

**Company Registration No. 07693743 (England and Wales)**

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

# SACRED HEART OF MARY GIRLS' SCHOOL

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# SACRED HEART OF MARY GIRLS' SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Governors</b>	Mr A J Berry Mrs V J Davin Mrs B Gopal Mrs M V Devlin Mr S A Hartley Mr R A Hoggett (Chair of Governors) Mr D J Leech Sister R Lenehan Mrs K M O'Neill (Accounting Officer) Mr M J O'Riordan Mr S Dudeney Miss A J Holman Mrs K L Jones Mr P McAuliffe Mrs H Ward Mr M F Earley Mr M W Heavey Mrs T Knight Mr G Redmond (Resigned 16 July 2019)
<b>Members</b>	Brentwood Diocesan Trust Representative Bishop A Williams SM Mr R A Hoggett
<b>Senior leadership team</b>	Mrs K M O'Neill Mr T Bright Miss B McConville Mrs O Munday Mrs C Raper Mrs K Jones Mrs C Raper
<b>Company secretary</b>	Mr S Beck
<b>Company registration number</b>	07693743 (England and Wales)
<b>Registered office</b>	Sacred Heart of Mary Girls' School St Mary's Lane Upminster Essex RM14 2QR
<b>Independent auditor</b>	Wilkins Kennedy Audit Services 1-5 Nelson Street Southend on Sea Essex SS1 1EG

# SACRED HEART OF MARY GIRLS' SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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### **Bankers**

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

### **Solicitors**

Browne Jacobson  
Victoria Square House  
Victoria Square  
Birmingham  
B2 4BU

# SACRED HEART OF MARY GIRLS' SCHOOL

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2019

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The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. 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 financial statements 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.

##### 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.

# SACRED HEART OF MARY GIRLS' SCHOOL

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 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.

#### 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 2018-2019, 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.

#### 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 2019

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#### **Objectives and activities**

##### Objectives 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 2019 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 2019*

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### **Strategic report**

#### **Achievements and performance**

The School is in its ninth 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 reasonably healthy at 189 but the School has begun to focus on wider marketing of its Post 16 provision to external candidates. The total pupil roll in the year ended 31st August 2019 numbered 800.

The School fared very well in the summer examinations of 2019 and is extremely proud of what the pupils have achieved, particularly at GCSE.

The School continues to be very pleased indeed with its performance at Key Stage 4. Despite a cohort that had a significant number of pupils with low prior attainment, 77% of the pupils achieving at least 5 GCSEs at grades 4+ including English and Maths. With the government now using Progress and not attainment, as the main indication of a school's performance, the Progress 8 measure is now used to inform performance tables for GCSE and when this is calculated for last year's cohort, we find that we fared best of all secondary schools in LBH and the Diocese of Brentwood with a Progress 8 score of 0.66 which is well above the national average, and is a phenomenal achievement.

The DfE School Performance Tables lists Sacred Heart of Mary in the top 250 of 6489 state-funded secondary schools. The Havering Learning Partnership Awards Evening was held in July 2019 celebrating the work of teachers and support staff across the 18 schools and colleges in Havering. Sacred Heart of Mary Girls' School had fantastic success, winning five Progress and Attainment Awards at Key Stage 4 : Best Progress in Open Bucket (3 approved qualifications); Best Progress for Disadvantaged Students; Best Progress Overall (Progress 8); Best Progress Bucket 2 (3 EBacc subjects) and Most Impressive Participation in a Performing Arts Event. 6 staff also collected Individual Excellence awards

Key Stage 5 outcomes show improvement from last year, although there remains some variance across the subject range. 30% of A Level grades were A or A\* and 61% at A\* - B. Our L3 Value Added score was 0.02 and the school had the highest average point score in Havering of 38.6 APS per entry.

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 focus 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)).



