
Watford Grammar School for Girls

(A Company Limited by Guarantee)



Annual Report and Financial Statements Year ended 31 August 2021

Company Registration Number:07348254
(England and Wales)

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**Reference and Administrative details
Structure, Governance & Management**

ATC Members

Sir John Holman (Chairman)
Tim Cosgrove
Fiona Shore (resigned 07.09.21)
Nick Moorhouse (appointed 07.09.21)
Ian Cooksey
Camilla Woods

Company Secretary

Philip Beasley

Governors

Fiona Shore (Chair resigned 07.09.21)
Nick Moorhouse (appointed Chair 07.09.21)
Camilla Woods (Vice Chair re-appointed 07.09.21)
Sylvia Chong-Tai
Russell Deane
Elizabeth Dyson (appointed 08.03.21)
Harvey Griffiths (resigned 07.09.21)
James Hughes
Prakash Jani (resigned 28.02.21)
Stephen Johnson
Kerry King
Clare Kirwan (resigned 19.02.21)
Michael Lewis MBE
Mary Meerabux
Adam Newbey (appointed 22.02.21)
Akin Oyesola (resigned 28.02.21)
Sharmin Pirbhai
Zia Rehman (resigned 26.08.21)
Revd Tony Rindi
Dr Rajivi Sanjeevi (appointed 08.03.21)
Shilpa Shah
Jane Willis
Dr Hannan Xiao (appointed 08.03.21)

Resources Committee (renamed from Finance & General Purposes Committee)

Nick Moorhouse (Chair)
Harvey Griffiths
Russell Deane
Sylvia Chong-Tai
Prakesh Jani (resigned 28.02.21)
Jane Willis
James Hughes
Zia Rehman (resigned 26.08.21)
Sharmin Pirbhai

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

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 2020 to 31st August 2021. 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 1400 and had a roll of 1404 in the school census submitted in October 2021.

Structure, Governance and Management

Constitution

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

Details of the governors who served throughout the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 3.

Members' Liability

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

Governors' Indemnities

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

Method of Recruitment and Appointment or Election of Governors

The Board of Governors consists of:

- a) 11 Foundation Governors appointed by the Watford Grammar Schools Foundation, of whom:

- i) No fewer than 3 are parents of registered pupils attending the Academy at the date of appointment;
- ii) if a recommendation is made, 3 are appointed on the recommendation each of the University of Cambridge, the University of Oxford and the University of London, and
- iii) The Vicar for the time being of the Ecclesiastical Parish of Watford (or his alternative, appointed by the Diocese of St Albans)

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

c) 4 Parent Governors

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

d) 3 Staff Governors

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

e) The Head, ex officio.

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

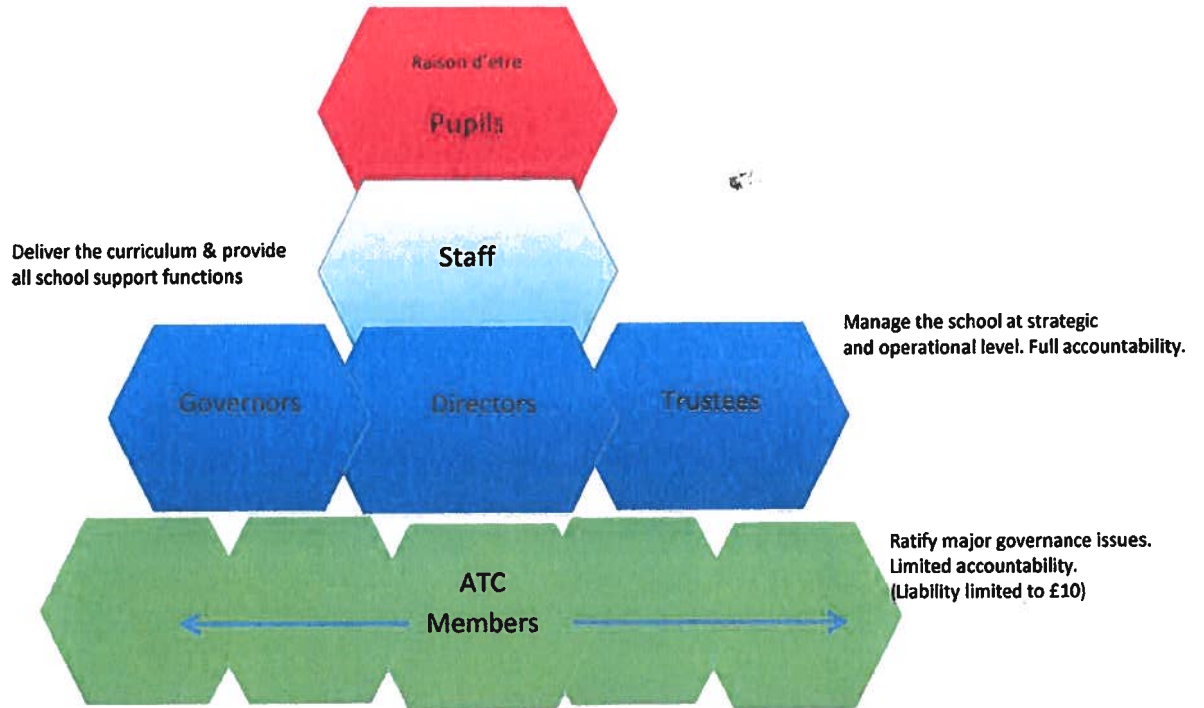
In addition, the Board of Governors can, under the Articles of Association, appoint persons who are not formal Governors to its Committees. These persons are known as Associate Governors and may attend meetings of the Board of Governors but do not have the right to vote.

