 2018 £
Severance payments	3,644	-	3,644	-
	<u>3,644</u>	<u>-</u>	<u>3,644</u>	<u>-</u>



## b. Staff numbers

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

	<b>Group 2019 No.</b>	<b>Group 2018 No.</b>
Teachers	90	84
Education support	23	22
Administration	44	44
Management	7	7
Temporary	1	4
	<b><u>165</u></b>	<b><u>161</u></b>

## c. Higher paid staff

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

	<b>Group 2019 No.</b>	<b>Group 2018 No.</b>
In the band £60,001 - £70,000	2	-
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	<b><u>1</u></b>	<b><u>1</u></b>

3 of the above employees (2018: 2) participated in the Teachers' Pension Scheme. During the year ended 31 August 2019, pension contributions for these staff amounted to £37,058 (2018: £26,266).

1 of the above employees (2018: 1) also participated in the Local Government Pension Scheme. During the year ended 31 August 2019, pension contributions for this staff member amounted to £18,577 (2018: £17,817).

#### d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team. The total employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £734,374 (2018: £646,564).

#### 13. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019	2018
		£	£
Sylvia Tai	Remuneration	90,000 - 95,000	85,000 - 90,000
	Pension contributions paid	15,000 - 20,000	10,000 - 15,000
Mary Meerabux	Remuneration	40,000 - 45,000	40,000 - 45,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
Claire Kirwan	Remuneration	25,000 - 30,000	25,000 - 30,000
	Pension contributions paid	0 - 5,000	0 - 5,000
Fiona Shore	Remuneration		0 - 5,000
	Pension contributions paid		0 - 5,000
Andrew Turpie	Remuneration		30,000 - 35,000
	Pension contributions paid		5,000 - 10,000
Alison King	Remuneration	20,000 - 25,000	
	Pension contributions paid	5,000 - 10,000	

During the year, retirement benefits were accruing to 4 Trustees (2018 - 5) in respect of defined benefit pension schemes.

During the year ended 31 August 2019, reimbursed Trustee expenses amounted to £867 (2018 - £564).

#### 14. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Group 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 2019 was £220 (2018 - £220).

## 15. Taxation

	2019 £	2018 £
<b>Corporation tax</b>		
Current tax on net income/(expenditure) for the year	54	-
<b>Taxation on net income/(expenditure)</b>	<u>54</u>	<u>-</u>

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Net income/(expenditure) before tax	<u>246,403</u>	<u>(8,106)</u>
Net income/(expenditure) multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%).	46,817	(1,540)
<b>Effects of:</b>		
Non deductible items or income and expenses not subject to corporation tax	(46,817)	1,540
Changes in provisions leading to an increase/(decrease) in the tax charge	54	-
<b>Total tax charge for the year</b>	<u>54</u>	<u>-</u>

There are no factors considered likely to affect future tax charges other than proposed changes to prevailing tax rate.

## 16. Tangible fixed assets

### Group and academy

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Motor vehicles £	Assets under construction £	Total £
<b>Cost or valuation</b>						
At 1 September 2018	10,453,840	5,248,548	495,721	47,785	86,323	16,332,217
Additions	-	6,372	31,566	-	400,761	438,699
Transfers between classes	-	118,365	-	-	(118,365)	-
At 31 August 2019	<u>10,453,840</u>	<u>5,373,285</u>	<u>527,287</u>	<u>47,785</u>	<u>368,719</u>	<u>16,770,916</u>
<b>Depreciation</b>						
At 1 September 2018	1,087,966	287,918	412,027	35,828	-	1,823,739
Charge for the year	135,996	107,134	41,489	5,563	-	290,182
At 31 August 2019	<u>1,223,962</u>	<u>395,052</u>	<u>453,516</u>	<u>41,391</u>	<u>-</u>	<u>2,113,921</u>
<b>Net book value</b>						
At 31 August 2019	<u>9,229,878</u>	<u>4,978,233</u>	<u>73,771</u>	<u>6,394</u>	<u>368,719</u>	<u>14,656,995</u>
At 31 August 2018	<u>9,365,874</u>	<u>4,960,630</u>	<u>83,694</u>	<u>11,957</u>	<u>86,323</u>	<u>14,508,478</u>