# SACRED HEART OF MARY GIRLS' SCHOOL

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### Achievement and performance

November 2018 SIP report (2019 Report not yet available)

Despite cutting a number of key posts to ensure a balanced in year budget, Mrs O'Neill has managed to maintain the high level of provision at the school. As financial pressures continue to increase in the education sector this becomes harder to accomplish and there will be difficult decisions to make in the future as the School changes to meet these demands. I have every faith that Mrs O'Neill will handle the changes with professionalism and integrity and ensure that, what is without doubt, a tremendously difficult transition, is managed in the best possible way.

The close links with other local schools continue and this has been particularly evident in diocesan S2S partnerships, which give leaders opportunities to discuss ideas, system and practice. I would encourage the governors to continue to support development of outward facing collaborations which are tremendously valuable for staff development and for validation of internal judgements. A report following a visit from the Department for Education in May 2017 was very complimentary, particularly in respect of the positive attitudes of the students and the family environment that they value highly.

Mrs O'Neill is a hardworking and committed professional and I continue to be impressed by her dedication to providing the very best possible for her students. She is well aware of educational changes and the challenges that the staff and students face in the future and works tirelessly to alleviate these as far as possible.

Sacred Heart of Mary Girls' School is such a positive and effective school. I am privileged to be able to see their incredible journey first hand.

### Key performance indicators

The main Key Performance Indicators are detailed in the OFSTED Inspection Report, dated 21 November 2013.

The inspection judgements were:

<b>Overall effectiveness</b>	<b>Outstanding</b>	<b>1</b>
Achievement of pupils	Outstanding	1
Quality of teaching	Outstanding	1
Behaviour and safety of pupils	Outstanding	1
Leadership and management	Outstanding	1

The key findings were:

- Students' achievement is outstanding. All groups of students, including those who have special educational needs or are supported by the pupil premium, make rapid progress in relation to their starting points and abilities.
- The quality of teaching is outstanding. All students are engaged and many lessons proceed at a quick pace. Questions are probing and tasks set are imaginative and challenging.
- Students' behaviour is exemplary both in and out of lessons. Students feel safe and attitudes to learning are excellent. The quality of relationships is characterised by respect and courtesy.
- The sixth form is good. Students achieve well both at AS and A level. Last year 85% of students progressed to university.
- Students' spiritual, moral, social and cultural development is excellent. It is a very strong feature in many lessons as well as in all other aspects of the school.
- Leadership and management are outstanding, driven by an enthusiastic and highly approachable headteacher recently appointed. She is supported by skilled and committed school leaders who help drive improvement relentlessly and with the students' best interests as the priority.
- The governing body is very effective. It is fully aware of its leadership and management role. Governors work closely with the school and have a very good knowledge and understanding of its priorities.

# SACRED HEART OF MARY GIRLS' SCHOOL

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### **The quality of teaching is outstanding:**

- Much of the teaching is outstanding and never less than consistently good. It is characterised by very high levels of engagement and good pace and challenge. It is supported by the good subject knowledge of teachers, their excellent relationships with students and the high expectations they have of and for them.
- Teachers make effective use of individual targets for students, especially throughout Key Stage 4, which helps to accelerate the pace of learning. Students know their targets and how to improve their work.
- The quality of marking is not consistent across all subjects, including in the sixth form. However, the headteacher provided detailed documentation of action taken by the school.
- Technology is used very well to enrich teachers' explanations and to support students' learning. For example, in mathematics it helps to engage students and sustain their interest throughout the lesson by animating teachers' explanations and providing illustration for a variety of topics. It is also used to promote independent learning and consolidate students' understanding of difficult concepts through the use of external websites.
- In the best lessons, teachers skilfully question and challenge students in order to elicit explanations that improve their learning and understanding. Students are encouraged to be active and develop their understanding by collaborating with each other as well as working independently of the teacher.
- Students are encouraged to find things out for themselves and to collaborate, for example through assessing the quality of their own and one another's work.
- Teaching is very well planned, including the use of seating maps to ensure that groups of students are properly located and therefore suitably supported. Teaching strategies are carefully crafted to meet the needs of the students. This ensures all groups of students make excellent progress relative to their starting points. In this context teaching assistants are very well used to support the less able.
- Teachers' expectations about students' progress are very high, as illustrated by classroom discussions. Students are confident in holding a dialogue with their teachers. The effect is that in all of the lessons observed, including key subjects like mathematics, modern languages and English, the discussion enabled students to learn independently and to make at least good progress.