Policies and Procedures Adopted for the Induction and Training of Governors

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

Organisational Structure

Underpinning Success at WGGG –The ATC Structure



The Head and 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 Committee is co-chaired by the Chairs of Curriculum and Resources.

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	£6,588,058
Provide the percentage of the total pay bill spent on facility time calculated as: (total cost of facility time/total pay bill) x 100	0.10%

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

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

Objectives and Activities

Objects and Aims

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

Objectives, Strategies and Activities: School Development Plan (2020-21)

The main objectives of the Academy Trust as identified in the School Development Plan prepares for the impact of the COVID 19 pandemic that impacted on almost every aspect of school:

1. Quality of Education
 - a. Use of Technology: To integrate the use of devices into the delivery of the curriculum in all subject areas and Key Stages.
 - b. Narrow the Gap in Achievement: Narrow the gap in attainment and progress caused by the school closure in 2020.
 - c. Delivery of an appropriate curriculum: To review, update and adapt the curriculum and its delivery that takes into account school closures, past and current.
 - d. Develop a curriculum for 2021 and beyond: Consult and prepare for changes in the school day.
2. Personal Development
 - a. Good mental Health for all: Supporting the long-term mental health of students and staff in the light of the pandemic.
3. Behaviour and Attitudes
 - a. Re-establishing the WGGGS ethos: Reminding students of what it means to be a Watford Girl.
4. Effectiveness of Leadership and Management
 - a. Effects of Coronavirus: Manage the site, timetable and staffing to meet Government guidance regarding social distancing.
 - b. Staff training: Ensure that staff are prepared for the new roles and skills that is required of them.

There are specific action points for each are of the plan, which are regularly reviewed by the Senior Leadership Team and shared with the Governing body through the Curriculum Committee and the Full Governing Body. Some examples of these objectives linking to the charitable activities of the Academy led by the Senior Leadership Team members include:

- Creation, implementation and evaluation of a catch up programme for small group and individual pupils.
- Strategic use of technology to support delivery of remote learning during school closure and frequent absences due to self isolation
- Employment of counsellor to enhance the in school provision of mental health services.

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 Funding Agency (EFA)) in the form of its General Annual Grant (GAG). The GAG received from the EFA during the period ended 31st August 2021 and the associated expenditure are shown in the restricted funds section of the statement of funds note.

As at 31st August 2021 the net book value of Fixed Assets was £14,783,491 and details are shown in note 15 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 2021 of £12,183,142 comprising of a net value of £11,424,548 in respect of restricted funds. The unrestricted funds available for spending at the discretion of the Trustees amounted to £758,594. 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 £18,899 to 31st August 2021 all of which will be gift aided back to the parent (Academy).

Examination Achievements and Performance 2020-2021

Key Stage 4

The GCSE grades were exceptionally strong, with the average grade being 7.3. The most frequently achieved grade was a grade 9, accounting for 27% of all grades. 72% of all grades were grade 7 or higher.

There are no progress 8 figures this year, as a result of Teacher Assessed Grades having been used, but the progress 8 figure for the cohort would have been in line with previous years, at around 0.8 based on unofficial calculation.

this figure means that students at Watford Grammar School for Girls have achieved around four fifths of a grade higher than they would have done have done if they achieved a school at which students made average progress. These results represent exceptional attainment and progress.

Key Stage 5

A Level grades were very impressive, with an average points score of 43.8, equivalent to a mid B grade. 24% of all grades were A* grades, 55% of all grades were A*-A grades and 80% of all grades were B grades or higher.

There are no Level 3 Value Added scores this year as a result of Teacher Assessed Grades having been used, but the Level 3 Value Added score would have been around 0.12 according to unofficial calculations. This figure means that students at Watford Grammar School for Girls have achieved around an eighth of a grade higher than if they had attended a school with 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 to):

1. Budget monitoring and variance analysis
2. Commercial development and initiatives
3. Income generation targets
4. Strategic capital & estate planning
5. Benchmarking activities
6. Pupil numbers
7. Staff attrition
8. Staff profile

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

Going Concern

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

Financial Review

Financial and Risk Management Objectives and Policies

The majority of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2021 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.

The Academy was adversely impacted during the period of school closure by being unable to generate its own income from weekly hiring's and lettings. However, the Academy had made forecasts to factor

a reduction into account and thereby the overall impact on the Academy from the reduction in self-generated income was largely mitigated.

During the year the Academy benefited from additional funding sources from Dfe related to the Covid 19 pandemic. The Academy received funding for mass testing which allowed us to set up a testing site, train, recruit and deploy staff to facilitate the mass testing of pupils at the beginning of 2021 and again prior to the autumn term in September 2021. Without this funding source the mass testing operation would not have been able to take place.

In addition, the Academy has been in receipt of funding for catch up to deploy to help pupils who have fallen behind during the period of school closure. This funding was used to support both tuition initiatives and technological requirements. In respect of tuition some of the initiatives included (but were not limited too) the following

- Supporting students with literacy and numeracy which will enable progress in all academic areas.
- Supporting students who fell behind with Modern Foreign Languages during lockdown
- Supporting students who are facing pastoral challenges with returning to school.

In respect of technology some of the initiatives included (but were not limited too) the following

- Improving access to technology.
- Ensuring high quality remote provision

During the year ended 31 August 2021 a combined surplus from both restricted & unrestricted funds was recorded excluding actuarial losses on defined benefit schemes and restricted fixed asset funds. 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. For the period ending 31st August 2021 the Academy had unrestricted reserves of £758,594 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 the continued uncertainties caused by the COVID 19 pandemic, the impact of school funding reforms and the lack of certainty regarding future teacher and public sector worker pay awards. In addition, the impact of any planned changes to the National Living Wage, to Employer 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 school's senior leadership team (SLT) and Governing body recognise that the following may develop into financial risks: -

- The COVID 19 pandemic continues to place pressure on the staff and resources of WGGG. Despite the relaxation of COVID restrictions, the Academy has had to divert many resources to ensure the school can be a COVID safe environment, which diverts 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 experience profile of the school's 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 National Insurance 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.

