
Watford Grammar School for Girls

(A Company Limited by Guarantee)



Annual Report and Financial Statements Year ended 31 August 2020

Company Registration Number: 07348254
(England and Wales)

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Reference and Administrative details

Structure, Governance & Management

ATC Members

Sir John Holman
David Arrighi
Fiona Shore
Ian Cooksey
Camilla Woods (re-appointed 27.05.20)

Company Secretary

Philip Beasley

Governors

Fiona Shore (Chair)
Camila Woods (Vice Chair re-appointed 27.05.20)
Sylvia Chong-Tai
Russell Deane
Harvey Griffiths
James Hughes
Prakash Jani
Stephen Johnson
Kerry King (appointed 03.10.19)
Clare Kirwan
Michael Lewis MBE
Mary Meerabux
Nick Moorhouse
Akin Oyesola
Sharmin Pirbhai
Zia Rehman
Revd Tony Rindl
Shilpa Shah
Jane Willis

Finance and General Purpose Committee

Harvey Griffiths (Chair)
Russell Deane
Sylvia Chong-Tai
Prakesh Jani
Nick Moorhouse
Jane Willis
James Hughes
Zia Rehman

Clerk to the Governors

Sue Granville

Principal and Accounting Officer

Sylvia Chong-Tai

Senior Leadership Team

Headmistress: Sylvia Chong-Tai
Deputy Headmistress: Christina Wilshaw
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
Associate Assistant Head: Dr S Macpherson
Associate Assistant Head: Verena Brummerstadt (appointed 01.09.20)
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
Chartered Accountants & Statutory Auditor
Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Bankers

Clydesdale
4th floor
Veralum 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 1st September 2019 to 31st August 2020. 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 1st 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.

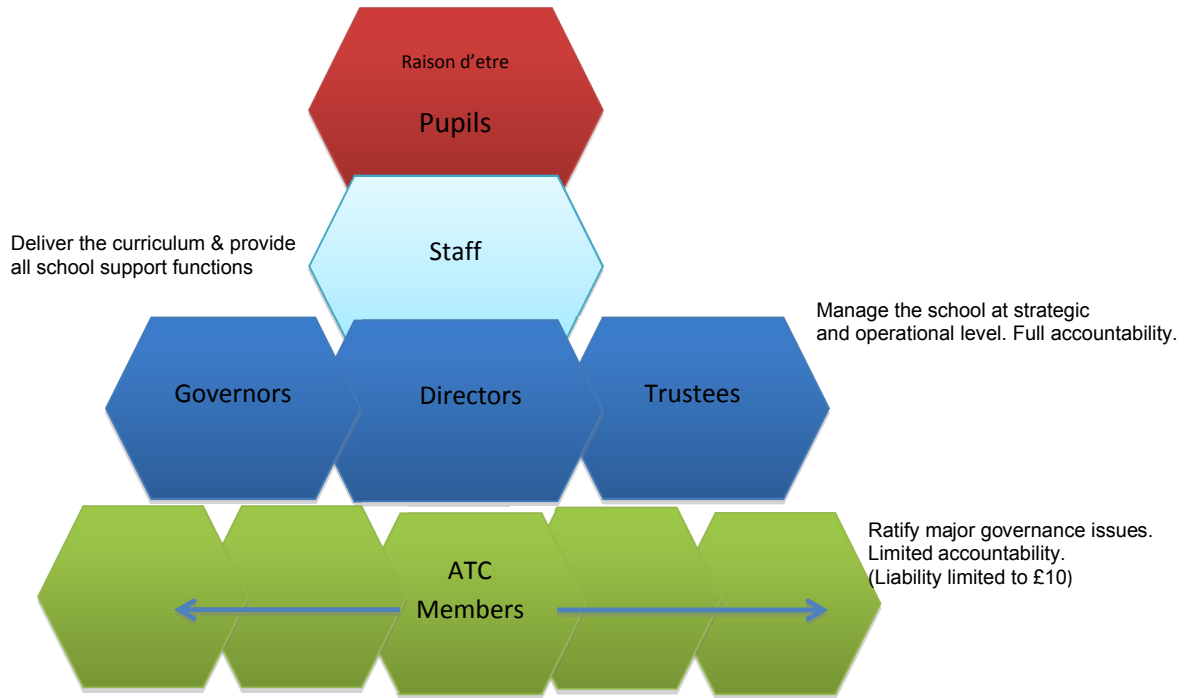
In addition, the Board of Governors can, under the Articles of Association, appoint persons who are not formal Governors to its Committees. These persons are known as Associate Governors and may attend meetings of the Board of Governors but do not have the right to vote.

Policies and Procedures Adopted for the Induction and Training of Governors

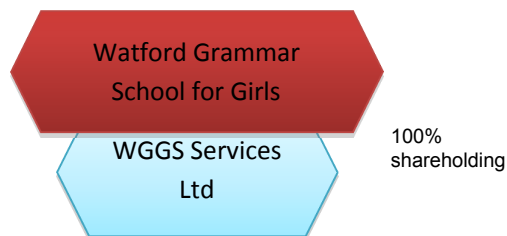
Newly appointed Governors are provided with recent minutes and other key documents prior to an induction session with the Headmistress, Chair of Governors and the Finance Director. Training opportunities are discussed with the Clerk to the Governors.