### **The behaviour and safety of pupils are outstanding:**

- Students typically have exemplary attitudes to learning, both in and out of lessons. There is a very positive ethos throughout the school and the quality of relationships is characterised by respect for all and courtesy. In this context, students are very clear about the school's code of conduct.
- Behaviour is outstanding in lessons and around the school. Students are polite to adults, helpful to visitors and very respectful of one another. In corridors and recreational areas behaviour is orderly and respectful, even when free from explicit supervision by senior leaders. The vast majority of parents, carers, staff and students agree that children are safe and behaviour is well managed. The enrichment programme, including students' personal, social and health education, helps to promote equal opportunities and develop a cohesive community with tolerance, sensitivity and respect for others. The school promotes students' spiritual, moral, social and cultural development exceptionally well and this is at the heart of the school's behaviour policy. There is a strong emphasis on respect for all in much that the school does.
- Bullying is almost non-existent; students know how to keep safe, including while using the internet. They feel confident to ask for support should the occasion arise. School records confirm these views are accurate.
- Students are punctual to school and to their lessons. Their high rate of attendance is illustrative of how much they enjoy school. The attendance of groups of students considered vulnerable and those who have special educational needs and disabilities is also well above average.

# SACRED HEART OF MARY GIRLS' SCHOOL

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### **The leadership and management are outstanding:**

- The headteacher provides outstanding leadership and her vision and energy are shared among the wider leadership team. She and her colleagues ensure students have excellent opportunities for personal and academic development. Consequently students thrive, have a real commitment to their community and achieve at the highest levels.
- The headteacher and senior leadership team have an accurate view of the school's performance. Their approach to improving the achievement and personal development of all is illustrated by the school's early identification of inconsistencies in the quality of marking across subjects.
- Leaders carry out systematic lesson observations, learning walks and work scrutiny and hold teachers to account. The new headteacher has insisted upon a more rigorous approach to quality assurance, as illustrated by her recent revision and planned review of lesson observation grades.
- The school's curriculum is effective and reviewed annually to meet the needs of all groups of students. This is having a positive effect, including on rates of progress in the sixth form. Students with moderate learning difficulties and disabled students and those who have special educational needs are prioritised.
- The school makes a substantial funding allocation for extra sports activities. It works with primary schools to develop curriculum links through physical education. In this respect it organises tournaments and creates leadership links with a view to raising expectations about general health and fitness.
- There is an exceptional range of opportunities for students to develop their spiritual, moral, social and cultural skills both in lessons and the wider curriculum. This includes a broad range of out-of-hours activities, visits and community-based projects. The promotion of the spiritual, moral, social and cultural awareness is evident in many aspects of school life and features events such as fund raising for the many charities that the school supports.
- The school's success in promoting equality of opportunity is seen in the increasing progress made by all groups of students and the sustained very high attainment of those eligible for pupil-premium funding and those who have special educational needs in line with the rest of the school.
- Safeguarding arrangements are excellent. All strategies are in place and there are rigorous procedures to ensure the safety of all students and staff.
- The school works very well with parents and carers, as indicated by the positive response from Parent View, showing that almost all of the parents and carers thought the school was well led and managed and would recommend it to others.

