

Company Registration No. 07693743 (England and Wales)

**SACRED HEART OF MARY GIRLS' SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020**

SACRED HEART OF MARY GIRLS' SCHOOL

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SACRED HEART OF MARY GIRLS' SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Brentwood Diocesan Trust Representative
Bishop A Williams SM
Mr R A Hoggett (resigned 15 July 2020)
Mrs V Davin (appointed 16 July 2020)

Governors

Mrs T Knight
Mr M Heavey
Mr M Earley
Mrs H Ward
Mr P McAuliffe
Mrs K Jones
Miss A Holman
Mr M O'Riordan
Mrs K O'Neill (Resigned 31 August 2020)
Sister R Lenehan
Mr D Leech
Mr R Hoggett (Resigned 15 July 2020)
Mr S Hartley
Mrs M Devlin
Mrs B Gopal
Mrs V Davin (Chair of Governors)
Mr J Crispin (Appointed 1 January 2020)
Mr L Johnston (Appointed 1 September 2019)
Mr P Kennedy (Appointed 10 October 2019)
Ms V T Qurrey (Accounting Officer) (Appointed 1 September 2020)

Senior management team

Mrs K M O'Neill (resigned 31 August 2020)
Mr T Bright
Miss B McConville
Mrs O Munday
Mrs C Raper
Mrs K Jones
Ms V Qurrey (appointed 1 September 2020)

Company secretary

Mr S Beck

Company registration number

07693743 (England and Wales)

Registered office

St Mary's Lane
Upminster
Essex
RM14 2QR

Independent auditor

Azets Audit Services
1 Nelson Street
Southend on Sea
Essex
SS1 1EG

SACRED HEART OF MARY GIRLS' SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank
21 - 25 Station Lane
Town Centre
Hornchurch
Essex
RM12 6JL

Solicitors

Winckworth Sherwood
Minerva House
5 Montague Close
London
SE1 9BB

SACRED HEART OF MARY GIRLS' SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The Governors present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

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.

Sacred Heart of Mary Girls' School was incorporated on 5th July 2011 and obtained Academy Status from 1st August 2011.

The charitable company is known as Sacred Heart of Mary Girls' School.

The Governors are the trustees of Sacred Heart Of Mary Girls' School and are also the directors of the charitable company for the purposes of company law. Details of the Governors who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

SACRED HEART OF MARY GIRLS' SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Method of recruitment and appointment or election of Governors

The members of the Academy Trust shall comprise no less than three persons: the Bishop of Brentwood; the Chairman of Governors; and, a Representative of the Brentwood Diocesan Trust.

The number of governors shall be at least twenty one. The first governors shall be those named in the initial Memorandum. The Governing Body shall be constituted as follows: eleven Foundation Governors (appointed by the Bishop of Brentwood); three Staff Governors (two of whom are to be elected/appointed by the Staff, the other to be the Headteacher); four Parent Governors (to be elected/appointed by parents/carers of pupils on roll at the School, in the first instance); one Member Governor (to be appointed by the Academy Trust); and two Co-opted Governors (to be appointed by the Governing Body).

Each of the persons entitled to appoint governors above shall have the right, from time to time by written notice delivered to the office, to remove any governor appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise.

The term of office for any governor shall be four years, save that this time limit shall not apply to the Headteacher. Subject to remaining eligible to be a particular type of governor, any governor may be re-appointed or re-elected.

It is the responsibility of the School's trustees, the Diocese of Brentwood, to identify and appoint Member and Foundation Governors when a vacancy occurs. Prospective candidates for Member and Foundation Governor vacancies are required to complete a Skills Audit as devised by the Catholic Education Service. Teacher, Staff and Parent Governors are elected and are appointed following an advertisement (including any identified gaps in coverage identified in an annual skills audit undertaken by all Governors), nomination and election process administered by the Clerk to the Governors.

All Governors are given access to and are encouraged to attend appropriate in-house and external training.

Senior Leadership Pay Policy

The School has a Performance Appraisal and Pay Policy in place which incorporates the arrangements for determining pay for all members of the Senior Leadership Team. The Governing Body has adopted the national pay scales and pay ranges for Leadership Team members.

Policies and procedures adopted for the induction and training of Governors

During the period under review, the governors held seven full governing body meetings. The training and induction provided for new governors will depend on their existing experience. All new governors will be given a tour of the School and the chance to meet with staff and pupils. All relevant governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need in order to undertake their role as governors. As there are normally only one or two new governors each year, induction tends to be done informally and is tailored specifically to the individual. However, during the course of the past year, the Governing Body has subscribed to Key Governor which provides online content that all governors have access to for reference and training purposes and it has Gold membership of the National Governors' Association. Additionally, governors have access to the bespoke training programme offered by the Diocese of Brentwood. A full Governing Body Skills Audit is conducted and analysed annually.

SACRED HEART OF MARY GIRLS' SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Organisational structure

The organisational structure consists of three levels: the Governing Body, the Senior Leadership Team and the Middle Leadership Team (Subject Leaders and Pupil Development Coordinators). The aim of the leadership structure is to devolve responsibility and encourage involvement in and ownership of decision making at all levels.

The Governors are responsible for setting general policy, adopting an annual development plan and budget, monitoring the School by the use of budgets and making major decisions about the direction of the School, capital expenditure and senior staff appointments.

During the Academic Year 2019-2020, the Senior Leadership Team comprised: the Headteacher and five senior leaders. These managers control the School at an executive level, implementing the policies laid down by the Governors and reporting back to them. As a group, the Senior Leadership Team is responsible for the authorisation of spending within agreed budgets and the appointment of staff, through recruitment panels which sometimes include a governor. Some spending control is devolved to Middle Leaders, with limits above which a Senior Leader must countersign or authorise.

The Senior Leadership Team and Middle Leaders are responsible for the day to day operation of the school, in particular organising the teaching staff, support staff, facilities and pupils.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	1
Full-time equivalent employee number	0.08

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	1
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	4,312
Total pay bill	4,377,000
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100%
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Related parties and other connected charities and organisations

Owing to the nature of the Academy's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

Crusaider First Aid is a related party as is Mrs S Williams, a teacher at the School, who is the daughter of one of the Foundation Governors.

SACRED HEART OF MARY GIRLS' SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

Objects and aims

The principal object and activity of the charitable company is the operation of Sacred Heart of Mary Girls' School to provide Catholic education for pupils of different abilities between the ages of 11 and 18.

In accordance with the Articles of Association, the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the School and the catchment area from which the pupils are drawn.

The main objectives of the School during the period ended 31st August 2020 are summarised below:

- to provide a caring, disciplined and stable environment in which teaching and learning can take place, and in which each pupil is respected as a unique person with God-given gifts, qualities and particular needs;
- to enable pupils to achieve their potential in academic studies, and to assist their intellectual, spiritual, moral, cultural, aesthetic, emotional and physical development in preparation for adult life and family responsibilities;
- to help pupils develop respect, tolerance and concern for others, an appreciation of the complexity of the world around them and its cultural diversity, and to become responsible citizens;
- to create a happy and purposeful Christian community which will enable pupils to grow in understanding of their faith and of themselves, to enjoy relationships based on trust, courtesy, kindness and co-operation, and to develop confidence and a joy in learning as a sound basis for further/higher education, satisfying careers/vocations and a full life;
- to improve the effectiveness of the School by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce; and
- to conduct the School's business in accordance with the highest standards of integrity, probity and openness.

Objectives, strategies and activities

The School's main strategy encompasses providing:

- private, individual, small group and whole school opportunities to worship, to pray and to learn more about the Christian faith;
- tuition and learning opportunities for all students to attain appropriate academic qualifications;
- training opportunities for all staff, and especially teaching staff;
- secondments and placing of pupils with industrial and commercial partners for work experience;
- a programme of educational visits;
- a programme of sporting and after school leisure activities for all pupils;
- a system of after school clubs to allow pupils to explore areas of personal interest and challenge; and,
- a careers advisory service to help pupils obtain employment or move on to higher education.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that they have set.

Equality and Diversity policy

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

SACRED HEART OF MARY GIRLS' SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance

The School is in its tenth year of operation as an Academy. The School is above its Planned Admission Number (PAN) due to successful admission appeals. Post 16 numbers are also healthy at 212 but the School continues to focus on wider marketing of its Post 16 provision to external candidates. The total pupil roll in the year ended 31st August 2020 numbered 814.