Organisational Structure

Underpinning Success at WGGGS –The ATC Structure



The Head and 2 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

WGGs's current Pay Policy sets out the method of remuneration and amounts to be paid to key management personnel.

The Pay Committee appoints an Education Appraiser from Hertfordshire for all matters relating to the Head Teacher's remuneration & performance.

The Pay Committee is a sub committee of the newly formed Resources Committee and under the severe budgetary restraints of the last few years carefully monitors the performance appraisal & subsequent remuneration for all key management 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	£6,447.01
Provide the total pay bill	£6,799,151
Provide the percentage of the total pay bill spent on facility time calculated as: (total cost of facility time/total pay bill) x 100	0.9%

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 2.42%
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Related Parties and other Connected Charities and Organisations

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

The Academy is supported 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.

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.

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 (2019-20)

The main objectives of the Academy Trust as identified in the School Development Plan prepares for the changes experienced by the school in the short and long term. The targets were set in 2017 and were continued until the end of the academic year 2020.

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.
- d) Academic: Review the curriculum on all levels to ensure it meets the schools aims.

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) Behaviors and Attitudes

- a) Behaviors: 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 target in each of these areas and are regularly reviewed by the Senior Leadership Team. All the targets and areas for development are detailed in the School Development Plan 2019-20 which all staff and Governors are aware of.

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

- The development of a study skills program within the Sixth Form to promote independent learning.
- Employing a Learning Mentor to provide one to one support for Disadvantaged Pupils in Key Stage 4.
- Use of Inset Days to train staff in attachment theory, related to the support of Children Looked After and lesson observation.
- Members of the middle leadership are all members on of the School Development Groups that are linked to one of the targets and chaired by a member of the Senior Leadership Team.

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

In setting our objectives and planning our activities the trustees have carefully considered the Charity Commission's general guidance on public benefit.

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 31st August 2020 and the associated expenditure are shown in the restricted funds section of the statement of funds note.

As at 31st August 2020 the net book value of Fixed Assets was £14,768,494 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 31st August 2020 of £12,847,059 comprising of a net value of £12,134,876 in respect of restricted funds. The unrestricted funds available for spending at the discretion of the Trustees amounted to £712,183. 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 £62,316 to 31st August 2020 all of which will be gift aided back to the parent (Academy).

Examination Achievements and Performance 2019-2020

Key Stage 4

The GCSE grades were exceptionally strong, with the average grade being 7.5, half way between an A and an A* on the old grading system. The most frequently achieved grade was grade 9, the top grade, with 29% of all grades being grade 9. 74% of all grades were a grade 7 or higher, compared to one third of grades nationally being grade 7 or higher.

There are no Progress 8 figures this year as a result of Centre Assessed Grades having been used, but the Progress 8 figure for this cohort would have been in line with the previous 2 years, at around +1.00, according to unofficial calculations. This figure means that students at Watford Grammar School for Girls have achieved around a grade higher than they would have done if they had attended a school in which students made average progress. These results represent exceptional attainment and progress.

Key Stage 5

A Level results were very impressive, with an average points score of 45.8, equivalent to a mid B grade. 24.5% of all grades were A* grades, 59.3% were A*-A grades and 81.9% were grade B or higher.

There are no Level 3 Value Added figures this year as a result of Centre Assessed Grades having been used, but the Level 3 Value Added score this cohort would have been around +0.2 according to unofficial calculations. This figure means that students at Watford Grammar School for Girls have achieved around one fifth of a grade higher than if they had attended a school in which students made average progress. These results represent good progress and very high attainment.

Key Performance Indicators

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

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.

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 2020 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 2020 a small surplus from unrestricted funds 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 31st August 2020 the Academy had unrestricted reserves of £712,183 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, impact of Covid restrictions on the day to day working of the school and the continual impact of school funding reforms. The Academy is directly under pressure with the most recent increases in the employer's contribution to Teachers Pension Scheme which will be compounded when the additional grant to absorb these costs ends. In addition the impact of any changes to the National Living Wage, to National Insurance contributions, to apprenticeship levy plus general cost inflation and pressures in attracting staff to an area with high housing costs all have a significant financial impact on the Academy.

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

- The Covid 19 pandemic has resulted in drastic changes to the education sector which has required phenomenal flexibility and dedication from those who work in it. This has caused logistical challenges to ensure that the school can open on a day to day basis but has also put a severe strain of financial resources. The academy has had to divert many of its resources to ensure the school can be a Covid Safe environment which has diverted funds away from investment in teaching and learning. The Academy has continued to engage in careful cost and risk assessment as well as seeking out government support or insurance relief where available to help mitigate the financial strain.
- 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, alumnae and friends of the school can commit to one-off or regular donations with the benefit of gift-aid received from HMRC. The school and the WoV are sensitive to the way that parents and others 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 financial reserves that have accrued since 1998 from donations and bequests are invested with CCLA, one of the UK's largest charity fund managers. The WoV do not use professional fundraisers and is run entirely by the volunteer Trustees and administration personnel. As a consequence, fundraising and administration costs are generally less than 4% of its income. Fundraising and administration processes are continually reviewed for efficiency, donor ease of use and to increase the level of fundraising.