**17. Fixed assets investments**

	<b>Investments in subsidiary companies £</b>
<b>academy</b>	
<b>Cost or valuation</b>	
At 1 September 2018	100
At 31 August 2019	<u>100</u>
<b>Net book value</b>	
At 31 August 2019	100
At 31 August 2018	<u>100</u>

**Principal subsidiaries**

The following was a subsidiary undertaking of the academy:

Name	Company number	Principal place of business	Principal activity
Watford Grammar School for Girls Services Limited	08823700	Watford Grammar School For Girls, Lady's Close, Watford, Hertfordshire, WD18 0AE	Generating funds for the academy through various trading activities
<b>Class of shares</b>	<b>Holding</b>	<b>Included in consolidation</b>	
Ordinary	100%	Yes	

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) for the year £	Net assets £
Watford Grammar School for Girls Services Limited	458,752	(337,963)	120,735	100

**18. Debtors**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>academy 2019 £</b>	<b>academy 2018 £</b>
<b>Due within one year</b>				
Trade debtors	26,520	31,468	4,749	832
Amounts owed by group undertakings	-	-	226,089	112,067
Other debtors	68,186	47,192	68,186	47,192
Prepayments and accrued income	160,757	114,714	160,757	110,459
	<u>255,463</u>	<u>193,374</u>	<u>459,781</u>	<u>270,550</u>

**19. Creditors: Amounts falling due within one year**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>academy 2019 £</b>	<b>academy 2018 £</b>
Trade creditors	39,183	15,203	39,080	14,803
Corporation tax	54	-	-	-
Other taxation and social security	131,240	120,778	114,324	107,264
Other creditors	139,792	138,521	139,792	138,521
Accruals and deferred income	561,696	323,553	552,687	317,024
	<u>871,965</u>	<u>598,055</u>	<u>845,883</u>	<u>577,61</u>
	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>academy 2019 £</b>	<b>academy 2018 £</b>
<b>Deferred income falling due within one year</b>				
	246,857	172,691	245,497	172,691
Deferred income at 1 September 2018				
Resources deferred during the year	337,574	246,857	335,090	245,497
Amounts released from previous periods	(246,857)	(172,691)	(245,497)	(172,691)
	<u>337,574</u>	<u>246,857</u>	<u>335,090</u>	<u>245,497</u>

20. Creditors: Amounts falling due after more than one year

	Group 2019 £	Group 2018 £	academy 2019 £	academy 2018 £
Deferred income	<u>8,167</u>	<u>22,167</u>	<u>8,167</u>	<u>22,167</u>

21. Statement of Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Taxation £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>							
General Funds - all funds	<u>515,519</u>	<u>1,059,646</u>	<u>(754,870)</u>	<u>(54)</u>	<u>(182,917)</u>	<u>-</u>	<u>637,324</u>
<b>Restricted general funds</b>							
General Annual Grant (GAG)	-	5,985,443	(6,168,360)	-	182,917	-	-
Pupil premium	-	72,465	(72,465)	-	-	-	-
National College	-	20,200	(20,200)	-	-	-	-
Other ESFA	-	122,161	(122,161)	-	-	-	-
Other government grants	-	153,388	(153,388)	-	-	-	-
Other restricted income	-	123	(123)	-	-	-	-
Restricted donations	-	184,719	(184,719)	-	-	-	-
Pension reserve	(1,350,000)	-	(202,000)	-	-	(854,000)	(2,406,000)
	<u>(1,350,000)</u>	<u>6,538,499</u>	<u>(6,923,416)</u>	<u>-</u>	<u>182,917</u>	<u>(854,000)</u>	<u>(2,406,000)</u>