The 2020 public examinations were an early victim of the coronavirus pandemic as the government decided to cancel them and introduce a system of Centre Assessed Grades (CAGs) by way of replacement. The system required schools to look at all the data they had about the pupil and the historical performance of both the subject and the School when determining this CAG. Departments were responsible for submitting their initial CAG grade and then the Senior Leadership Team (SLT) spent many hours discussing these grades with Subject Leaders (SLs) before the final CAG was determined and sent off to the examination boards. Unfortunately, as has been well documented, the algorithm that was applied to these results proved to be inadequate and the initial published grades were ridiculed and thrown out. These initial grades were replaced by the initial CAGs without any external checks or balances being applied. The result was that there was a significant rise in grades at all levels, and, particularly at the highest level nationally. This inflation of grades clearly impacted on any form of progress measure calculation which is why the government has determined not to publish such measures this year.

The unfortunate consequence of all this has been that the hard work and achievement of our students and their teachers have been, in many quarters, questioned or downplayed due to the circumstances by which they were reached. This is a travesty for those concerned as the system that we adopted was very rigorous. The result achieved by our students were pleasing and we are extremely proud of what the pupils have achieved.

The School continues to be very pleased indeed with its performance at Key Stage 4 with 95% of Year 11 pupils achieving at least 5 GCSEs at grades 4+, including English and Maths. 81% of the pupils attained the English Baccalaureate with standard passes in English and Maths. Due to the way these grades were created there is limited comparison data available. However, the figure provided from Fisher Family Trust using the DFE database for Progress 8 was +0.61, which maintains our statistically significant positive value-added.

Key Stage 5 results demonstrated the rigour by which the school processed CAG as outcomes were largely on a par with last year and in line with national average; although there remains some variance across the subject range. The average point score per best 3 A-levels was 38.85 which represent a grade B average. 64% of A-Level grades were of a B grade or better, and 13% were an A*.

The School, of course, is proud of all of its pupils - not just those achieving top grades - and their determination and hard work are to be commended. It is right and fitting that the commitment and dedication of our staff are also acknowledged as they work so hard to ensure that pupils are given the support they need in order to succeed.

To ensure that standards are continually raised the School operates an in-house monitoring and support programme as well as performance management which focusses on teaching and learning. The School also participates in national programmes looking at added value through the key stages (eg SMID and Analyse School Performance (the replacement for RAISEOnline). We have also taken up the opportunity to participate in a discounted trial of the Fisher Family Trust website to enhance our scrutiny of data and to aid in our monitoring of progress.

SACRED HEART OF MARY GIRLS' SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Key Performance Indicators:

The School's last OFSTED Section 5 Inspection took place in November 2013, It was rated 'outstanding' for the third consecutive time and the full inspection report can be found on the School website by following this link:

https://sacredheartofmary.net/wp-content/uploads/sacred_Heart_of_Mary_Girls_School_for_publication_WF13173388.pdf

As a faith school, Sacred Heart of Mary Girls' School is also subject to a Section 48 (Religious Character) OFSTED Inspection. The most recent Section 48 Inspection Report was issued in March 2019. Inspectors rated the School as 'Outstanding' and, in summary of their findings and judgements, stated:

Overall effectiveness of this Catholic Grade school

Grade 1

The school has a distinctive Catholic ethos in the spirit of the Sacred Heart of Mary Order. The teachings and values of the Gospel are fundamental to the life and work of the school and permeate every aspect of school life.

It is a happy, Christ-centred learning environment in which all students thrive. Everybody is welcomed and empowered to contribute. There is a highly effective partnership between leaders at all levels. They have a clear understanding of the Church's vision for Catholic education to develop young people of faith. Staff and pupils understand this and live out a mission true to the charism of the Sisters of the Sacred Heart of Mary.

Governors are very active and provide highly effective support for Religious Education (R.E.) and the Catholic Life of the school. They are committed to the school's mission, are actively involved in its evaluation and are ready to challenge as well as support where necessary.

The Headteacher and her leadership team serve as powerful role models of Christian living and Catholic leadership. The Headteacher is knowledgeable and fully understands the strengths and areas for development in all areas of the school. She is highly respected by all members of the school community.

Pastoral care is outstanding and reflects the school's strong moral purpose. The school is significantly effective in providing a secure, spiritual learning environment in which all students are inspired to "live life to the full".

Pupils articulate a deep understanding of their responsibilities to each other. Consequently, behaviour is exemplary at all times. They are respectful of each other and work together to create a calm and prayerful community in which all are valued. The high level of inclusion ensures that no pupil is left out. Pupils are encouraged, praised and supported in lessons and assemblies.

The subject leader is experienced and highly effective. As a result, standards of teaching and learning are excellent and reflect the important role RE plays as a core subject. The impressive progress of pupils, including disadvantaged pupils, reflects the dedication and hard work of teachers and the behaviour for learning demonstrated by pupils in their lessons.

Collective Worship is recognised as fundamental to deepening the spiritual life of the school. It is led by a passionate and experienced Chaplaincy Lead. She is very well supported by the student-based chaplaincy team.

Parents overwhelmingly agreed that the school gives unstinting support for their children and provides an outstanding Catholic education.

What the school should do to improve further:

Keep the Religious Education timetable allocation under review in light of the requirements of the Bishops Conference

SACRED HEART OF MARY GIRLS' SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Key performance indicators

CATHOLIC LIFE

Grade 1

Students make an outstanding contribution to the Catholic Life of the School and derive huge benefit from attending the Sacred Heart of Mary School. They embrace the demands and expectations that being at this school entail. As a result, they willingly take on responsibilities that promote and sustain the school's mission to serve and inspire a generosity of spirit. Through their attitudes and actions, students show their commitment to living the mission of the school, 'to live life to the full and bring life to others'. This is evident in the spirit of friendship and mutual respect that permeates the school.

Students were particularly appreciative of the way they all felt included in the 'family' of the Sacred Heart of Mary. A member of the order said that 'the girls are at the heart of the school'. Students show an ability to express their thanks, to forgive and be forgiven. As a result, relationships between all members of the community are warm and respectful. Behaviour is exemplary at all times. The impact of student leadership is evident in the range of opportunities to take on roles and responsibilities. Sixth form student leaders are outstanding role models for younger students. They set an example of leadership and maturity to which pupils can aspire. Students are genuinely supportive of each other, for example the sixth form mentors and prefects who support pupils around the school and in form groups. Students' understanding of Catholic social teaching is evident in the awareness they have of the needs of the school and the wider community. Students are aware of and seek to respond to their responsibilities towards others. They respond generously to a range of opportunities to serve others. For example, raising funds for charitable causes during Advent and Lent for staff and pupils participating in annual pilgrimages with HCPT and the Diocese. They understand not only the importance of giving, but also the reason why they should be doing so in a Catholic school.

The 'Corridor of Prayer' is a significant feature of the school. All members of the school publicly commit themselves to their faith with Lenten pledges. These are reinforced on a display board in the main entrance of the school and on displays in 'The Corridor of Prayer'. Parents were overwhelmingly appreciative of the impact the school has on their children. One parent commented that "God is at the front of everything the girls do".

The quality of provision of the Catholic Life of the school is outstanding

The school is distinctly Catholic. The charism of the Sacred Heart of Mary Order is encapsulated in the school's Mission Statement, 'Ut Vitam Habeant', 'that they may have life'. It is central to the life of the school and 'Life to the Full' is a constant focus of assemblies. It is a clear and inspiring expression of love and service. The community overwhelmingly respond by creating an authentic Catholic school through prayer and service to others. The Memorial garden serves as a witness to the family of the Sacred Heart of Mary. It is a reflective space in which students who have died are remembered and prayed for by staff and students. The impact of the Mission Statement is evident in the joyful and harmonious relationships throughout the school. All staff are fully committed to its implementation, as confirmed by students who spoke warmly of the support, praise and encouragement they receive. They commented on the extent to which interaction between the year groups contributed to their well-being. Pastoral care is outstanding and serves the needs, concerns and strengths of each child. Policies and practices have established a spirit of care and compassion for all. As a result, students are able to grow in confidence and maturity. The school provides effective support for students with a variety of needs. The Sacred Space is a designated room which provides a safe haven for vulnerable students, most particularly those who suffer from anxiety. Behaviour is exemplary as a result of policies that are clearly communicated to students at their induction and consistently applied. Students confirmed that good behaviour is the norm because everybody respects and wants the best for each other. The efficacy of chaplaincy provision is profound. Its aim is to bring the Kingdom of Heaven to the school. It is instrumental in providing a range of opportunities for pupils to develop the practice of their faith. The strong sense of community at all levels, evident in the high quality relationships and the centrality of prayer to the whole community, reflect the shared ministry of all staff. Pastoral care represents a significant strength of the school, evidenced in interviews with governors, staff and students. All were eager to highlight the tangible togetherness and mutual high regard regardless of faith and background. Students highlighted how the supportive nature of relationships between staff and pupils and between pupils across year groups contributes to their pastoral wellbeing.