Plans for Future Periods

Our primary focus in 2020-21 is to ensure our students and staff remain on site as much as possible during the Coronavirus pandemic, and for all pupils to make the expected academic progress regardless of where they are learning. A robust risk assessment and constant monitoring and response to local and national infection rates will ensure the physical and mental well-being of all.

The adaptation of the curriculum, ongoing assessment of knowledge and understanding and the effective use of the budget will narrow any gaps in progress between key pupil groups. Site developments continues with the completion of the planned conversion of existing rooms into specialist teaching rooms. Maintenance of the fabric of the school is ongoing, including with the use of successful Condition Improvement Fund bids to replace the gym windows.

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 23rd November 2020 and signed on its behalf by:

A handwritten signature in dark ink, appearing to read 'Fiona Shore', written over a horizontal line.

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 6 times during the year. Attendances during the year at meetings of the Governing body were as follows:

Trustee	Meetings Attended	Out of a possible
Fiona Shore (Chair)	6	6
Camila Woods (Vice Chair)	5	6
Sylvia Chong-Tai	6	6
Russell Deane	6	6
Harvey Griffiths	5*	6
James Hughes	5*	6
Prakash Jani	5	6
Stephen Johnson	6	6
Kerry King (appointed 03.10.19)	3	5
Clare Kirwan	5	6
Michael Lewis MBE	5	6
Mary Meerabux	6	6
Nick Moorhouse	4*	6
Akin Oyesola	6	6
Sharmin Pirbhai	5	6
Zia Rehman	3	6
Revd Tony Rindl	2	6
Shilpa Shah	6	6
Jane Willis	6	6

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

*Those marked with an asterisk had tried to attend the virtual meeting on 14th May 2020 but due to connectivity problems either were not able to join at all or dipped in and out. The total number for their attendance therefore does not include this meeting.

Review of Governance 2019/20

The Chair and Board of Trustees keep the Governance of the School and the role of the Trustees continually under review to maintain their effectiveness. To that end, the committee structure has been reviewed this year to increase efficiency. We have a stable, well-qualified Board. There was one resignation this year (Staff Governor who has been replaced). All new governors receive appropriate induction training. The Senior Leadership Team has been operating effectively and have responded well to the exceptional challenges this year. We have set in train a 360 review for the Headteacher in order to help her to develop her leadership skills.

We are fortunate in being able to attract talented trustees and governors whose experience is invaluable. They represent a wide range of skills and have good succession planning in place. Through regular meetings of the full board and committees (latterly on 'Teams') we have oversight of every aspect of the School, including (but not limited to) health and safety, finance, HR, safeguarding and our 'core' business, education. We have a very strong working relationship with the Headteacher and the School Business Manager.

An extensive programme was put in place during lockdown to enable our pupils to continue to access their courses. Governors and staff worked hard together to enable the School to open safely in June for Year 10 and 12 pupils.

All Board members have been encouraged to attend appropriate training to meet their individual needs. Much of this has, of necessity, been online. Governors with special responsibilities and departmental links have kept in regular touch with their opposite numbers to offer support and encouragement, although our programme of regular visits has been disrupted.

Through its committee structure, the Board receives regular, quality data on the School's performance both academically and financially, and the relevant staff are questioned robustly during their presentations. Academic reports include statistics relating to examination results published by the DfE as well as internal monitoring (for example, through the School's 'Pathways' system). Financial results comply with DfE reporting 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 – for example, this year on the measures put in place to award GCSE and A Level grades. We also had a presentation on our Special Educational Needs (SEND) provision and invited the Head Girl and her team to address the full Board to explain their 'Empowerment' initiative.

The Board of Governors works tirelessly to enable the staff to offer their students the best possible education. Looking ahead, the Board is fully aware that it must continually review its own operation so that it is fulfilling its full range of responsibilities and that members collectively offer a wide range of specific skills and are trained to carry out their roles in an effective, professional and supportive manner. We carried out a skills audit last year, which led to a reorganisation of our committee structure and a reallocation of responsibilities.

The new structure will come into effect in September and new Terms of Reference have been written to reflect the change. A new initiative this year has been the introduction of termly meetings with other local Chairs, to share experiences and offer support to each other.

The main priorities going forward include:

- Providing a Covid safe environment for all our students and staff, so that they are confident about coming to school and continuing their studies.
- Building on the collaborative and effective relationship between staff and governors and when the situation allows, being a visible presence in School

- An ongoing commitment to training. The governor charged with this responsibility has reviewed training needs (both individual and collective) and suggested appropriate courses.
- To initiate 360 reviews for all SLT staff to aid their professional development.
- To revisit and assess our vision for the School.
- To continue the collaboration with other schools' governing bodies

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 2019/20 income and expenditure, in a tight financial environment.
- A review and agreement of a comprehensive fully costed IT Strategy over the next 5 year period.
- 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.
- 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
Jane Willis	3	3
James Hughes	3	3
Zia Rehman	1	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.