Our primary focus in 2021-22 is to set ambitious targets to meet the school aims (as below) aligned with the school development plan:

- Is encouraged to achieve academic excellence for every child.
- Provide a balanced, broad, forward-looking education
- Build a community that is respectful and caring towards others
- Teach girls to have a sense of confidence, resilience and personal responsibility.
- Ensure girls learn to work as part of a team and develops leadership skills

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.

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 29th November 2021 and signed on its behalf by:



.....
Nick Moorhouse
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 5 times during the year. Attendances during the year at meetings of the Governing body were as follows:

Trustee	Meetings Attended	Out of a possible
Fiona Shore (Chair resigned 07.09.21)	5	5
Nick Moorhouse (appointed Chair 07.09.21)	5	5
Camila Woods (Vice Chair re-appointed 07.09.21)	5	5
Sylvia Chong-Tai	5	5
Russell Deane	4	5
Elizabeth Dyson (appointed 08.03.21)	3	3
Harvey Griffiths (resigned 07.09.21)	5	5
James Hughes	5	5
Prakash Jani (resigned 28.02.21)	2	2
Stephen Johnson	2	5
Kerry King	3	5
Clare Kirwan (resigned 19.02.21)	2	2
Michael Lewis MBE	4	5
Mary Meerabux	5	5
Adam Newbey (appointed 22.02.21)	3	3
Akin Oyesola (resigned 28.02.21)	2	2
Sharmin Pirbhai	5	5
Zia Rehman (resigned 26.08.21)	4	5
Revd Tony Rindl	4	5
Dr Rajivi Sanjeevi (appointed 08.03.21)	3	3
Shilpa Shah	5	5
Jane Willis	5	5
Dr Hannan Xiao (appointed 08.03.21)	3	3

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

Review of Governance 2020/21

The Chair and Board of Trustees keep the governance of the School continually under review to maintain their effectiveness. We re-structured our committee system this year, and it has been working well. We have also spent a great deal of time this year revisiting our Articles of Association, which are now ready to be submitted.

We have a stable, well-qualified board. One staff governor and three parent governors whose term of office expired, were replaced following elections. All new governors receive appropriate induction training and are encouraged to attend appropriate courses to enhance their individual skills. We are fortunate in being able to attract talented trustees whose experience is invaluable. They represent a wide range of skills, and we always have succession planning in mind.

We have oversight of every aspect of school life including health and safety, safeguarding, finance, HR and our 'core' business, education. An extensive programme was put in place during lockdown, to support our students, and to enable them to continue to access their courses.

Our role has necessarily been 'remote' this year, but we have continued to hold regular meetings on 'Teams' and site visits have taken place at appropriate times by the Health and Safety Advisory Panel. I should like to pay tribute to our site team who have worked exceptionally hard to make the site as safe a place to be as is possible in the current circumstances.

We have a very strong working relationship with the Headteacher and the Finance Director. The Senior Leadership Team has been operating effectively and have responded well to the exceptional challenges this year. Following the successful 360 review of the Headteacher last year, we have initiated 360 reviews for all the SLT.

Through the committee structure, we have received regular quality data on the School's performance both academically and financially and the relevant staff are questioned extensively during their presentations. The school's internal assessment systems have proven to be robust in the light of the TAGs.

The board received detailed information on the way in which grades would be allocated and recognises the enormous burden this placed on staff. The board works tirelessly to enable the staff to offer their students the best possible education.

Financial results comply with DfE reporting and the board owes a great debt to our Finance Director for steering us through very choppy waters and presenting us with realistic figures on which to base our future planning.

The main priorities going forward include:

- Providing a Covid safe environment for all our students and staff so that they can be confident about coming to school and continuing their studies
- Supporting the mental well-being of our staff and students
- Building on the effective relationship between staff, governors and parents, and when the situation allows, being a visible presence in School
- An ongoing commitment to training
- Continuing to assess our vision for the School
- To re-establish the collaboration with other schools' governing bodies
- To consider the Government's MAT initiative. How/if it would benefit our School given the way we already work collaboratively with other local schools who all value their independence.

Resources Committee (renamed previously Finance & General Purposes Committee)

The Resources 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).

Some of the issues discussed and addressed in the year include:

- The 'at a minimum' monthly reporting of finances for 2020/21 in an often rapidly changing environment due to the impact of the pandemic both in terms of income and expenditure.
- The ongoing oversight of the underlying financial trends over the last five years and analysis of movements.
- The measurement and assessment of the impact of admission numbers in 6th Form upon school finances.
- The healthy debate surrounding pay awards across the school including Head and any other discretionary awards.
- The receipt of detailed information concerning the state of the premises and the large volume of capital and maintenance work undertaken.
- The commitment to maintaining Health & Safety at the top of the agenda.

The Resources Committee has formally met 3 times during the year. Attendances during the year at meetings were as follows:

Governor	Meetings Attended	Out of a possible
Nick Moorhouse (Chair)	3	3
Harvey Griffiths	3	3
Russell Deane	3	3
Sylvia Chong-Tai	3	3
Prakesh Jani (resigned 28.02.21)	0	1
Jane Willis	3	3
James Hughes	3	3
Zia Rehman (resigned 26.08.21)	2	3
Sharmin Pirbhai	3	3
Nick Moorhouse (Chair)	3	3
Harvey Griffiths	3	3
Clare Kirwan (resigned 19.02.21)	1	1

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:

Value for Money - 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 and/or exceptional attainment and progress.