SACRED HEART OF MARY GIRLS' SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

How well leaders and managers promote, monitor and evaluate the provision for the Catholic Life of the school is outstanding.

Leaders and managers are deeply committed to the Church's mission in education. They demonstrate a clear understanding of their responsibility to provide a school that responds to the needs and strengths of staff and students. They articulated a clear vision for deepening the impact of the Catholic Life of the school. Leaders have a well-informed understanding of the strengths of the provision for the Catholic Life of the school and areas for development. This is reflected in the self-evaluation which is a coherent reflection of their awareness of the strengths of the school and areas for development. Governors monitor and evaluate the quality of the Catholic Life by their presence around the school and attendance at liturgical celebrations. The Link Governor reports to formal meetings. Testimony from pupils and parents indicates that the school effectively maintains its distinctive ethos. The professional expertise and inspirational leadership of the Headteacher is a significant factor in the efficacy of the Catholic faith in the life of the school. The high priority given by her to promoting the centrality of the school's Catholic ethos is a living reality, evidenced by its modelling by the whole staff.

Students recognise that they are supported. The powerful impact of the Sacred Heart of Mary charism is seen in the powerful and lived Catholic ethos of the school. The Headteacher said her aim at the outset was to build a school on the legacy of the Sacred Heart of Mary Order. The Sisters confirmed their pride in the way the school does this. The induction into the Sacred Heart of Mary ethos for new staff and regular inset on Catholic Life are instrumental in developing a deep awareness of what it means to be a member of the community. Constant communication between the school and parents was affirmed in parental feedback. They expressed their warm appreciation for the way the school complements and supports their work as parents. As a result, staff and students' understanding of the mission of the Sacred Heart of Mary is outstanding.

RELIGIOUS EDUCATION

Grade 1

Almost all pupils make progress in R.E. above the national average. Groups of students, including pupils with special educational needs and disabilities, make at least their expected level of progress, whilst some make outstanding progress. During the inspection, students displayed good, and in most cases, outstanding, age-appropriate standards of religious literacy. R.E. is held in high regard by students. All pupils approach lessons with great interest and enjoy their learning. This is evidenced by outstanding behaviour for learning and high levels of engagement in observations during the inspection. Students were able to articulate to inspectors a high level of motivation to learn as a result of the praise and encouragement they receive for their work and attitude. They demonstrated an ability to work collaboratively and independently to great effect. As a result of high quality teaching, student attainment in RE over the last three years has been consistently outstanding. All students achieved their expected levels with many exceeding their expected grades. Attainment at A level is consistently above the national average. The ALPS score was 2, up from 7 the previous year. This reflects the ambitions teachers have for each pupil. High expectations show the determination of staff to help pupils achieve at least expected outcomes in R.E. Challenging targets are set. Pupils respond positively to the challenge and grow in self-confidence because of the encouragement and praise they receive from teachers. Lesson observations and reviews of pupils' work by inspectors confirm the school's self-evaluation and observations that teaching is always at least good and often outstanding. Priorities for improving teaching come from a detailed review of observations. Pupils make progress above the national average because well-structured lessons are delivered in ways that are engaging and well-paced. This reflects a high level of consistency across the department that ensures all pupils learn. A range of AFL techniques are effectively used within lessons to assess progress and to inform further planning.

Lesson observations and reviews of pupils' work during the inspection confirm the school's judgement that teaching is generally outstanding and never less than good. As a result, pupils make rapid and sustained progress in R.E. Evidence shows teachers differentiate effectively and demonstrate excellent subject knowledge. Challenging questioning techniques and appropriate levels of challenge were seen in the lessons inspectors observed. Teachers are highly effective in consistently planning and delivering high-quality lessons linked to pupils' current assessment. As a result, pupils continue to consolidate and extend their learning. Teachers have a high level of confidence because of their excellent subject knowledge and a range of inspiring methods that engage and challenge pupils. This was particularly evident in GCSE lessons. Students developed their understanding of key exam skills as a result of clear explanations and regular reinforcing of how to achieve top marks. A rigorous and effective assessment process at Key Stages 3 and 4 is undertaken in line with the school's policy.

SACRED HEART OF MARY GIRLS' SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

It is used to measure progress against set criteria and identifies pupils' strengths and areas that need further support. There is a consistency of high expectation and planning across the department. As a result, teachers are confident in using a wide range of resources and strategies that inspire pupils' engagement and learning. Pupils confirmed they receive support and extra challenge as appropriate to their needs.

Leaders and managers are ambitious for sustaining high standards of teaching and learning in R.E. Governors are effective in supporting and challenging school leaders. The Link Governor reports formally once a year to governors. Informal monitoring visits occur throughout the year. Governors are proud of the school's achievements and are determined to lead the school in continually improving standards. Leaders and Governors ensure R.E. has full parity with other core subjects as evidenced in outcomes and staffing. The Headteacher is committed to promoting the central role R.E. has in this outstanding school. She works effectively with her senior team who demonstrate strong and inspirational leadership of teaching and learning in R.E. The school is part of the Agnus Dei teaching alliance which offers the school opportunities to develop methodology and assessment with other schools. They regularly monitor teaching and learning through learning walks and joint observations with the Head of Department. The Headteacher meets the Head of Department fortnightly. This results in consistent feedback and accurate judgement. Leadership of R.E. inspires whole-hearted commitment from staff and pupils. As a consequence, standards of teaching and learning are outstanding. She uses her experience and expertise to support and improve the effectiveness of teachers of R.E. Her tangible support in the form of staffing and resources confirms that understanding goes beyond public rhetoric. The high quality learning displays in the suite of RE rooms provide visible resources to support students of all abilities. The curriculum across all key stages meets the requirements of the Religious Education Curriculum Directory. The allocation of curriculum time at key stages 3 and 4 do not yet meet the requirements of the Bishops' Conference. The school is committed to addressing the allocation for 2019-2020. This indicates governors' intent to meet the required timetable. The Edexcel Specification A is studied for GCSE. The second religion is Judaism. This meets the requirements of the Diocesan Bishop.

COLLECTIVE WORSHIP

Grade 1

Acts of Collective Worship engage all pupils' interests and inspire them in deep thought and heartfelt response. Students are at the heart of the community life of prayer. They affirmed their level of participation and their readiness to prepare and participate as singers, servers and readers. Acts of worship are enhanced by the strong support of chaplains and the Music department. Students feel a genuine share of ownership and embrace prayer and the celebration of Mass in a joyful yet respectful manner. There is a high level of respect and reverence for the prayer and liturgical experiences as evidenced in assemblies and prayer sessions during the inspection. A local parish priest confirmed that pupils pray and worship with sincerity and integrity. He commented that their preparation for the Sacrament of Reconciliation was excellent. Student leadership of Collective Worship is evident across the school. Every form class has a liturgical representative elected by peers. Sixth form students volunteer as senior prefects who support the students in years 7-9 in coordinating the preparation of collective worship. They are also commissioned as Eucharistic Ministers. There is strong support from the Music department with several choirs leading communal singing in liturgical celebrations.

The quality of provision for personal prayer and Collective Worship is outstanding. Praying together is part of the daily experience for pupils, irrespective of their age and faith background. Students confirmed the extensive and varied religious experiences that form the heart of school celebrations are a significant part of the daily routine of learning. Staff are integral to the provision of Collective Worship. The assembly and form prayer demonstrated the impact of high quality resources on the engagement of staff and students in prayer. Collective Worship has a clear purpose, message and direction. Themes chosen for worship reflect a deep understanding of the liturgical season. The extensive range of weekly Masses, assemblies and prayer experiences serve to offer outstanding provision for all key stages. Celebrations of the Eucharist for the whole community take place at key liturgical moments throughout the year, for example, Founder's Day. Teachers are highly skilled in helping pupils plan and deliver Collective Worship. The Chaplain is passionate about supporting the growth of faith in each person. She said the aim of chaplaincy was to 'bring the Kingdom of God into the school'. She provides extensive resources to staff that deepen their understanding of the purpose of Collective Worship. The experience of living and working in a praying community has had a visible effect on the development of pupils. They spoke confidently and knowledgeably about the value of prayer in a Catholic school.

SACRED HEART OF MARY GIRLS' SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Leaders and Governors are deeply committed to the growth of a distinctly Catholic community. They are fully committed to the school's religious foundation. They ensure that Collective worship is an integral part of the daily life of the school. The Headteacher, supported by senior leaders, is passionately committed to building an authentic worshipping community. They are very visible as leaders of Collective Worship within the school and draw upon their formation and experience as Catholic leaders to ensure pupils experience meaningful daily prayer and worship. Governors monitor and evaluate the quality of Collective Worship on their annual formal visit and by attending Mass and seasonal liturgies. The Link Governor regularly discusses the quality of Collective Worship with the Headteacher and reports to a full governing body. The Headteacher and senior staff provide a range of opportunities to celebrate Mass and come together for prayer. They inspire enthusiasm as seen with vibrant team of pupils across the school. The effectiveness of the Chaplaincy Lead was affirmed by staff and students. She is highly respected by all members of the community. As Head of Music, she enhances Collective Worship with singing through the several choirs in the school.