The GCSE grades were exceptionally strong, with the average grade being 7.5, half way between an A and an A* on the old grading system. The most frequently achieved grade was grade 9, the top grade, with 29% of all grades being grade 9. 74% of all grades were a grade 7 or higher, compared to one third of grades nationally being grade 7 or higher.

Looking at progress measures mean that students at Watford Grammar School for Girls have achieved around a grade higher than they would have done if they had attended a school in which students made average progress. These results represent exceptional attainment and progress.

A Level results were very impressive, with an average points score of 45.8, equivalent to a mid B grade. 24.5% of all grades were A* grades, 59.3% were A*-A grades and 81.9% were grade B or higher. Looking at progress measures means that students at Watford Grammar School for Girls have achieved around one fifth of a grade higher than if they had attended a school in which students made average progress. These results represent good progress and very high attainment.

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 – Commissioning of a new Website

During this financial year the Academy took the decision to update and change its website to ensure it was modern, flexible, relevant and reflected the character and key messages of the school. Additionally the school had become frustrated by the current provider whose service delivery did not appear to give value for money and the service provided had begun to show that they did not understand the individual needs of the school correctly.

A working party including the Head teacher and Assistant Head responsible for marketing briefed potential providers with their vision, aspirations and needs of the school. This was based not only on internal feedback but also independent external review and benchmarking of websites from other local schools.

The Academy received three different proposals for consideration all of whom presented their vision, bespoke designs and ability to address the full needs of the school. Two of the providers were subsequently discounted either due to incremental running (hosting) costs and/or design and use issues. The chosen provider was the able to work on designing the website, liaising with the working party over all content both statutory and school led leading to a new website going live in summer term 2020.

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 20120 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 2020 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
- VAT returns
- Trip Income
- General Purchases
- Cash Card purchases
- Trip Refunds (Post Covid)
- Club and activity refunds and payments (post Covid)

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 23rd November 2020 and signed on its behalf by:



Fiona Shore
 Chair of Governing Body



Sylvia Chong-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 2019-2020
- 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 23rd November 2020 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 2019.

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 2019.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of Trustees and ESFA.



Sylvia Chong-Tai
Accounting Officer

23.11.20

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 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent academy's affairs as at 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. 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

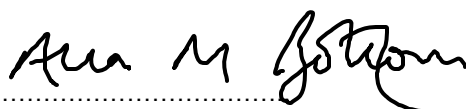
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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. 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 and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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 2019 to 31 August 2020 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

9th December 2020.

Date:

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	12,493	224,992	285,020	522,505	835,752
Charitable activities		197,640	6,751,386	-	6,949,026	6,774,024
Other trading activities		513,353	-	-	513,353	604,522
Investments	6	621	-	-	621	573
Other income	7	1,332	-	-	1,332	-
Total income		725,439	6,976,378	285,020	7,986,837	8,214,871
Expenditure on:						
Raising funds		337,743	-	-	337,743	356,416
Charitable activities	9	155,846	7,492,369	299,166	7,947,381	7,612,052
Total expenditure		493,589	7,492,369	299,166	8,285,124	7,968,468
Net income/(expenditure) before taxation		231,850	(515,991)	(14,146)	(298,287)	246,403
Taxation	15	-	-	-	-	(54)
Net income/(expenditure) after taxation		231,850	(515,991)	(14,146)	(298,287)	246,349
Transfers between funds	21	(156,991)	156,991	-	-	-
Net movement in funds before other recognised gains/(losses)		74,859	(359,000)	(14,146)	(298,287)	246,349
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	79,000	-	79,000	(854,000)
Net movement in funds		74,859	(280,000)	(14,146)	(219,287)	(607,651)
Reconciliation of funds:						

Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Total funds brought forward	637,324	(2,406,000)	14,835,022	13,066,346	13,673,997
Net movement in funds	74,859	(280,000)	(14,146)	(219,287)	(607,651)
Total funds carried forward	712,183	(2,686,000)	14,820,876	12,847,059	13,066,346

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

Consolidated Balance Sheet

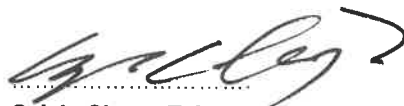
	Note	2020 £	2019 £
Fixed assets			
Tangible assets	16	14,768,494	14,656,995
		<u>14,768,494</u>	<u>14,656,995</u>
Current assets			
Debtors	18	298,272	255,463
Cash at bank and in hand		1,169,589	1,440,020
		<u>1,467,861</u>	<u>1,695,483</u>
Creditors: amounts falling due within one year	19	(703,296)	(871,965)
Net current assets		<u>764,565</u>	<u>823,518</u>
Total assets less current liabilities		<u>15,533,059</u>	<u>15,480,513</u>
Creditors: amounts falling due after more than one year	20	-	(8,167)
Net assets excluding pension liability		<u>15,533,059</u>	<u>15,472,346</u>
Defined benefit pension scheme liability	23	(2,686,000)	(2,406,000)
Total net assets		<u><u>12,847,059</u></u>	<u><u>13,066,346</u></u>