The GCSE grades were exceptionally strong, with the average grade being 7.3. The most frequently achieved grade was a grade 9, accounting for 27% of all grades. 72% of all grades were grade 7 or higher. There are no progress 8 figures this year, as a result of Teacher Assessed Grades having been used, but the progress 8 figure for the cohort would have been in line with previous years, at around 0.8 based on unofficial calculations. This figure means that students at Watford Grammar School for Girls have achieved around four fifths of a grade higher than they would have done if they achieved a school at which students made average progress.

A Level grades were very impressive, with an average points score of 43.8, equivalent to a mid B grade. 24% of all grades were A* grades, 55% of all grades were A*-A grades and 80% of all grades were B grades or higher. There are no Level 3 Value Added scores this year as a result of Teacher Assessed Grades having been used, but the Level 3 Value Added score would have been around 0.12 according to unofficial calculations. This figure means that students at Watford Grammar School for Girls have achieved around an eighth of a grade higher than if they had attended a school with average progress.

Value for Money - Financial Governance and Oversight

The Board of Governors and the Resources Committee ensure that the school complies with the principle of financial control which conforms with the requirements both of propriety and good financial management.

The Resources 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 Internal Audit is appointed by the Board of Governors and provides governors with an independent oversight of the school's financial procedures. The Internal Auditor reports confirm that there are sound systems of financial control and these are being maintained and financial considerations are fully considered in reaching decisions.

Throughout the Covid 19 Pandemic the Academy has complied fully with all the Procurement Policy Notices (PPN) as applicable to the educational setting. The Academy ensured open and transparent communication with all our key suppliers to ensure that as far as possible none were adversely impacted by the various school closures and impact on their individual businesses. Specifically, we worked very closely with our Catering suppliers to ensure that once schools were in a position to partially re-open that they were able to resume providing a service which was mutually agreeable in the circumstances and would not have been possible without the support provided by compliance with PPN notices.

Value for Money – Addressing Health & Safety concerns on school grounds

During this financial year the Academy took the decision to re-surface a number of areas around the school site. We had a single tennis/netball court which had become unusable due to the condition of the surface thereby having an adverse impact on PE teaching. In addition, a number of staff, pupils and visitors had raised concerns about the safety of the parking surface with some having tripped due to loose stones and numerous pot holes. Following an internal review, it was concluded that the surface was a health and safety hazard which would only ever get worse and thereby needed repairing.

The Academy invited four separate contractors to tender for the work during the Spring term. Each provided a detailed quote ensuring that the materials and precise depth of the surface was quoted to ensure a like for like comparison. There was only a marginal difference between the four quotes so the successful contractor was chosen based upon having worked at the Academy a few years previously and thereby we had proof as to the quality of their workmanship. The work was undertaken and completed during the Summer break thereby meaning that when the school re-opened in September 2021 all previous tripping hazards and unsafe surfaces had been repaired. This work has benefitted the whole school community and also had a positive impact on the ability of the PE department to teach their curriculum with improved facilities and space.

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 2021 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 2021 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 Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- Setting targets to measure financial and other performance.
- 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. Howard Wilson were appointed to fulfil the role of Internal Auditor from September 2020.

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:

- Review of monthly Payroll procedures
- Review of WGS Financial Handbook
- Review of WGS website and Dfe Compliance
- Staff Expenses
- Credit Card purchases
- VAT (Making Tax Digital)

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 29th November 2021 and signed on its behalf by:



.....
Nick Moorhouse
Chair of Governing Body



.....
Miss Sylvia Tai
Accounting Officer

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 2021.

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 2021.

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


.....
Miss Sylvia Tai
Accounting Officer
29.11.21
.....
Date

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 Funding Agency (EFA), 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 EFA/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 29th November 2021 and signed on its behalf by:



Nick Moorhouse
Chair of the Governing Body

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 2021 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 2020 to 2021 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 2021 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 2020 to 2021 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the control environment and performance of the Academy and Group, including the remuneration incentives and pressures of key management;
- the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. We consider the results about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy and Group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override, including testing journals and evaluating whether there was evidence of bias by the Trustees that represented a risk of material misstatement due to fraud.

We also obtained an understanding of the legal and regulatory frameworks that the academy operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, the Charities SORP 2019, the Academies Accounts Direction 2020 to 2021 and relevant tax legislation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Hillier Hopkins LLP

.....
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

8th December 2021

.....
Date:

Independent reporting accountant's assurance report on regularity

In accordance with the terms of our engagement letter dated 17 July 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31 August 2021 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's funding agreement with the Secretary of State for Education dated 25 August 2010 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


.....
Hilmer Hopkins LLP

Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

Date: 9th December 2021

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

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	2,962	22,165	447,197	472,324	522,505
Charitable activities	4	91,334	7,608,176	-	7,699,510	6,949,026
Other trading activities	5	358,545	-	-	358,545	513,353
Investments	6	156	-	-	156	621
Other income	7	3,105	-	-	3,105	1,332
Total income		456,102	7,630,341	447,197	8,533,640	7,986,837
Expenditure on:						
Raising funds	8	260,694	-	-	260,694	337,743
Charitable activities	9	51,635	7,653,863	283,365	7,988,863	7,947,381
Total expenditure		312,329	7,653,863	283,365	8,249,557	8,285,124
Net income/(expenditure)		143,773	(23,522)	163,832	284,083	(298,287)
Transfers between funds	19	(97,362)	-	97,362	-	-
Net movement in funds before other recognised gains/(losses)		46,411	(23,522)	261,194	284,083	(298,287)
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	25	-	(948,000)	-	(948,000)	79,000
Net movement in funds		46,411	(971,522)	261,194	(663,917)	(219,287)

Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Reconciliation of funds:					
Total funds brought forward	712,183	(2,686,000)	14,820,876	12,847,059	13,066,346
Net movement in funds	46,411	(971,522)	261,194	(663,917)	(219,287)
Total funds carried forward	758,594	(3,657,522)	15,082,070	12,183,142	12,847,059

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

The notes on pages 42 to 73 form part of these financial statements

Consolidated Balance Sheet

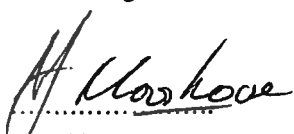
	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	14,783,491	14,768,494
		<u>14,783,491</u>	<u>14,768,494</u>
Current assets			
Debtors	17	437,116	298,270
Cash at bank and in hand		1,603,951	1,169,589
		<u>2,041,067</u>	<u>1,467,859</u>
Creditors: amounts falling due within one year	18	(661,416)	(703,294)
Net current assets		<u>1,379,651</u>	<u>764,565</u>
Total assets less current liabilities		<u>16,163,142</u>	<u>15,533,059</u>
Net assets excluding pension liability		<u>16,163,142</u>	<u>15,533,059</u>
Defined benefit pension scheme liability	25	(3,980,000)	(2,686,000)
Total net assets		<u>12,183,142</u>	<u>12,847,059</u>

Funds of the academy

Restricted funds:

Fixed asset funds	19	15,082,070	14,820,876
Restricted income funds	19	322,478	-
		<hr/>	<hr/>
Restricted funds excluding pension asset	19	15,404,548	14,820,876
Pension reserve	19	(3,980,000)	(2,686,000)
		<hr/>	<hr/>
Total restricted funds	19	11,424,548	12,134,876
Unrestricted income funds	19	758,594	712,183
		<hr/>	<hr/>
Total funds		12,183,142	12,847,059

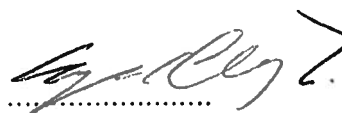
The financial statements on pages 35 to 73 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Nick Moorhouse
Chair of Trustees

29/11/21

Date:



Sylvia Chong-Tai
Accounting Officer

29.11.21

Date:

The notes on pages 42 to 73 form part of these financial statements

Academy Balance Sheet

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	14,783,491	14,768,494
Investments	16	100	100
		14,783,591	14,768,594
Current assets			
Debtors	17	615,026	506,571
Cash at bank and in hand		1,405,789	941,814
		2,020,815	1,448,385
Creditors: amounts falling due within one year	18	(641,264)	(683,920)
Net current assets		1,379,551	764,465
Total assets less current liabilities		16,163,142	15,533,059
Net assets excluding pension liability		16,163,142	15,533,059
Defined benefit pension scheme liability	25	(3,980,000)	(2,686,000)
Total net assets		12,183,142	12,847,059

	Note	2021 £	2020 £
Funds of the academy			
Restricted funds:			
Fixed asset funds	19	15,404,548	14,820,876
Pension reserve	19	(3,980,000)	(2,686,000)
Total restricted funds	19	11,424,548	12,134,876
Unrestricted income funds	19	758,594	712,183
Total funds		12,183,142	12,847,059

The financial statements on pages 35 to 73 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Nick Moorhouse
Chair of Trustees

Date: 29/11/21



Sylvia Chong-Tai
Accounting Officer

The notes on pages 42 to 73 form part of these financial statements.

Consolidated Statement of Cash Flows

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	355,371	(145,408)
Cash flows from Investing activities	22	78,991	(125,023)
Change in cash and cash equivalents in the year		434,362	(270,431)
Cash and cash equivalents at the beginning of the year		1,169,589	1,440,020
Cash and cash equivalents at the end of the year	23, 24	<u>1,603,951</u>	<u>1,169,589</u>

The notes on pages 42 to 73 form part of these financial statements.

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 2020 to 2021 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.

Accounting policies (continued)

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.

Accounting policies (continued)

- **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 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
Assets under construction	- are not depreciated until transferred into an appropriate sub category upon completion of construction

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.

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless 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.

1.9 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.

1.10 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.

1.11 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.

1.12 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 17. 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 note 18. 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.

1.13 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.

1.14 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.

1.15 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy does not have control over the charitable application of the funds. The academy trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of the financial activities.

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

1.16 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The academy 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 25, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	2,962	22,165	70,000	95,127
Government grants	-	-	377,197	377,197
	<u>2,962</u>	<u>22,165</u>	<u>447,197</u>	<u>472,324</u>

	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>

4. Funding for the academy's educational activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	6,829,554	6,829,554
Other DfE/ESFA grants			
Other ESFA income	-	31,760	31,760
TPG and TPECG grants	-	380,322	380,322
Schools Direct income	-	18,875	18,875
Pupil Premium	-	117,882	117,882
	-	-	7,378,393
Other Government grants			
Local authority	-	150,952	150,952
	-	150,952	150,952
Other income from the academy's educational activities	91,334	-	91,334
COVID-19 additional funding (DfE/ESFA)			
Catch-up Premium	-	42,061	42,061
Covid-19 mass testing grant	-	36,770	36,770
	-	78,831	78,831
Total 2021	91,334	7,608,176	7,699,510

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

	<i>Unrestricted funds 2020 £</i>	<i>As restated Restricted funds 2020 £</i>	<i>As restated Total funds 2020 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	-	6,130,309	6,130,309
Other DfE/ESFA grants			
Other ESFA income	-	27,193	27,193
TPG and TPECG grants	-	354,329	354,329
Schools Direct Income	-	17,600	17,600
Pupil premium	-	74,335	74,335
	-	-	6,603,766
Other Government grants			
Local authority	-	147,620	147,620
	-	147,620	147,620
Other income from the academy's educational activities	197,640	-	197,640
Total 2020 as restated	197,640	6,751,386	6,949,026

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the group's funding for Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The academy received £79,360 (2020:£nil) of funding for COVID-19 catch-up premium of which £42,061 has been recognised in these financial statements and costs incurred in respect of this funding totalled £42,061 (2020:£nil), with the remaining £37,299 (2020:£nil) to be spent in 2021/22 and included in deferred income.