Impact of COVID-19

A major issue faced by the academy from March 2020 onwards related to the School's response to the COVID-19 restrictions during an unprecedented period of national crisis in living memory.

The Governing Body's first priority during this pandemic has been the safety and well-being of all students, staff and visitors to our premises through the Health & Safety Risk Assessments on the School's website <https://sacredheartofmary.net/corona-virus-communications/>

All Government directives have been followed.

Up until 31 August 2020, Teaching and Learning (T&L) continued on site or at a local hub for vulnerable students and the children of key workers. For other pupils, T&L was undertaken remotely.

A 'Keeping In Touch' Strategy was deployed to maintain links with the pupils and their families as well as to monitor their well-being. A specific and monitored helpline e-mail address was set up and monitored by specified staff throughout.

Bereavement support was put in place and made available to anyone who might require it and other support agencies were signposted. Mental health support was made available to pupils and staff.

Going concern

After making appropriate enquiries and having reviewed and considered its dynamic Three Year Budget Plan as well as the monthly financial management reports produced by the School's finance team, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and certainly up to the end of the Academic Year 2020 - 2021 and beyond. 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.

SACRED HEART OF MARY GIRLS' SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Financial review

Most of the School's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, a very small proportion of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The School also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities (SORP 2019)', 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 to the assets concerned.

During the year ended 31 August 2020, total expenditure of £5,378k (2019: £5,192k) was met by recurrent grant funding from the ESFA together with other incoming resources. The excess of expenditure over income for the year (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £414k (2019: £24k surplus).

At 31 August 2020 the net book value of fixed assets was £1,503k (2019: £1,162k). Movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the School.

The London Borough of Havering Pension Fund, in which the School participates, showed a deficit of £1,268k (2019: £1,157k) at 31 August 2020. Of this sum, £447k was inherited by the School from the London Borough of Havering on 1 August 2011. The latest three-yearly review of the School's actuarially-calculated pension liabilities relating to the London Borough of Havering Pension Fund was due to take place by 1 April 2020. Unfortunately, the School has not been informed of the outcome of the review to date as a direct consequence of the restrictions affecting the Scheme's administrators during the Coronavirus pandemic.

Financial and Risk Management Objectives and Policies

The financial risks which the School is exposed to relate primarily to:

- Pension fund deficit and risk that the employers' contribution rate may increase
- Risk that income may not meet expenditure requirements
- Risk that debts are not recovered
- Risk of fraud
- Risk that assets are not capitalised
- Risk that return on investments is not being maximised
- Risk arising from the requirements of the legislation, guidance and arrangements relating to COVID-19.

A risk arises in relation to the defined benefit pension scheme due to the fact that there is a deficit of £1,268k. In order to mitigate the risk posed by the pension fund deficit resulting in increases to employers' contribution rates, the School has early discussions with the Scheme administrators at LBH with regard to indications of the School's increased liabilities and suggested increases are incorporated into the Three Year Budget Plan.

The Governing Body established a Finance, Budget and General Purposes Committee in October 2015 in order to mitigate the risks posed by increased expenditure outside of the School's control and decreased income. This Committee met on two occasions in the Financial Year 2019-2020 (it was not possible to hold meetings of the Committee during the Spring and Summer terms 2020 due to COVID-19 as all financial matters were covered during this period at Meetings of the Governing Body) and has monitored closely the School's short term and long term financial stability after a formal restructuring and redundancy procedure was undertaken in February 2016. This procedure resulted in ongoing savings from the staffing budget amounting to about £350k per annum and was a very difficult time for the School but it has greatly assisted the School's viability as a 'going concern'.

SACRED HEART OF MARY GIRLS' SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Financial Impact of Covid-19

The following points reflect the some of the more significant financial impacts of COVID-19 restrictions that Governors faced:

- Significant revenue was lost as rental of facilities stopped with immediate effect on 20th March 2020;
- As a publically-funded organisation, the School has not been permitted to furlough any of its core staff;
- Catering income ceased to make any profits as they were only partially operating for the pupils and staff required on site and the menu options had to be reduced;
- Edenred was originally given the task of providing vouchers to cover Free School Meals (FSM). However due to the lateness of receiving these vouchers, pupils entitled to FSM were provided with supermarket vouchers delivered by staff. These actions ensured that pupils and their families who rely on FSMs were able to have continuity and did not have the extra burden of having to find food which would normally be provided by the School;
- Extra cleaning of the premises past, present and future has and will continue to become much more expensive. The cost of disinfecting and sanitising materials has, in some circumstances, doubled and, although we remain committed to finding the best price, it is also a question of where stock is available;
- Personal Protective Equipment (PPE) and hand sanitiser has been a massive and unforeseen addition to the budget and this is set to be ongoing for some time; and,
- Significant adaptations to the premises have had to take place in order to comply with risk assessment control measures.

Some of the control measures to prevent and reduce the risk of COVID-19 transmission are:

- Hand sanitization stations for pupils and staff both inside and outside;
- Extra pedal and wheelie bins for disposal of tissues and refuse;
- Purchase of face visors, masks and other PPE for staff;
- Barriers to make sure that a one way system can operate around the school;
- Re-organisation of classrooms for teaching;
- Limit to numbers allowed in any workplace/office;
- Cubicles to divide staff working side by side;
- Perspex screens around various parts of the school;
- Paint or marker tape for socially distanced line ups and separation;
- Extra points for food consumption and service; and,
- COVID-19 signage throughout the school.

To keep an accurate figure of additional costs and spending as a direct result of COVID-19 restrictions and the School's statutory duties relating thereto, the School Business Manager has kept a precise record of these. All of this, especially the loss of self-generated income, has had a very negative effect on both the income and expenditure budget in a way that could not have been foreseen and, consequently, this has also had a very detrimental effect on the School's three year budget plans through no fault of its own.

During partial or complete closures of the School, key personnel were available either on site or remotely to follow the financial procedures and day-to-day operation of the School, including supplier/contractor payments and payroll.

Either the Headteacher or a member of the Senior Leadership Team (SLT) was available to staff, parents and pupils throughout the lockdown period.

The Governing Body wishes to express its gratitude to all staff for their dedication, care and hard work on behalf of and to the benefit of the whole school community throughout this period.

SACRED HEART OF MARY GIRLS' SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Reserves policy

The Governors review the reserve levels of the School annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the appropriate level of free reserves should be equivalent to expenditure of approximately £135k. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. As mentioned later in the Plans for Future Periods, it is intended that up to £33k (2019: £287k) (the balance between the £135k and the actual level of free reserves) could be used to assist in balancing the operational budget as funding decreases due to changes in the relevant formulae. The School's current level of free reserves is £168k (2019: £422k) (total funds less the amount held in fixed assets and restricted pension funds).

The School held fund balances at 31 August 2020 of £413k (2019: £427k) comprising £314k (2019: £5k) of restricted funds and £99k surplus (2019: £422k) of unrestricted general funds. Of the restricted funds, £1,513k (2019: £1,162k) is represented by fixed asset funds.

The Local Government Pension Scheme reserve which is considered part of restricted funds, was £1,268k (2019: £1,157k) in deficit.

Investment policy

Under the Memorandum and Articles of Association, the School has the power to invest funds not immediately required for its own purposes, in any way the Governors see fit. In spite of the aforementioned unprecedented financial difficulties experienced by the School consequent to the Coronavirus pandemic, the organisation still has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

Principal risks and uncertainties

The principal risks and uncertainties that the School faces are:

- Significantly increased expenditure and reduced income
- School may receive an unfavourable OFSTED report
- Parents/other stakeholders may consider that the School does not provide a valuable/high quality service
- An uncontrollable event may impact on the School significantly (eg a fire or flood)
- Low morale arising amongst staff and recruitment & retention difficulties
- Health & Safety risk involving injury/fatality to pupils/staff/third parties
- Key personnel loss/succession
- Key supplier dependency

However, these are mitigated by the risk management processes that the School has in place. Please see commentary provided earlier on ways in which the Governing Body has endeavoured to mitigate some of these risks during the Financial Year 2019-2020 in the face of unprecedented financial pressures.

SACRED HEART OF MARY GIRLS' SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Fundraising

The majority of fundraising for the Trust is undertaken by the Parents', Teachers' and Friends' Association (PTFA), this is a separate body to the Trust but is subject to the same provisions of the Charities Act 2016.