	Note	2020 £	2019 £
Funds of the academy			
Restricted funds:			
Fixed asset funds	21	14,820,876	14,835,022
Pension reserve	21	(2,686,000)	(2,406,000)
Total restricted funds	21	12,134,876	12,429,022
Unrestricted income funds	21	712,183	637,324
Total funds		12,847,059	13,066,346

The financial statements on pages 29 to 63 were approved by the Trustees, and authorised for issue on..... 23rd November 20 .. and are signed on their behalf, by:



Fiona Shore
Chair of Trustees



Sylvia Chong-Tai
Accounting Officer

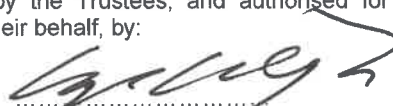
Academy Statement of Financial Position

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	16	14,768,494	14,656,995
Investments	17	100	100
		<u>14,768,594</u>	<u>14,657,095</u>
Current assets			
Debtors	18	506,571	459,781
Cash at bank and in hand		941,814	1,209,520
		<u>1,448,385</u>	<u>1,669,301</u>
Creditors: amounts falling due within one year	19	(683,920)	(845,883)
Net current assets		<u>764,465</u>	<u>823,418</u>
Total assets less current liabilities		<u>15,533,059</u>	<u>15,480,513</u>
Creditors: amounts falling due after more than one year	20	-	(8,167)
Net assets excluding pension liability		<u>15,533,059</u>	<u>15,472,346</u>
Defined benefit pension scheme liability	23	(2,686,000)	(2,406,000)
Total net assets		<u><u>12,847,059</u></u>	<u><u>13,066,346</u></u>
	Note	2020 £	2019 £
Funds of the academy			
Restricted funds:			
Fixed asset funds	21	14,820,876	14,835,022
Pension reserve	21	(2,686,000)	(2,406,000)
Total restricted funds	21	<u>12,134,876</u>	<u>12,429,022</u>
Unrestricted income funds	21	<u>712,183</u>	<u>637,324</u>
Total funds		<u><u>12,847,059</u></u>	<u><u>13,066,346</u></u>

The financial statements on pages 29 to 63 were approved by the Trustees, and authorised for issue on 23rd November 20 and are signed on their behalf, by:



Fiona Shore
Chair of Trustees



Sylvia Chong-Tai
Accounting Office

Consolidated Statement of Cash Flows

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities		(145,408)	319,053
Cash flows from investing activities		(125,023)	178,600
Change in cash and cash equivalents in the year		(270,431)	497,653
Cash and cash equivalents at the beginning of the year		1,440,020	942,367
Cash and cash equivalents at the end of the year		<u>1,169,589</u>	<u>1,440,020</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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Consolidated statement of financial activities (SOFA) and Consolidated 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 Group 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 Group 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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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 Group 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.

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.

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.

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 2020. 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

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	12,493	224,992	-	237,485
Government grants	-	-	285,020	285,020
	<u>12,493</u>	<u>224,992</u>	<u>285,020</u>	<u>522,505</u>

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	34,307	184,719	165,743	384,769
Government grants	-	-	450,983	450,983
	<u>34,307</u>	<u>184,719</u>	<u>616,726</u>	<u>835,752</u>

4. Funding for the academy's educational activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	6,126,789	6,126,789
Pupil premium	-	74,335	74,335
Other ESFA income	-	402,642	402,642
	<u>-</u>	<u>6,603,766</u>	<u>6,603,766</u>
Other government grants			
Local authority	-	147,620	147,620
	<u>-</u>	<u>147,620</u>	<u>147,620</u>
Other income from educational activities			
Trip income	155,846	-	155,846
Other direct school income	41,794	-	41,794
	<u>197,640</u>	<u>-</u>	<u>197,640</u>
Total 2020	<u>197,640</u>	<u>6,751,386</u>	<u>6,949,026</u>

4. Funding for the academy's educational activities (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	-	5,985,443	5,985,443
Pupil premium	-	72,465	72,465
Other ESFA income	-	142,361	142,361
	-	6,200,269	6,200,269
Other government grants			
Local authority	-	153,388	153,388
	-	153,388	153,388
Other income from educational activities			
Trip income	341,738	-	341,738
Other direct school income	78,506	123	78,629
	420,244	123	420,367
	420,244	6,353,780	6,774,024

5. Income from other and trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Beat commission	4,886	4,886
School shop	22,020	22,020
Hire of facilities	44,507	44,507
Other activities for generating funds	25,017	25,017
Evening class income	11,078	11,078
Teacher release income	5,786	5,786
Income from trading subsidiary	400,059	400,059
	513,353	513,353