	Balance at 1 September 2018 £	Income £	Expenditure £	Taxation £	Transfers in/out £	Gains/ (Losses) £	Balance 31 August 2019 £
<b>Restricted fixed asset funds</b>							
Restricted fixed asset fund	14,508,478	-	(290,182)	-	438,699	-	14,656,995
ESFA capital grants	-	100,983	-	-	(100,983)	-	-
HCC school expansion funding	-	350,000	-	-	(209,761)	-	140,239
other donations	-	165,743	-	-	(127,955)	-	37,788
	<u>14,508,478</u>	<u>616,726</u>	<u>(290,182)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,835,022</u>
<b>Total Restricted funds</b>	<u>13,158,478</u>	<u>7,155,225</u>	<u>(7,213,598)</u>	<u>-</u>	<u>182,917</u>	<u>(854,000)</u>	<u>12,429,022</u>
<b>Total funds</b>	<u><u>13,673,997</u></u>	<u><u>8,214,871</u></u>	<u><u>(7,968,468)</u></u>	<u><u>(54)</u></u>	<u><u>-</u></u>	<u><u>(854,000)</u></u>	<u><u>13,066,346</u></u>

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 2019.



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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
<b>Unrestricted funds</b>						
General Funds - all funds	<u>520,357</u>	<u>1,089,253</u>	<u>(787,720)</u>	<u>(306,371)</u>	<u>-</u>	<u>515,519</u>
<b>Restricted general 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	-	26,264	(26,264)	-	-	-
Restricted donations	-	21,221	(21,221)	-	-	-
Pension reserve	(1,615,000)	-	(228,000)	-	493,000	(1,350,000)
	<u>(1,615,000)</u>	<u>6,407,835</u>	<u>(6,700,031)</u>	<u>64,196</u>	<u>493,000</u>	<u>(1,350,000)</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed asset fund	13,345,106	-	(259,176)	1,422,548	-	14,508,478
Restricted fixed asset fund	-	28,098	-	(28,098)	-	-
ESFA capital grants	-	213,634	-	(213,634)	-	-
HCC school expansion funding	938,641	-	-	(938,641)	-	-

	<i>Balance at 1 September 2017</i> £	<i>Income</i> £	<i>Expenditure</i> £	<i>Transfers in/out</i> £	<i>Gains/ (Losses)</i> £	<i>Balance at 31 August 2018</i> £
	<u>14,283,747</u>	<u>241,732</u>	<u>(259,176)</u>	<u>242,175</u>	<u>-</u>	<u>14,508,478</u>
<b>Total Restricted funds</b>	<u>12,668,747</u>	<u>6,649,567</u>	<u>(6,959,207)</u>	<u>306,371</u>	<u>493,000</u>	<u>13,158,478</u>
<b>Total funds</b>	<u><u>13,189,104</u></u>	<u><u>7,738,820</u></u>	<u><u>(7,746,927)</u></u>	<u><u>-</u></u>	<u><u>493,000</u></u>	<u><u>13,673,997</u></u>

## 22. Analysis of net assets between funds

### Analysis of net assets between funds - current year

	<b>Unrestricted funds 2019</b> £	<b>Restricted funds 2019</b> £	<b>Restricted fixed asset funds 2019</b> £	<b>Total funds 2019</b> £
Tangible fixed assets	-	-	14,656,995	<b>14,656,995</b>
Current assets	802,982	714,473	178,027	<b>1,695,482</b>
Creditors due within one year	(157,491)	(714,473)	-	<b>(871,964)</b>
Creditors due in more than one year	(8,167)	-	-	<b>(8,167)</b>
Provisions for liabilities and charges	-	(2,406,000)	-	<b>(2,406,000)</b>
<b>Total</b>	<u>637,324</u>	<u>(2,406,000)</u>	<u>14,835,022</u>	<u><b>13,066,346</b></u>

### Analysis of net assets between funds - prior year

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

## 23. Pensions commitments

The academy's employees belong to two principal pension schemes: the Teachers' 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 schemes.

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

Contributions amounting to £71,484 were payable to the schemes at 31 August 2019 (2018 - £67,576) and are included within creditors.

### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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 2016 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 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million.

The new employer contribution rate is applicable from 1 April 2019 and will be implemented for the TPS from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £537,148 (2018 - £540,888).