The Trust undertakes a few fundraising activities each year, these include musical concerts, non-uniform days (although these funds are raised for other nominated charities). These activities are closely monitored and set up in line with accepted fundraising practice.

The Trust monitors its small fundraising activities through periodic budget reports which are reviewed by governors. No complaints have ever been received for any fundraising activities at the school. The Trust only ever asks for voluntary contributions towards its fundraising and would never discriminate against any student or parent who did not want to contribute towards any activity. Fundraising requests tend to be made via email and not face to face so we do not place undue pressure on individuals to donate.

Plans for future periods

The School Improvement Plan (the Plan) is produced annually. This working document sets out in detail plans for improvement and development in future periods. In essence, the Plan and the Statement confirm that the School will continue to strive to improve the performance of its pupils at all levels and will continue its efforts to ensure its pupils gain employment or a place in higher or further education when they leave.

The School was successful during 2018-2019 in securing Condition Improvement Funding for Safeguarding works at the front of the school, including a new public entrance and reception area. This work was hampered by delays due to issues with the gas mains as well as with supply of materials consequent to the Coronavirus pandemic but will be complete by the beginning of the Autumn Term 2020. CIF funding to renew the electrical and fire safety works was also received for the fiscal year 2020-2021 but completion of these works have been impaired due to access restrictions consequent to the regulations to mitigate the risks of COVID-19. The School's ability to undertake a number of small-scale maintenance and improvement projects was also hampered by the practical and financial issues consequent to the Coronavirus pandemic. The School will also be applying for CIF money to undertake water compliance works as well as to replace hot water and heating boilers in several areas of the school site in the fiscal year 2021-2022.

The School will continue to provide opportunities for an education to all pupils that reflect its Catholic foundation and ethos. The School continues to establish links with the local and wider community and direct access to the School's facilities, curricular materials and the expertise of school staff.

SACRED HEART OF MARY GIRLS' SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Auditor

In so far 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.

On 7 September 2020 Group Audit Services Limited trading as Wilkins Kennedy Audit Services changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

A resolution proposing that Azets Audit Services be reappointed as auditor of the charitable company will be put to the members.

The Governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 21 January 2021 and signed on its behalf by:

V. J. Davin

Mrs V Davin
Chair of Governors

SACRED HEART OF MARY GIRLS' SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

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

The board of governors has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Sacred Heart Of Mary Girls' School and the Secretary of State for Education. The accounting officer is also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The board of governors has formally met both face-to-face and virtually seven times during the year. Attendance during the period at meetings of the Governing Body averages 78%, and, in detail, was as follows:

Governors	Meetings attended	Out of possible
Mrs T Knight	6	7
Mr M Heavey	7	7
Mr M Earley	4	7
Mrs H Ward	4	7
Mr P McAuliffe	3	7
Mrs K Jones	6	7
Miss A Holman	7	7
Mr M O'Riordan	4	7
Mrs K O'Neill (Resigned 31 August 2020)	7	7
Sister R Lenehan	6	7
Mr D Leech	7	7
Mr R Hoggett (Resigned 15 July 2020)	5	7
Mr S Hartley	7	7
Mrs M Devlin	3	7
Mrs B Gopal	6	7
Mrs V Davin (Chair of Governors)	7	7
Mr J Crispin (Appointed 1 January 2020)	4	4
Mr L Johnston (Appointed 1 September 2019)	6	7
Mr P Kennedy (Appointed 10 October 2019)	6	7
Ms V T Qurrey (Accounting Officer) (Appointed 1 September 2020)		

Three new Governors, Mr Kennedy (Foundation Governor), Mr Johnston (Parent Governor) and Mr Crispin (Parent Governor) joined the Governing Body for the first time during the course of the relevant academic year and Mr McAuliffe transferred from being a Parent Governor to a Foundation Governor at the beginning of 2020.

Very sadly, Mr Hoggett had to resign as a Foundation Governor and as Chairman for family reasons in mid-July 2020 after approximately two decades of service as a Governor and, latterly, as Chairman of Governors. The Governing Body and the School wishes to record its gratitude to Mr Hoggett for his long and loyal service to the School. Mrs Davin, as Vice Chair of Governors, stepped into the role of Chair of Governors at the appropriate point in the academic year 2019-2020 and has also been elected to this position for the academic year 2020-2021.

SACRED HEART OF MARY GIRLS' SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Mrs O'Neill tendered her resignation as Headteacher with effect from 31 August 2020 in October 2019. A rigorous selection process for her successor ensued and, in late November 2019, the Governing Body resolved unanimously to appoint Ms V Qurrey as Headteacher who was formerly Deputy Head of St Bonaventure's Catholic Boys' School in Forest Gate. A handover process was instigated soon after the appointment and Mrs O'Neill and Ms Qurrey liaised frequently thereafter to ensure a smooth and comprehensive transition. The Governing Body is convinced that Ms Qurrey will be an excellent advocate and upholder of the Catholic, pastoral and academic ethos of the School and its confidence in her has already been borne out both prior to and after her official start in post on 1 September 2020, particularly in relation to leading the School through the unprecedented organisational, educational, health and safety and well-being processes for both staff and pupils relating to the full-time return to school for all pupils with effect from 1 September 2020 and subsequent to it.

The Governing Body would also wish to record its immense gratitude to Mrs O'Neill for her twenty one years of devotion to the School community since 1999 when she was appointed as Deputy Head as well as from 2013 when she took over the headship.

The Governing Body has met on seven occasions (one more than is statutory) and the Finance, Budget and General Purposes Committee has also met at least once per term as it is required to do. Apart from the Staff and Discipline Committees and their related appeal committees that need to meet extremely rarely anyway, all other committees have held meetings during the year in question, even during lockdown. Meetings have taken place remotely when deemed necessary in line with guidance from the Department for Education (DfE) and the National Governance Association (NGA) to which the School belongs. The Headteacher has provided an update report to the Governing Body Meeting held at the end of the Autumn Term 2019 as well as all four of the Meetings held during the period of lockdown. Data provided to Governors either directly or through Committee minutes has covered, amongst others, safeguarding matters, health and safety, attendance, staffing, pupil progress (mainly through reviewing and analysing data from the School's progress tracker, SMID), financial reports, exclusions and specific COVID-19 statistics. In terms of outcomes financially, pastorally and academically, the Governing Body is satisfied that it has monitored the high quality data provided and that the School continues to perform well in all areas, even in those where any real or potential downturns were completely out of its control due to the impact of the pandemic. However, Governors do not wish to be complacent and are firmly committed to continuous development and improvement as set out in the School Improvement Plans it has contributed to and endorsed. This approach is complemented through the work of the School Improvement Partner.

SACRED HEART OF MARY GIRLS' SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Review of value for money

The accounting officer for Sacred Heart of Mary Girls' School is responsible and accountable for ensuring that the academy delivers good value in the use of public resources. The accounting officer is aware of the guide to academy value-for-money statements published by the Education and Skills Funding Agency and understands that value-for-money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

Set out below are examples indicating how the academy's use of its resources has provided good value-for-money during the academic year:

We use the principles of 'Best Value' as they apply to secure continuous improvement in this school through:

- regular review of the functions of the School which challenges how and why services are provided and sets targets and performance indicators for improvement;
- monitoring of outcomes and comparison of performance with similar schools and within departments of the School;
- consultation with appropriate stakeholders before major decisions are made; and
- promotion of fair competition through quotations and tenders to ensure that goods and services are secured in the most economic, efficient and effective way.

We strive to ensure that the School uses its resources effectively to meet the needs of pupils. The progress of the Annual Budget Plan and the Value-for-Money statement will be monitored within the School Improvement Plan (SIP) in order to determine the extent of continuous improvement.

The principles of 'Best Value' are being achieved in the School through the following:

1. School Improvement Plan/ Post Ofsted Inspection Plans

The School ensures continuous improvement through the School Improvement Plan and/or Post Ofsted Inspection Plans. Development is monitored and evaluated on a regular cycle and linked to the School Budget Plan. In addition, staff and Governors are consulted when preparing the SIP.

In the OFSTED Inspection Report published in November 2013, the School received a Grade 1 in the section entitled 'Leadership and Management.'

2. Financial Regulations

The School complies with the requirements of the Funding Agreement with the Secretary of State for Education and with the Academies' Financial Handbook in the administration of its budget, including the seeking of quotes and tenders for the purchase of supplies and services where the value exceeds published limits. Compliance with Financial Regulations is measured through the school audit process.

SACRED HEART OF MARY GIRLS' SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

3. Financial Governance

The Governing Body approves the annual budget and longer term budget forecast on an annual basis. Governors receive and approve the annual accounts and the external auditors' report and take action on any recommendations made following the annual audit.