5. Income from other and trading activities (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Beat commission	4,533	4,533
School shop	29,449	29,449
Hire of facilities	58,656	58,656
Other activities for generating funds	29,946	29,946
Evening class income	16,448	16,448
Teacher release income	6,738	6,738
Income from trading subsidiary	458,752	458,752
	<u>604,522</u>	<u>604,522</u>

6. Investment income

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Interest received	<u>621</u>	<u>621</u>

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

7. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Insurance Income	1,332	1,332	-

8. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Expenditure on raising voluntary income:				
Direct costs	-	-	-	-
Expenditure on fundraising trading activities:				
Direct costs	311,960	-	25,783	337,743
Educational activities:				
Direct costs	5,091,873	-	443,236	5,535,109
Allocated support costs	1,395,318	623,137	393,817	2,412,272
Total 2020	6,799,151	623,137	862,836	8,285,124

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Expenditure on raising voluntary income:				
Direct costs	18,453	-	-	18,453
Expenditure on fundraising trading activities:				
Direct costs	311,697	-	26,266	337,963
Educational activities:				
Direct costs	4,736,946	-	661,698	5,398,644
Allocated support costs	1,179,476	633,182	400,750	2,213,408
	6,246,572	633,182	1,088,714	7,968,468

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Educational activities	155,846	7,791,535	7,947,381
Total 2020	155,846	7,791,535	7,947,381

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Educational activities	(86,521)	7,698,573	7,612,052

10. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Educational activities	5,535,109	2,412,272	7,947,381
Total 2020	5,535,109	2,412,272	7,947,381

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Educational activities	5,398,644	2,213,408	7,612,052

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational activities 2020 £	Total funds 2020 £
FRS102 Pension cost	46,000	46,000
Staff costs	1,395,318	1,395,318
Depreciation	299,166	299,166
Administration supplies	25	25
Recruitment	44,914	44,914
Premises maintenance costs	121,475	121,475
Rent and rates	42,759	42,759
Technology costs	80,622	80,622
Insurance costs	53,472	53,472
Heat and light costs	120,793	120,793
Printing, postage and stationery	52,193	52,193
Cleaning and caretaking costs	38,944	38,944
Professional fees and governance costs	54,742	54,742
Other support costs	61,849	61,849
	<u>2,412,272</u>	<u>2,412,272</u>

10. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Educational activities 2019 £</i>	<i>Total funds 2019 £</i>
Pension finance costs	40,000	40,000
Staff costs	1,179,476	1,179,476
Depreciation	290,182	290,182
Educational supplies	1,703	1,703
Recruitment	27,549	27,549
Premises maintenance costs	135,771	135,771
Rent and rates	41,456	41,456
Technology costs	103,431	103,431
Insurance costs	45,945	45,945
Heat and light costs	130,940	130,940
Printing, postage and stationery	55,878	55,878
Cleaning and caretaking costs	34,833	34,833
Professional fees	62,901	62,901
Other support costs	63,343	63,343
	<u>2,213,408</u>	<u>2,213,408</u>

11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	<i>2020 £</i>	<i>2019 £</i>
Depreciation of tangible fixed assets	299,166	290,182
Fees paid to auditors for:		
- audit	11,150	11,000
- other services	9,225	9,025
	<u>319,541</u>	<u>310,207</u>

12. Staff

a. Staff costs

Staff costs during the year were as follows:

	Group 2020 £	Group 2019 £	Academy 2020 £	Academy 2019 £
Wages and salaries	4,861,767	4,734,056	4,622,177	4,491,746
Social security costs	481,921	458,748	464,382	445,330
Pension costs	1,446,856	1,026,968	1,392,025	970,999
	<u>6,790,544</u>	<u>6,219,772</u>	<u>6,478,584</u>	<u>5,908,075</u>
Agency staff costs	8,607	26,800	8,607	26,800
	<u>6,799,151</u>	<u>6,246,572</u>	<u>6,487,191</u>	<u>5,934,875</u>
	Group 2020 £	Group 2019 £	Academy 2020 £	Academy 2019 £
Severance payments	-	3,644	-	3,644
	<u>-</u>	<u>3,644</u>	<u>-</u>	<u>3,644</u>

b. Staff numbers

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

	Group 2020 No.	Group 2019 No.
Teachers	84	90
Education support	25	23
Administration	48	44
Management	8	7
Temporary	2	1
	<u>167</u>	<u>165</u>

12. Staff (continued)

c. Higher paid staff

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

	Group 2020 No.	Group 2019 No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-

4 of the above employees (2019: 3) participated in the Teachers' Pension Scheme. During the year ended 31 August 2020, pension contributions for these staff amounted to £66,058 (2019: £37,058).

1 of the above employees (2019: 1) also participated in the Local Government Pension Scheme. During the year ended 31 August 2020, pension contributions for this staff member amounted to £17,997 (2019: £18,577).

d. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £784,468 (2019 £734,374).