The academy received £45,060 (2020:£nil) of funding for COVID-19 mass testing of which £36,770 has been recognised in these financial statements and costs incurred in respect of this funding totalled £36,770 (2020:£nil), with the remaining £8,290 (2020:£nil) to be spent in 2021/22 and included in deferred income.

5. Income from other and trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Beat commission	5,776	5,776
School shop	15,585	15,585
Hire of facilities	27,322	27,322
Other activities for generating funds	21,077	21,077
Evening class income	2,567	2,567
Teacher release income	6,625	6,625
Income from trading subsidiary	279,593	279,593
	358,545	358,545

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
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

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Interest received	156	156

6. Investment Income (continued)

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

7. Other Incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £
Insurance income	3,105	3,105

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Insurance income	1,332	1,332

8. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Expenditure on fundraising trading activities:				
Direct costs	241,585	-	19,109	260,694
Educational activities:				
Direct costs	5,251,345	-	277,268	5,528,613
Allocated support costs	1,388,508	617,410	454,332	2,460,250
Total 2021	6,881,438	617,410	750,709	8,249,557

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Expenditure on fundraising trading activities:				
Direct costs	311,960	-	25,783	337,743
Educational activities:				
Direct costs	5,091,873	-	468,033	5,559,906
Allocated support costs	1,395,318	623,137	369,020	2,387,475
	6,799,151	623,137	862,836	8,285,124

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Educational activities	51,635	7,937,228	7,988,863
Total 2021	51,635	7,937,228	7,988,863

9. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

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

10. Analysis of expenditure by activities

	<i>Activities undertaken directly 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
Educational activities	5,528,613	2,460,250	7,988,863
Total 2021	5,528,613	2,460,250	7,988,863

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Educational activities	5,559,906	2,387,475	7,947,381

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational activities 2021 £	Total funds 2021 £
FRS102 Pension cost	49,000	49,000
Staff costs	1,388,508	1,388,508
Depreciation	283,365	283,365
Premises maintenance costs	144,445	144,445
Rent and rates	39,332	39,332
Technology costs	149,664	149,664
Insurance costs	65,798	65,798
Heat and light costs	114,273	114,273
Printing, postage and stationery	50,706	50,706
Cleaning and caretaking costs	35,995	35,995
Professional fees and governance costs	68,620	68,620
Other support costs	70,544	70,544
Total 2021	2,460,250	2,460,250

10. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>As restated Educational activities 2020 £</i>	<i>As restated Total funds 2020 £</i>
Pension finance costs	46,000	46,000
Staff costs	1,395,318	1,395,318
Depreciation	299,166	299,166
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	54,742	54,742
Other support costs	81,991	81,991
<i>Total 2020 as restated</i>	<u>2,387,475</u>	<u>2,387,475</u>

Following the reclassification in the Academies Accounts Direction 2020/21, recruitment costs have been reclassified to direct costs. The prior year numbers have been reclassified.

11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Depreciation of tangible fixed assets	283,365	299,166
Fees paid to auditors for:		
- audit	11,200	11,150
- other services	5,450	9,225

12. Staff

a. Staff costs

Staff costs during the year were as follows:

	Group 2021 £	Group 2020 £	Academy 2021 £	Academy 2020 £
Wages and salaries	4,915,520	4,861,767	4,728,147	4,622,177
Social security costs	491,802	481,921	478,318	464,382
Pension costs	1,422,321	1,446,856	1,381,593	1,392,025
	6,829,643	6,790,544	6,588,058	6,478,584
Agency staff costs	51,795	8,607	51,795	8,607
	6,881,438	6,799,151	6,639,853	6,487,191

b. Staff numbers

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

	Group 2021 No.	Group 2020 No.
Teachers	86	84
Education support	75	73
Management	9	8
Temporary	-	2
	170	167

12. Staff (continued)

c. Higher paid staff

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

	Group 2021 No.	Group 2020 No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	2	2
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-
	<u>6</u>	<u>5</u>

5 of the above employees (2020: 4) participated in the Teachers' Pension Scheme. During the year ended 31 August 2021, pension contributions for these staff amounted to £86,694 (2020: £66,058).

1 of the above employees (2020: 1) also participated in the Local Government Pension Scheme. During the year ended 31 August 2021, pension contributions for this staff member amounted to £17,937 (2020: £17,997).

d. Key management personnel

The key management personnel of the academy comprise the Trustees and the senior management team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy was £892,702 (2020 £784,468).

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:

		2021 £	2020 £
Sylvia Tal	Remuneration	100,000 - 105,000	95,000 - 100,000
	Pension contributions paid	20,000 - 25,000	20,000 - 25,000
Mary Meerabux	Remuneration	35,000 - 40,000	35,000 - 40,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
Claire Kirwan (resigned 19 February 2021)	Remuneration	40,000 - 45,000	30,000 - 35,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000
Kerry King	Remuneration	20,000 - 25,000	20,000 - 25,000
	Pension contributions paid	0 - 5,000	0 - 5,000
Adam Newbey (appointed 22 February 2021)	Remuneration	50,000 - 55,000	
	Pension contributions paid	10,000 - 15,000	

During the year, retirement benefits were accruing to 4 Trustees (2020 - 4) in respect of defined benefit pension schemes.