The Finance, Budget and General Purposes Committee meets at least once per term to review budget monitoring reports and to approve larger expenditure items.

The Accounting Officer meets with the Finance Manager on a regular basis to review finances and address any budget variances.

4. Procurement

The School ensures that contractors and suppliers are of good quality and reasonable cost. Consideration is given to the purchase of goods and services following an evaluation of value-for-money.

5. Comparative Information

The School makes use of comparative data from national and local sources in the planning process. The Finance, Budget and General Purposes Committee of the Governing Body considers national and local benchmarking data when available and when provided in a timely manner by Central Government. Other data sources such as SMID, ALPS and Analyse School Performance are used to monitor and predict individual pupil progress.

6. Consultation

The School uses a variety of techniques to consult with a range of stakeholders in determining priorities and direction. For instance, through School Council and through the PTFA.

The School has in place a strategy and a set of guidelines, updated annually, which will ensure that value-for-money will be reviewed and demonstrated.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Sacred Heart Of Mary Girls' School for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of Governors 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 board of Governors 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 period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Governors.

SACRED HEART OF MARY GIRLS' SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 financial reports which are reviewed and agreed by the board of governors;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of governors has considered the need for a specific internal audit function and has decided to appoint an Internal Auditor (IA) with regular checks covering payroll, purchases, accounting systems and bank transactions being conducted by a suitably qualified and experienced person. The IA's role includes reporting to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

In particular the checks carried out in the current period include:

- Testing of control systems
- Testing of control account/ bank reconciliation
- Review of policies and procedures and adherence thereon
- Review of governance and training of Governors

The IA is tasked with reporting to the Governing Body through the Audit Committee on the operation of the systems of control and on the discharge of the financial responsibilities of the Governing Body, as set out above, and prepares an annual summary report to the Audit Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the Audit Committee consider actions and assess year on year progress.

In the Academic Year 2019-2020, the internal auditor, a Governor who is a qualified and experienced accountant, did undertake a site visit and made an initial review of the systems of control but, unfortunately, due to the COVID-19 restrictions and the fact that the internal auditor was also advised to shield, he was unable to make site visits in the Spring and Summer Terms and the information and paperwork he needed to inspect was not available on line or remotely (due to GDPR, he was also unable to be given documentation to inspect at home). In accordance with a recommendation in the management letter, the Governing Body will, in future, be using the services of a company to provide the internal auditor function, including reports.

Review of effectiveness

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

- the work of the 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; and
- the most recent version of the Academies Financial Handbook.

SACRED HEART OF MARY GIRLS' SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The accounting officer has been advised of the implications of the result of their review of the system of internal and external control by the Finance, Budget and Purposes Committee and Audit Committee through the minutes of these Committees and a plan to address any weaknesses identified and to ensure that continuous improvement is in place, as set out in the management responses to the recommendations made in the management letter.

Approved by order of the board of governors on 21 January 2021 and signed on its behalf by:

V. J. Davin

Mrs V Davin
Chair of Governors

V T Qurrey

Ms V T Qurrey
Accounting Officer

SACRED HEART OF MARY GIRLS' SCHOOL

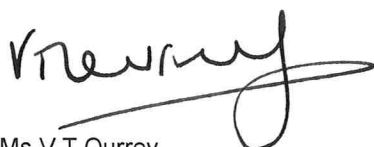
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2020

As accounting officer of Sacred Heart Of Mary Girls' School, I have considered my responsibility to notify the academy trust board of governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust's board of governors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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



Ms V T Qurrey
Accounting Officer

21 January 2021

SACRED HEART OF MARY GIRLS' SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The Governors (who act as trustees for Sacred Heart Of Mary Girls' School and are also the directors of Sacred Heart Of Mary Girls' School for the purposes of company law) are responsible for preparing the Governors' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare accounts for each financial year. Under company law, the Governors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the board of governors on 21 January 2021 and signed on its behalf by:

V. J. Davin

Mrs V Davin
Chair of Governors

SACRED HEART OF MARY GIRLS' SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SACRED HEART OF MARY GIRLS' SCHOOL

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of Sacred Heart Of Mary Girls' School for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

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 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The Governors are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

SACRED HEART OF MARY GIRLS' SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SACRED HEART OF MARY GIRLS' SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Opinions 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 Governors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Governors' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors

As explained more fully in the statement of Governors' responsibilities, the Governors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Governors are responsible for assessing the academy trust'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 Governors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

SACRED HEART OF MARY GIRLS' SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SACRED HEART OF MARY GIRLS' SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Mandy Wilson FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor

21/1/2021

1 Nelson Street
Southend on Sea
Essex
SS1 1EG

SACRED HEART OF MARY GIRLS' SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SACRED HEART OF MARY GIRLS' SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 16 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sacred Heart Of Mary Girls' School during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Sacred Heart Of Mary Girls' School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Sacred Heart Of Mary Girls' School 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 Sacred Heart Of Mary Girls' School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Sacred Heart Of Mary Girls' School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Sacred Heart Of Mary Girls' School's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

SACRED HEART OF MARY GIRLS' SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SACRED HEART OF MARY GIRLS' SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Azets Audit Services

Reporting Accountant

Azets Audit Services
1 Nelson Street
Southend on Sea
Essex
SS1 1EG

Dated: 21/1/2021

SACRED HEART OF MARY GIRLS' SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds: General	Fixed asset £	Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and capital grants	3	94	-	391	485	485
Charitable activities:						
- Funding for educational operations	4	-	4,469	-	4,469	4,345
Other trading activities	5	100	261	-	361	441
Total		<u>194</u>	<u>4,730</u>	<u>391</u>	<u>5,315</u>	<u>5,271</u>
Expenditure on:						
Charitable activities:						
- Educational operations	7	230	5,108	40	5,378	5,192
Total	6	<u>230</u>	<u>5,108</u>	<u>40</u>	<u>5,378</u>	<u>5,192</u>
Net income/(expenditure)		(36)	(378)	351	(63)	79
Transfers between funds	16	(287)	287	-	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	49	-	49	(305)
Net movement in funds		<u>(323)</u>	<u>(42)</u>	<u>351</u>	<u>(14)</u>	<u>(226)</u>
Reconciliation of funds						
Total funds brought forward		422	(1,157)	1,162	427	653
Total funds carried forward		<u>99</u>	<u>(1,199)</u>	<u>1,513</u>	<u>413</u>	<u>427</u>

SACRED HEART OF MARY GIRLS' SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted funds £	Restricted funds: General	Fixed asset £	Total 2019 £
Income and endowments from:					
Donations and capital grants	3	400	-	85	485
Charitable activities:					
- Funding for educational operations	4	-	4,345	-	4,345
Other trading activities	5	100	341	-	441
Total		<u>500</u>	<u>4,686</u>	<u>85</u>	<u>5,271</u>
Expenditure on:					
Charitable activities:					
- Educational operations	7	475	4,687	30	5,192
Total	6	<u>475</u>	<u>4,687</u>	<u>30</u>	<u>5,192</u>
Net income/(expenditure)		25	(1)	55	79
Transfers between funds	16	-	(108)	108	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	18	-	(305)	-	(305)
Net movement in funds		25	(414)	163	(226)
Reconciliation of funds					
Total funds brought forward		397	(743)	999	653
Total funds carried forward		<u>422</u>	<u>(1,157)</u>	<u>1,162</u>	<u>427</u>

SACRED HEART OF MARY GIRLS' SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	11		1,503		1,162
Current assets					
Stocks	12	30		20	
Debtors	13	118		64	
Cash at bank and in hand		328		564	
		<u>476</u>		<u>648</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(298)		(226)	
Net current assets			178		422
Net assets excluding pension liability			<u>1,681</u>		<u>1,584</u>
Defined benefit pension scheme liability	18		(1,268)		(1,157)
Total net assets			<u>413</u>		<u>427</u>
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			1,513		1,162
- Restricted income funds			69		-
- Pension reserve			(1,268)		(1,157)
Total restricted funds			<u>314</u>		<u>5</u>
Unrestricted income funds	16		99		422
Total funds			<u>413</u>		<u>427</u>

The accounts on pages 31 to 54 were approved by the Governors and authorised for issue on 21 January 2021 and are signed on their behalf by:

V. J. Davin

Mrs V Davin
Chair of Governors

Company Number 07693743

SACRED HEART OF MARY GIRLS' SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	19		(246)		91
Cash flows from investing activities					
Capital grants from DfE Group		391		85	
Purchase of tangible fixed assets		(381)		(193)	
Net cash provided by/(used in) investing activities			10		(108)
Net decrease in cash and cash equivalents in the reporting period			(236)		(17)
Cash and cash equivalents at beginning of the year			564		581
Cash and cash equivalents at end of the year			<u>328</u>		<u>564</u>

SACRED HEART OF MARY GIRLS' SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Sacred Heart Of Mary Girls' School is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Governors' report.