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:

		2020 £	2019 £
Sylvia Tai	Remuneration	95,000 - 100,000	90,000 - 95,000
	Pension contributions paid	20,000 - 25,000	15,000 - 20,000
Mary Meerabux	Remuneration	35,000 - 40,000	40,000 - 45,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
Claire Kirwan	Remuneration	30,000 - 35,000	25,000 - 30,000
	Pension contributions paid	5,000 - 10,000	0 - 5,000
Alison King	Remuneration	n/a	20,000 - 25,000
	Pension contributions paid	n/a	5,000 - 10,000
Kerry King (appointed 3 October 2019)	Remuneration	20,000 - 25,000	n/a
	Pension contributions paid	0 - 5,000	n/a

During the year, retirement benefits were accruing to 4 Trustees (2019 - 4) in respect of defined benefit pension schemes.

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £867).

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 2020 was £220 (2019 - £220).

15. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on net income/(expenditure) for the year	-	54
Taxation on net income/(expenditure)	<u>-</u>	<u>54</u>

15. Taxation (continued)

The tax assessed for the year is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Net income/(expenditure) before tax	(298,287)	246,403
Net income/(expenditure) multiplied by the standard rate of corporation tax in the UK of 19 (2019 - 19%).	(56,675)	46,817
Effects of:		
Non deductible items or income and expenses not subject to corporation tax	56,675	(46,817)
Changes in provisions leading to an increase/(decrease) in the tax charge	-	54
Total tax charge for the year	-	54

There are no factors considered likely to affect future tax charges.

16. Tangible fixed assets (continued)

Group and Academy (continued)

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Motor vehicles £	Assets under construction £	Total £
Net book value						
At 31 August 2020	9,093,882	4,990,504	73,950	1,163	608,994	14,768,493
At 31 August 2019	9,229,878	4,978,233	73,771	6,394	368,719	14,656,995

16. Tangible fixed assets (continued)

Group and Academy (continued)

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Motor vehicles £	Assets under construction £	Total £
Net book value						
At 31 August 2020	9,093,882	4,990,504	73,950	1,163	608,994	14,768,493
At 31 August 2019	9,229,878	4,978,233	73,771	6,394	368,719	14,656,995

17. Fixed asset investments

	Investments in subsidiary companies £
academy	
Cost or valuation	
At 1 September 2019	100
At 31 August 2020	100
Net book value	
At 31 August 2020	100
At 31 August 2019	100

17. Fixed asset investments (continued)

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
Class of shares	Holding	Included in consolidation	
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	400,059	(311,960)	62,316	100

18. Debtors

	Group 2020 £	Group 2019 £	Academy 2020 £	Academy 2019 £
Due within one year				
Trade debtors	36,275	26,520	2,098	4,749
Amounts owed by group undertakings	-	-	243,231	226,089
Other debtors	99,394	68,186	99,392	68,186
Prepayments and accrued income	162,603	160,757	161,850	160,757
	298,272	255,463	506,571	459,781

19. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Academy 2020 £	Academy 2019 £
Trade creditors	36,998	39,183	36,998	39,080
Corporation tax	-	54	-	-
Other taxation and social security	129,180	131,240	115,858	114,324
Other creditors	220,380	139,792	220,379	139,792
Accruals and deferred income	316,738	561,696	310,685	552,687
	<u>703,296</u>	<u>871,965</u>	<u>683,920</u>	<u>845,883</u>
	Group 2020 £	Group 2019 £	Academy 2020 £	Academy 2019 £
Deferred income falling due within one year				
Deferred income at 1 September 2019	337,574	246,857	335,090	245,497
Resources deferred during the year	181,521	337,574	179,768	335,090
Amounts released from previous periods	(337,574)	(246,857)	(335,090)	(245,497)
	<u>181,521</u>	<u>337,574</u>	<u>179,768</u>	<u>335,090</u>

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

	Group 2020 £	Group 2019 £	Academy 2020 £	Academy 2019 £
Deferred income	-	8,167	-	8,167

21. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds - all funds	637,324	725,439	(493,589)	(156,991)	-	712,183
Restricted general funds						
General Annual Grant (GAG)	-	6,126,789	(6,283,780)	156,991	-	-
Pupil premium	-	74,335	(74,335)	-	-	-
National College	-	375,449	(375,449)	-	-	-
Other ESFA	-	27,193	(27,193)	-	-	-
Local authority	-	147,620	(147,620)	-	-	-
Other restricted income	-	502	(502)	-	-	-
Restricted donations	-	224,490	(224,490)	-	-	-
Pension reserve	(2,406,000)	-	(359,000)	-	79,000	(2,686,000)
	<u>(2,406,000)</u>	<u>6,976,378</u>	<u>(7,492,369)</u>	<u>156,991</u>	<u>79,000</u>	<u>(2,686,000)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	14,656,995	-	(299,166)	410,664	-	14,768,493
ESFA capital grants	-	27,288	-	(12,693)	-	14,595
HCC school expansion funding	140,239	257,732	-	(397,971)	-	-
Other donations	37,788	-	-	-	-	37,788
	<u>14,835,022</u>	<u>285,020</u>	<u>(299,166)</u>	<u>-</u>	<u>-</u>	<u>14,820,876</u>
Total Restricted funds	<u>12,429,022</u>	<u>7,261,398</u>	<u>(7,791,535)</u>	<u>156,991</u>	<u>79,000</u>	<u>12,134,876</u>

21. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Total funds	13,066,346	7,986,837	(8,285,124)	-	79,000	12,847,059

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 2020.

21. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Taxation £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds							
General Funds - all funds	515,519	1,059,646	(754,870)	(54)	(182,917)	-	637,324
Restricted general funds							
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)	-	-	-	-
Local authority	-	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)
	(1,350,000)	6,538,499	(6,923,416)	-	182,917	(854,000)	(2,406,000)
Restricted fixed asset funds							

22. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	14,768,494	14,768,494
Current assets	865,096	550,383	52,382	1,467,861
Creditors due within one year	(152,913)	(550,383)	-	(703,296)
Provisions for liabilities and charges	-	(2,686,000)	-	(2,686,000)
Total	712,183	(2,686,000)	14,820,876	12,847,059

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	14,656,995	14,656,995
Current assets	802,983	714,473	178,027	1,695,483
Creditors due within one year	(157,491)	(714,473)	-	(871,964)
Creditors due in more than one year	(8,167)	-	-	(8,167)
Provisions for liabilities and charges	-	(2,406,000)	-	(2,406,000)
Total	637,325	(2,406,000)	14,835,022	13,066,347

23. Pension commitments

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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.

23. Pension commitments (continued)

Contributions amounting to £141,962 were payable to the schemes at 31 August 2020 (2019 - £71,484) 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. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £815,267 (2019 - £537,148).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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.

23. Pension commitments (continued)

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 2020 was £407,000 (2019 - £416,000), of which employer's contributions totalled £316,000 (2019 - £328,000) and employees' contributions totalled £ 91,000 (2019 - £88,000). The agreed contribution rates for future years are 25.3 per cent for employers and 5.5% - 12.5 per cent for employees.

As described in note the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

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

	2020	2019
	%	%
Rate of increase in salaries	2.20	2.40
Discount rate for scheme liabilities	1.70	1.80
Inflation assumption (CPI)	2.20	2.30

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	21.9	21.5
Females	24.1	23.7
<i>Retiring in 20 years</i>		
Males	22.8	22.3
Females	25.5	25.0

23. Pension commitments (continued)

Sensitivity analysis

	2020 £000	2019 £000
Discount rate -0.1%	186	178
CPI rate +0.1%	164	148
Salary increase rate +0.1%	19	26

Share of scheme assets

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

	2020 £	2019 £
Equities	2,870,000	2,370,000
Bonds	1,896,000	1,886,000
Property	487,000	387,000
Cash and other liquid assets	163,000	194,000
Total market value of assets	5,416,000	4,837,000

The actual return on scheme assets was £288,000 (2019 - £368,000).

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

	2020 £	2019 £
Current service cost	(629,000)	(469,000)
Past service cost	-	(21,000)
Interest income	90,000	120,000
Interest cost	(136,000)	(160,000)
Total amount recognised in the Consolidated Statement of Financial Activities	(675,000)	(530,000)

23. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	7,243,000	5,477,000
Current & past service cost	629,000	490,000
Interest cost	136,000	160,000
Employee contributions	91,000	88,000
Actuarial losses	119,000	1,102,000
Benefits paid	(116,000)	(74,000)
At 31 August	8,102,000	7,243,000

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

	2020 £	2019 £
At 1 September	4,837,000	4,127,000
Interest income	90,000	120,000
Actuarial gains	198,000	248,000
Employer contributions	316,000	328,000
Employee contributions	91,000	88,000
Benefits paid	(116,000)	(74,000)
At 31 August	5,416,000	4,837,000

24. Operating lease commitments

At 31 August 2020 the Group and the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £	Academy 2020 £	Academy 2019 £
Not later than 1 year	1,698	6,171	1,698	6,171
Later than 1 year and not later than 5 years	1,698	3,396	1,698	3,396
	<u>3,396</u>	<u>9,567</u>	<u>3,396</u>	<u>9,567</u>

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 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 the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year, restricted donations totalling £12,087 (2019: £9,761) was received from Watford Grammar Schools Foundation, relating to revenue grants and £nil (2019: £25,000) 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 (2019: £nil).

During the year, the group made purchases from Watford Grammar School for Boys of £30,747 (2019: £50,408) and sales of £10,698 (2019: £30,456). 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 (2019: £nil).

During the year, the group made sales to Watford St John's Church of England Primary School of £37,457 (2019: £29,828). 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, £7,532 was outstanding (2019: £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 2020, the academy received £15,666 (2019: £15,842) and disbursed £19,025 (2019: £13,030) from the fund, including reimbursement of £783 for reasonable administrative costs dating back to 2011. An amount of £29,476 (2019: £32,052) 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 2020, the academy received £96,536 (2019: £100,000) and disbursed £96,536 (2019: £100,934) from the fund. At the year end there is £nil (2019: £nil) of undistributed funds included in other creditors.

28. Controlling party

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