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

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

### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £416,000 (2018 - £390,000), of which employer's contributions totalled £328,000 (2018 - £314,000) and employees' contributions totalled £ 88,000 (2018 - £76,000). The agreed contribution rates for future years are 25.3 per cent for employers and 5.5% - 12.5 per cent 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

	2019 %	2018 %
Rate of increase in salaries	2.40	2.50
Discount rate for scheme liabilities	1.80	2.80
Inflation assumption (CPI)	<u>2.30</u>	<u>2.40</u>

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.5	22.5
Females	23.7	24.9
<i>Retiring in 20 years</i>		
Males	22.3	24.1
Females	<u>25.0</u>	<u>26.7</u>

### Sensitivity analysis

	2019 £000	2018 £000
Discount rate -0.1%	178	131
CPI rate +0.1%	148	106
Salary increase rate +0.1%	<u>26</u>	<u>23</u>

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	2,370,000	2,187,000
Bonds	1,886,000	1,445,000
Property	387,000	330,000
Cash and other liquid assets	194,000	165,000
<b>Total market value of assets</b>	<b><u>4,837,000</u></b>	<b><u>4,127,000</u></b>

The actual return on scheme assets was £368,000 (2018 - £202,000).

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2019 £	2018 £
Current service cost	(469,000)	(499,000)
Past service cost	(21,000)	-
Interest income	120,000	94,000
Interest cost	(160,000)	(137,000)
<b>Total amount recognised in the Consolidated Statement of Financial Activities</b>	<b><u>(530,000)</u></b>	<b><u>(542,000)</u></b>

Changes in the present value of defined benefit obligations were as follows:

	2019 £	2018 £
<b>At 1 September</b>	<b>5,477,000</b>	<b>5,229,000</b>
Current & past service cost	490,000	499,000
Interest cost	160,000	137,000
Employee contributions	88,000	76,000
Actuarial losses/(gains)	1,102,000	(385,000)
Benefits paid	(74,000)	(79,000)
<b>At 31 August</b>	<b>7,243,000</b>	<b>5,477,000</b>

Changes in the fair value of the Group's share of scheme assets were as follows:

	2019 £	2018 £
<b>At 1 September</b>	<b>4,127,000</b>	<b>3,614,000</b>
Interest income	120,000	94,000
Actuarial gains	248,000	108,000
Employer contributions	328,000	314,000
Employee contributions	88,000	76,000
Benefits paid	(74,000)	(79,000)
<b>At 31 August</b>	<b>4,837,000</b>	<b>4,127,000</b>

#### 24. Operating lease commitments

At 31 August 2019 the Group and the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £	academy 2019 £	academy 2018 £
Not later than 1 year	6,171	17,891	6,171	17,891
Later than 1 year and not later than 5 years	3,396	4,473	3,396	4,473
	<b>9,567</b>	<b>22,364</b>	<b>9,567</b>	<b>22,364</b>

#### 25. 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.

## 26. Related party transactions

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

During the year, restricted donations totalling £9,761 (2018: £10,013) was received from Watford Grammar Schools Foundation, relating to revenue grants and £25,000 (2018: £nil) of capital 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 (2018: £nil).

During the year, restricted donations totalling £165,000 (2018: £168,000) was received from Women of Vision Trust, relating to revenue grants and £120,000 (2018: £nil) of 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 (2018: £nil).

During the year, the group made purchases from Watford Grammar School for Boys of £50,408 (2018: £49,276) and sales of £30,456 (2018: £24,529). Watford Grammar School for Boys is related by virtue of T Rindl being a governor of both schools. At the year end, there were no amounts outstanding (2018: £nil).

During the year, the group made sales to Watford St John's Church of England Primary School of £29,828 (2018: £7,177). Watford St John's Church of England Primary School is related by virtue of T Rindl being a governor of both schools. At the year end, there were no amounts outstanding (2018: £nil).

During the year, the group received £nil for consultancy services (2018: £700) 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 2019, £nil was outstanding as due from Christ Church Chorleywood C of E School (2018: £nil).

## 27. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. For the year ended 31 August 2019, the academy received £15,842 (2018: £18,056) and disbursed £13,030 (2018: £16,973) from the fund, including £6,089 for reasonable administrative costs dating back to 2011. An amount of £32,052 (2018: £29,240) 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 2019, the academy received £100,000 (2018: £111,300) and disbursed £109,934 (2018: £101,366) from the fund. At the year end there is £nil (2018: £9,934) 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 2019, the academy received £nil (2018: £622,156) and disbursed £nil (2018: £622,156). There are no outstanding balances as at 31 August 2019 (2018: £nil).

**28. Controlling party**

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