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Sacred Heart of Mary Girls' School meets the definition of a public benefit entity under FRS102.

1.2 Going concern

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

1.3 Income

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

Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of 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 statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised 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.

SACRED HEART OF MARY GIRLS' SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Interest receivable

Interest receivable is included within the Statement of Financial Activities on a receivable basis.

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds.

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

SACRED HEART OF MARY GIRLS' SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

The Academy Trust occupies land and buildings at St Mary's Lane, Upminster which are owned by the Diocese of Brentwood. The Academy Trust occupies the land and buildings under a licence on the same basis as when it was a maintained school. The continuing permission of the Diocesan Trustees is pursuant to and subject to the Trustees' charitable objects and is part of the Church of England's commitment to provide state funded education in partnership with the state. Under the terms of an agreement between the Secretary of State and the Academy Trust the Diocesan Trustees will give the Academy Trust not less than two years' notice to terminate the occupation of the land and buildings. The Governors have concluded that the value of the land and buildings occupied by the Academy Trust should not be recognised in the balance sheet as the Diocese of Brentwood has the right to consent to works, including capital works. The Governors have therefore concluded that the Academy Trust does not have control as defined by the Academies Accounts Direction.

Moreover, the Governors have decided not to account for the Academy Trust's occupancy of the land and buildings by means of a notional annual rental charge in the accounts, offset by income from a notional annual donation or gift of equivalent value from the Diocesan Trustees as owners of the freehold interest. The Governors have been unable to identify any objective method for calculating such a notional rent.

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

Improvements to property	2% straight line
Fixtures, fittings & equipment	20% straight line

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

1.6 Liabilities

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

1.7 Financial instruments

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

SACRED HEART OF MARY GIRLS' SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

1.8 Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

1.9 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust 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 based on quadrennial valuations using a prospective unit credit method. The 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 are 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 academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

SACRED HEART OF MARY GIRLS' SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.11 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

LGPS

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 18, 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 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

There are no critical areas of judgement.

SACRED HEART OF MARY GIRLS' SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Private sponsorship	8	-	8	232
Capital grants	-	391	391	85
Other donations	86	-	86	168
	<u>94</u>	<u>391</u>	<u>485</u>	<u>485</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	4,018	4,018	4,136
Other DfE group grants	-	345	345	149
	<u>-</u>	<u>4,363</u>	<u>4,363</u>	<u>4,285</u>
Other government grants				
Local authority grants	-	76	76	60
	<u>-</u>	<u>76</u>	<u>76</u>	<u>60</u>
Exceptional government funding				
Coronavirus job retention scheme grant	-	30	30	-
	<u>-</u>	<u>30</u>	<u>30</u>	<u>-</u>
Total funding	<u>-</u>	<u>4,469</u>	<u>4,469</u>	<u>4,345</u>

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The academy furloughed some of its catering staff under the government's Coronavirus Job Retention Scheme. The funding received of £30,000 relates to staff costs in respect of eight members of staff which are included within note 8 below.

SACRED HEART OF MARY GIRLS' SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	22	-	22	32
Income from education and training	-	4	4	7
Sale of goods & services	78	180	258	319
Other income	-	77	77	83
	<u>100</u>	<u>261</u>	<u>361</u>	<u>441</u>

6 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2020 £	Total 2019 £
Academy's educational operations					
- Direct costs	3,599	40	298	3,937	3,672
- Allocated support costs	778	228	435	1,441	1,520
	<u>4,377</u>	<u>268</u>	<u>733</u>	<u>5,378</u>	<u>5,192</u>

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Fees payable to auditor for:		
- Audit	9	9
- Other services	1	1
Depreciation of tangible fixed assets	40	30
Net interest on defined benefit pension liability	22	22
	<u>72</u>	<u>62</u>

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Direct costs				
Educational operations	8	3,929	3,937	3,672
Support costs				
Educational operations	222	1,219	1,441	1,520
	<u>230</u>	<u>5,148</u>	<u>5,378</u>	<u>5,192</u>

SACRED HEART OF MARY GIRLS' SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

7 Charitable activities	(Continued)	
Analysis of costs	2020	2019
	£	£
Direct costs		
Teaching and educational support staff costs	3,599	3,275
Depreciation	40	30
Technology costs	28	27
Educational supplies and services	98	112
Examination fees	90	88
Other direct costs	82	140
	<u>3,937</u>	<u>3,672</u>
Support costs		
Support staff costs	778	708
Maintenance of premises and equipment	213	135
Insurance	15	17
Catering	123	155
Finance costs	22	22
Other support costs	278	473
Governance costs	12	10
	<u>1,441</u>	<u>1,520</u>
8 Staff		
Staff costs		
Staff costs during the year were:	2020	2019
	£	£
Wages and salaries	3,137	3,009
Social security costs	308	303
Pension costs	841	587
	<u>4,286</u>	<u>3,899</u>
Staff costs - employees	4,286	3,899
Agency staff costs	91	84
	<u>4,377</u>	<u>3,983</u>

SACRED HEART OF MARY GIRLS' SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Staff

(Continued)

Staff numbers

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

	2020 Number	2019 Number
Teachers	55	54
Administration and support	55	55
Management	6	6
	<u>116</u>	<u>115</u>

Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	3	8
£70,001 - £80,000	1	-
£100,001 - £110,000	1	1
	<u>5</u>	<u>9</u>

Key management personnel

The key management personnel of the academy trust comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £557,327 (2019: £519,516).

SACRED HEART OF MARY GIRLS' SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Governors' remuneration and expenses

One or more of the Governors has been paid remuneration or has received other benefits from an employment with the academy trust. The Headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their services as Governors.

The value of Governors' remuneration and other benefits was as follows:

K O'Neill (Headteacher):

Remuneration £105k to £110k

(2019: Remuneration £105k to £110k)

Employer's pension contributions £25k to £30k

(2019: Employer's pension contributions £25k to £30k)

A Holman (Staff Governor):

Remuneration 55k to 60k

(2019: Remuneration £50k to £55k)

Employer's pension contributions £10k to £15k

(2019: Employer's pension contributions £5k to £10k)

K Jones (Staff Governor):

Remuneration £45k to £50k

(2019: Remuneration £45k to £50k)

Employer's pension contributions £15k to £20k

(2019: Employer's pension contributions £10k to £15k)

The other staff Governors listed above only received remuneration for their roles as members of staff and the salaries have been aggregated as the Governors believe any further detailed breakdown would be prejudicial to the structure of the Governing Body.

Governors' expenses

There were no governors' expenses paid for the year ended 31st August 2020 (2019: £ Nil)

10 Insurance for Governors and officers

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £10,000,000. It is not possible to quantify the Governors and officers indemnity element from the overall cost of the RPA scheme.

SACRED HEART OF MARY GIRLS' SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

11 Tangible fixed assets

	Improvements to property £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 September 2019	1,226	204	1,430
Additions	372	9	381
At 31 August 2020	1,598	213	1,811
Depreciation			
At 1 September 2019	123	145	268
Charge for the year	25	15	40
At 31 August 2020	148	160	308
Net book value			
At 31 August 2020	1,450	53	1,503
At 31 August 2019	1,103	59	1,162

The Academy Trust occupies land and the buildings provided to it by the Diocesan Trustees under a license (also referred to as a Church Supplemental Agreement) which contains a two year notice period. Having considered the fact that the Academy Trust occupies the land and buildings by a license that transfers to the Academy no rights or control over the site save that of occupying it at the will of the Diocesan Trustees under the agreement, the Diocesan Trustees have concluded that the value of the land and buildings occupied by the Academy Trust will not be recognised or valued within fixed assets.

12 Stocks

	2020 £	2019 £
Stock of school uniform	30	20

13 Debtors

	2020 £	2019 £
VAT recoverable	2	27
Prepayments and accrued income	116	37
	118	64

SACRED HEART OF MARY GIRLS' SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

14 Creditors: amounts falling due within one year	2020	2019
	£	£
Other taxation and social security	79	77
Other creditors	101	86
Accruals and deferred income	118	63
	<u>298</u>	<u>226</u>
	<u><u>298</u></u>	<u><u>226</u></u>
15 Deferred income	2020	2019
	£	£
Deferred income is included within:		
Creditors due within one year	35	53
	<u>35</u>	<u>53</u>
Deferred income at 1 September 2019	53	8
Released from previous years	(53)	(8)
Resources deferred in the year	35	53
	<u>35</u>	<u>53</u>
Deferred income at 31 August 2020	35	53
	<u><u>35</u></u>	<u><u>53</u></u>

Deferred income for the year relates to income received for school trips taking place in 2020/21.