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £NIL).

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 £5,000,000 on any one claim and the cost for the year ended 31 August 2021 was £296 (2020 - £220).

15. Tangible fixed assets

Group and Academy

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Assets under construction £	Total £
Cost or valuation					
At 1 September 2020	10,453,840	5,495,099	623,649	608,994	17,181,582
Additions	-	-	5,142	293,220	298,362
Transfers between classes	-	610,005	4,808	(614,813)	-
At 31 August 2021	<u>10,453,840</u>	<u>6,105,104</u>	<u>633,599</u>	<u>287,401</u>	<u>17,479,944</u>
Depreciation					
At 1 September 2020	1,359,958	504,595	548,535	-	2,413,088
Charge for the year	135,996	113,879	33,490	-	283,365
At 31 August 2021	<u>1,495,954</u>	<u>618,474</u>	<u>582,025</u>	<u>-</u>	<u>2,696,453</u>
Net book value					
At 31 August 2021	<u>8,957,886</u>	<u>5,486,630</u>	<u>51,574</u>	<u>287,401</u>	<u>14,783,491</u>
At 31 August 2020	<u>9,093,882</u>	<u>4,990,504</u>	<u>75,114</u>	<u>608,994</u>	<u>14,768,494</u>

16. Fixed asset investments

	Investments in subsidiary companies £
academy	
Cost or valuation	
At 1 September 2020	100
At 31 August 2021	100
Net book value	
At 31 August 2021	100
At 31 August 2020	100

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, WD15 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	279,593	(260,694)	18,899	100

17. Debtors

	Group 2021 £	Group 2020 £	Academy 2021 £	Academy 2020 £
Due within one year				
Trade debtors	4,721	36,275	3,842	2,098
Amounts owed by group undertakings	-	-	178,792	243,231
Other debtors	82,595	99,392	82,592	99,392
Prepayments and accrued income	349,800	162,603	349,800	161,850
	<u>437,116</u>	<u>298,270</u>	<u>615,026</u>	<u>506,571</u>

18. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Academy 2021 £	Academy 2020 £
Trade creditors	3,742	36,998	3,742	36,998
Other taxation and social security	131,155	129,180	119,257	115,858
Other creditors	168,277	220,378	168,274	220,379
Accruals and deferred income	358,242	316,738	349,991	310,685
	<u>661,416</u>	<u>703,294</u>	<u>641,264</u>	<u>683,920</u>
	Group 2021 £	Group 2020 £	Academy 2021 £	Academy 2020 £
Deferred income falling due within one year				
Deferred income at 1 September 2020	181,521	337,574	179,768	335,090
Resources deferred during the year	205,153	181,521	203,655	179,768
Amounts released from previous periods	(181,521)	(337,574)	(179,768)	(335,090)
	<u>205,153</u>	<u>181,521</u>	<u>203,655</u>	<u>179,768</u>

19. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds - all funds	712,183	456,102	(312,329)	(97,362)	-	758,594
Restricted general funds						
General Annual Grant (GAG)	-	6,829,554	(6,507,076)	-	-	322,478
Pupil premium	-	117,882	(117,882)	-	-	-
Other ESFA/DfE	-	509,788	(509,788)	-	-	-
Local authority	-	150,952	(150,952)	-	-	-
Other restricted income	-	22,165	(22,165)	-	-	-
Pension reserve	(2,686,000)	-	(346,000)	-	(948,000)	(3,980,000)
	<u>(2,686,000)</u>	<u>7,630,341</u>	<u>(7,653,863)</u>	<u>-</u>	<u>(948,000)</u>	<u>(3,657,522)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	14,788,493	-	(283,365)	298,363	-	14,783,491
ESFA capital grants	14,595	377,197	-	(111,980)	-	279,812
Other donations	37,788	70,000	-	(89,021)	-	18,767
	<u>14,820,876</u>	<u>447,197</u>	<u>(283,365)</u>	<u>97,362</u>	<u>-</u>	<u>15,082,070</u>
Total Restricted funds	12,134,876	8,077,538	(7,937,228)	97,362	(948,000)	11,424,548
Total funds	12,847,059	8,533,640	(8,249,557)	-	(948,000)	12,183,142

19. Statement of funds (continued)

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.

Other ESFA/DfE income represents rates relief, free school meals, COVID-19 catch-up grant COVID-19 mass testing grant, TPG and TPECG allocations.

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 2021.

19. Statement of funds (continued)

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

	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)	(158,991)	-	712,183
Restricted general funds						
General Annual Grant (GAG)	-	8,126,789	(8,283,780)	156,991	-	-
Pupil premium	-	74,335	(74,335)	-	-	-
National College	-	375,449	(375,449)	-	-	-
Other ESFA/DFE	-	27,193	(27,193)	-	-	-
Local authority	-	147,620	(147,620)	-	-	-
Other restricted income	-	592	(592)	-	-	-
Restricted donations	-	224,490	(224,490)	-	-	-
Pension reserve	(2,406,000)	-	(359,000)	-	79,000	(2,686,000)
	<u>(2,406,000)</u>	<u>8,976,376</u>	<u>(7,492,388)</u>	<u>156,991</u>	<u>79,000</u>	<u>(2,686,000)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	14,658,995	-	(299,166)	410,664	-	14,769,493
ESFA capital grants	-	37,288	-	(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>295,020</u>	<u>(299,166)</u>	<u>-</u>	<u>-</u>	<u>14,820,876</u>

19. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Total Restricted funds	12,429,022	7,261,398	(7,791,535)	156,991	79,000	12,134,876
Total funds	13,066,346	7,986,837	(8,285,124)	-	79,000	12,847,059

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	14,783,491	14,783,491
Current assets	787,946	954,542	298,579	2,041,067
Creditors due within one year	(29,352)	(632,064)	-	(661,416)
Provisions for liabilities and charges	-	(3,980,000)	-	(3,980,000)
Total	758,594	(3,657,522)	15,082,070	12,183,142

Analysis of net assets between funds - prior year

	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

21. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure) for the year (as per Statement of financial activities)	284,083	(298,287)
Adjustments for:		
Depreciation	283,365	299,166
Capital grants from DfE and other capital income	(377,197)	(285,020)
Interest receivable	(156)	(621)
Defined benefit pension scheme cost less contributions payable	346,000	359,000
Increase in debtors	(138,846)	(42,808)
Decrease in creditors	(41,878)	(176,838)
Net cash provided by/(used in) operating activities	355,371	(145,408)

22. Cash flows from Investing activities

	Group 2021 £	Group 2020 £
Dividends, interest and rents from investments	156	621
Purchase of tangible fixed assets	(298,362)	(410,664)
Capital grants from DfE Group	377,197	285,020
Net cash provided by/(used in) investing activities	78,991	(125,023)

23. Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash in hand and at bank	1,603,951	1,169,589
Total cash and cash equivalents	1,603,951	1,169,589

24. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,169,589	434,362	1,603,951
	<u>1,169,589</u>	<u>434,362</u>	<u>1,603,951</u>

25. 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 2019.

Contributions amounting to £133,747 were payable to the schemes at 31 August 2021 (2020 - £141,962) 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.

25. Pension commitments (continued)

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 £822,989 (2020 - £815,267).

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.

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 2021 was £393,000 (2020 - £407,000), of which employer's contributions totalled £301,000 (2020 - £316,000) and employees' contributions totalled £ 92,000 (2020 - £91,000). 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.

25. Pension commitments (continued)

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.30	2.20
Discount rate for scheme liabilities	1.65	1.70
Inflation assumption (CPI)	2.90	2.20

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

	2021	2020
	Years	Years
<i>Retiring today</i>		
Males	22.1	21.9
Females	24.5	24.1
<i>Retiring in 20 years</i>		
Males	23.2	22.8
Females	26.2	25.5

Sensitivity analysis

	2021	2020
	£000	£000
Discount rate -0.1%	234	186
CPI rate +0.1%	208	164
Salary increase rate +0.1%	23	19

Share of scheme assets

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

	2021	2020
	£	£
Equities	3,411,000	2,870,000
Bonds	1,866,000	1,896,000
Property	708,000	487,000
Cash and other liquid assets	451,000	163,000
Total market value of assets	6,436,000	5,416,000

25. Pension commitments (continued)

The actual return on scheme assets was £731,000 (2020 - £288,000).

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

	2021 £	2020 £
Current service cost	(598,000)	(629,000)
Interest income	94,000	90,000
Interest cost	(143,000)	(136,000)
Total amount recognised in the Consolidated Statement of Financial Activities	(647,000)	(675,000)

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

	2021 £	2020 £
At 1 September	8,102,000	7,243,000
Current & past service cost	598,000	629,000
Interest cost	143,000	136,000
Employee contributions	92,000	91,000
Actuarial losses	1,585,000	119,000
Benefits paid	(104,000)	(116,000)
At 31 August	10,416,000	8,102,000

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

	2021 £	2020 £
At 1 September	5,416,000	4,837,000
Interest income	94,000	90,000
Actuarial gains	637,000	198,000
Employer contributions	301,000	316,000
Employee contributions	92,000	91,000
Benefits paid	(104,000)	(116,000)
At 31 August	6,436,000	5,416,000

26. Operating lease commitments

At 31 August 2021 the Group and the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £	Academy 2021 £	Academy 2020 £
Not later than 1 year	13,391	13,391	13,391	13,391
Later than 1 year and not later than 5 years	3,898	17,289	3,898	17,289
	17,289	30,680	17,289	30,680

27. 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.

28. 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 £32,380 (2020: £12,087) was received from Watford Grammar Schools Foundation, relating to revenue grants and £nil (2020: £nil) of capital grants. Watford Grammar Schools Foundation is related by virtue of governors P McCloskey and T Rindl also being governors of the Watford Grammar Schools Foundation. At the year end, there were no amounts outstanding (2020: £nil).

During the year, the group made purchases from Watford Grammar School for Boys of £43,724 (2020: £30,747) and sales of £13,098 (2020: £10,698). Watford Grammar School for Boys is a related by virtue of T Rindl and E Dyson being governors of both schools. At the year end, there were no amounts outstanding (2020: £nil).

During the year, the group made sales to Watford St John's Church of England Primary School of £151 (2020: £37,457). Watford St John's Church of England Primary School is a related by virtue of T Rindl being a governor of both schools. At the year end, £nil outstanding (2020: £7,532)

29. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. For the year ended 31 August 2021, the academy received £11,749 (2020: £15,666) and disbursed £24,428 (2019: £19,025) from the fund, including reimbursement of £587 for reasonable administrative costs dating back to 2011. An amount of £14,638 (2020: £27,904) is included in other creditors relating to undistributed funds that will be distributed to qualifying students in future academic years.

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 £98,100 (2020: £96,536) and disbursed £98,100 (2020: £96,536) from the fund. At the year end there is £nil (2019: £nil) of undistributed funds included in other creditors.

30. Controlling party

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