SACRED HEART OF MARY GIRLS' SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	-	4,018	(4,305)	287	-
Other DfE / ESFA grants	-	345	(276)	-	69
Other government grants	-	106	(106)	-	-
Other restricted funds	-	261	(261)	-	-
Pension reserve	(1,157)	-	(160)	49	(1,268)
	<u>(1,157)</u>	<u>4,730</u>	<u>(5,108)</u>	<u>336</u>	<u>(1,199)</u>
Restricted fixed asset funds					
DfE group capital grants	1,162	391	(40)	-	1,513
	<u>1,162</u>	<u>391</u>	<u>(40)</u>	<u>-</u>	<u>1,513</u>
Total restricted funds	<u>5</u>	<u>5,121</u>	<u>(5,148)</u>	<u>336</u>	<u>314</u>
Unrestricted funds					
General funds	422	194	(230)	(287)	99
	<u>422</u>	<u>194</u>	<u>(230)</u>	<u>(287)</u>	<u>99</u>
Total funds	<u>427</u>	<u>5,315</u>	<u>(5,378)</u>	<u>49</u>	<u>413</u>

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

General Annual Grant: Income received from the ESFA to cover the normal running costs of the Academy.

Other DfE/ESFA grants: This includes pupil premium, rates, teachers pension grant and teachers pay grant.

Other government grants: This includes SEN funding, COVID Job retention scheme income and additional pupil premium.

The transfer of funds relate to the use of unrestricted funds to cover the excess of restricted expenditure over restricted income.

SACRED HEART OF MARY GIRLS' SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Funds

(Continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	10	4,136	(4,038)	(108)	-
Other DfE / ESFA grants	-	149	(149)	-	-
Other government grants	-	60	(60)	-	-
Other restricted funds	-	341	(341)	-	-
Pension reserve	(753)	-	(99)	(305)	(1,157)
	<u>(743)</u>	<u>4,686</u>	<u>(4,687)</u>	<u>(413)</u>	<u>(1,157)</u>
Restricted fixed asset funds					
DfE group capital grants	999	85	(30)	108	1,162
	<u>999</u>	<u>85</u>	<u>(30)</u>	<u>108</u>	<u>1,162</u>
Total restricted funds	<u>256</u>	<u>4,771</u>	<u>(4,717)</u>	<u>(305)</u>	<u>5</u>
Unrestricted funds					
General funds	397	500	(475)	-	422
	<u>397</u>	<u>500</u>	<u>(475)</u>	<u>-</u>	<u>422</u>
Total funds	<u>653</u>	<u>5,271</u>	<u>(5,192)</u>	<u>(305)</u>	<u>427</u>

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	1,503	1,503
Current assets	476	-	-	476
Creditors falling due within one year	(298)	-	-	(298)
Accruals and deferred income	(79)	69	10	-
Defined benefit pension liability	-	(1,268)	-	(1,268)
	<u>-</u>	<u>(1,199)</u>	<u>1,513</u>	<u>413</u>
Total net assets	<u>99</u>	<u>(1,199)</u>	<u>1,513</u>	<u>413</u>

SACRED HEART OF MARY GIRLS' SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Analysis of net assets between funds

(Continued)

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	Funds
	£	£	£	£
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	1,162	1,162
Current assets	648	-	-	648
Creditors falling due within one year	(226)	-	-	(226)
Defined benefit pension liability	-	(1,157)	-	(1,157)
Total net assets	<u>422</u>	<u>(1,157)</u>	<u>1,162</u>	<u>427</u>

18 Pension and similar obligations

The academy trust'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 The London Borough of Havering. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

SACRED HEART OF MARY GIRLS' SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the 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. The 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 the TPS in the period amounted to £532,000 (2019: £357,000).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust 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 contributions are as noted below. The agreed contribution rates for future years are 12% for employers and 5.5 to 12.5% for employees.

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

Total contributions made	2020	2019
	£	£
Employer's contributions	169	174
Employees' contributions	40	37
	<hr/>	<hr/>
Total contributions	209	211
	<hr/>	<hr/>
Principal actuarial assumptions	2020	2019
	%	%
Rate of increase in salaries	3	2.6
Rate of increase for pensions in payment/inflation	2.3	2.3
Discount rate for scheme liabilities	1.7	1.8
	<hr/>	<hr/>

SACRED HEART OF MARY GIRLS' SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Pension and similar obligations

(Continued)

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

	2020 Years	2019 Years
Retiring today		
- Males	21.6	21.1
- Females	23.7	23.3
Retiring in 20 years		
- Males	22.4	22.2
- Females	25.2	24.8
	<u> </u>	<u> </u>

Scheme liabilities would have been affected by changes in assumptions as follows:

	2020	2019
Discount - 0.5%	362	371
Salary increase rate +0.5%	13	38
Pension increase rate +0.5%	343	327
	<u> </u>	<u> </u>

Defined benefit pension scheme net liability

Scheme assets	2,711	2,432
Scheme obligations	(3,979)	(3,589)
	<u> </u>	<u> </u>
Net liability	(1,268)	(1,157)
	<u> </u>	<u> </u>

The academy trust's share of the assets in the scheme

	2020 Fair value £	2019 Fair value £
Equities	1,220	1,265
Bonds	895	754
Cash	163	243
Property	433	170
	<u> </u>	<u> </u>
Total market value of assets	2,711	2,432
	<u> </u>	<u> </u>

The actual return on scheme assets was £183,000 (2019: £165,000).

SACRED HEART OF MARY GIRLS' SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Pension and similar obligations	(Continued)	
Amount recognised in the Statement of Financial Activities	2020	2019
	£	£
Current service cost	303	238
Past service cost	4	13
Interest income	(45)	(62)
Interest cost	67	84
	<u>329</u>	<u>273</u>
Changes in the present value of defined benefit obligations	2020	2019
	£	£
At 1 September 2019	3,589	2,911
Current service cost	303	238
Interest cost	67	84
Employee contributions	40	37
Actuarial loss	89	408
Benefits paid	(113)	(102)
Past service cost	4	13
	<u>3,979</u>	<u>3,589</u>
Changes in the fair value of the academy trust's share of scheme assets	2020	2019
	£	£
At 1 September 2019	2,432	2,158
Interest income	45	62
Actuarial gain	138	103
Employer contributions	169	174
Employee contributions	40	37
Benefits paid	(113)	(102)
	<u>2,711</u>	<u>2,432</u>

SACRED HEART OF MARY GIRLS' SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Reconciliation of net (expenditure)/income to net cash flow from operating activities	2020	2019
	£	£
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(63)	79
Adjusted for:		
Capital grants from DfE and other capital income	(391)	(85)
Defined benefit pension costs less contributions payable	138	77
Defined benefit pension scheme finance cost	22	22
Depreciation of tangible fixed assets	40	30
(Increase)/decrease in stocks	(10)	8
(Increase)/decrease in debtors	(54)	14
Increase/(decrease) in creditors	72	(54)
Net cash (used in)/provided by operating activities	(246)	91

20 Analysis of changes in net funds	1 September 2019	Cash flows	31 August 2020
	£	£	£
Cash	564	(236)	328

21 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Children, Schools and Families the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

As no such events have occurred during the year nor are likely to occur in the foreseeable future, the accounts do not contain any provision against contingent liabilities.

SACRED HEART OF MARY GIRLS' SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

22 Commitments under operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020	2019
	£	£
Amounts due within one year	3	6
Amounts due in two and five years	-	3
	<u>3</u>	<u>9</u>

23 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted in accordance with the trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account:

Crusaider First Aid - Company in which Governor D Leech is a senior partner.

- The Academy did not enter into any transactions with Crusaider First Aid in the year. In 2019 first aid training services of £180 were obtained from the company. There were no amounts outstanding at 31 August 2020 (2019: £Nil).
- In entering into the transactions the Academy has complied with the requirements of the Academies Financial Handbook.

Connected Parties

The daughter of Governor, Mrs S Williams, continued to be employed by the school as a teacher and is paid in accordance with salary scale point 3 of the Upper Pay Spine & Teaching and Learning Allowance 2a.

The appointment was made in open competition and Mrs S Williams was not involved in the decision-making process.

24 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

25 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the academy trust received £8,088 (2019 - £9,243) and disbursed £4,697 (2019 - £4,169) from the fund. In 2019 an amount of £11,461 was clawed back by the ESFA in relation to historical unspent funds. An amount of £3,691 (2019 - £300) is included in other creditors relating to undistributed funds that is repayable to the ESFA.