### **The governance of the school is very effective:**

- Governance is outstanding. Governors have a clear vision for their role in improving the school. They make effective use of progress data to check the impact of teaching on raising students' attainment and are able to hold the headteacher and senior leaders to account. They have received the relevant training to enable them to effectively fulfil their statutory duties, including those relating to safeguarding. They make sure that financial resources are managed properly. Governors have a very good understanding of how teachers' performance is managed and make sure that pay progression takes account of teachers' individual achievements in relation to their targets. They know the strengths and areas of weakness in teaching partly through their conversations with the headteacher. They know what the school is doing to tackle any underperformance. They are strongly supportive of the school's strategy for 'narrowing the attainment gap' between different groups of students. Governors have an excellent knowledge of how the school uses the pupil premium to improve eligible students' progress. They are able to challenge senior leaders through the committee meetings that take place each term and also the regular visits of governors to the school. The governors have a very positive effect on the performance of the school.

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 on 13 March 2016. Inspectors rated the School as 'Outstanding' and, in summary of their findings and judgements, stated:-

# SACRED HEART OF MARY GIRLS' SCHOOL

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### **Overall effectiveness of this Catholic school**

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 RE 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 Head Teacher and her leadership team serve as powerful role models of Christian living and Catholic leadership. The Head Teacher 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 Chaplain. 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.

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 others may have life'. It is central to the life of the school and 'Live 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 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 wellbeing. 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 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.

### **Further information:**

The School has developed a broad and balanced curriculum that meets the needs and interests of its pupils and the expectations of their parents and carers. The planned provision is effective in its promotion of pupils' spiritual, moral, social and cultural development, with notable strength in its provision for citizenship. This is effectively supplemented by a range of enrichment activities that involve enterprise activities, guest speakers and local, national and international visits. Ensuring equality of opportunity for all is a high priority and staff do not tolerate discrimination. Their success in this area is evidenced through the achievements of different ethnic groups which are predominantly in line with or ahead of their peers. Safeguarding arrangements, the recording of checks carried out on staff and the risk assessment of premises are robust.

# SACRED HEART OF MARY GIRLS' SCHOOL

## GOVERNORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2019*

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### 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 2019-2020 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.

### **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 2019 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 2015)', such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life to the assets concerned.

During the year ended 31 August 2019, total expenditure of £5,192k (2018: £5,036k) was met by recurrent grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £24k (2018: £52k deficit).

At 31 August 2019 the net book value of fixed assets was £1,162k (2018: £999k). 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 £1,157k (2018: £753k) at 31 August 2019. Of this sum, £447k was inherited by the School from the London Borough of Havering on 1 August 2011. Following a three-yearly review of the School's actuarially-calculated pension liabilities relating to the London Borough of Havering Pension Fund, employer contribution rates have decreased with effect from 1 April 2017. The next three-yearly review will take place prior to 1 April 2020.

# SACRED HEART OF MARY GIRLS' SCHOOL

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 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

A risk arises in relation to the defined benefit pension scheme due to the fact that there is a deficit of £1,157k. 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 five occasions in the Financial Year 2018-2019 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'.

#### 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 £287k (2018: £262k) (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 £422k (2018: £397k) (total funds less the amount held in fixed assets and restricted funds).

The School held fund balances at 31 August 2019 of £427k (2018: £653k) comprising £5k (2018: £256k) of restricted funds and £422k surplus (2018: £397k) of unrestricted general funds. Of the restricted funds, £1,162k (2018: £999k) is represented by fixed asset funds.

The Local Government Pension Scheme reserve which is considered part of restricted funds, was £1,157k (2018: £753k) in deficit.

#### Investment policy and powers

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. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

# SACRED HEART OF MARY GIRLS' SCHOOL

## GOVERNORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Principal risks and uncertainties

The principal risks and uncertainties that the School faces are:

- Significantly increased expenditure and reduce 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 2018-2019.

#### **Raising of Funds**

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 now being produced termly. 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 in securing Condition Improvement Funding for Safeguarding works at the front of the school. This work has started and will be complete by the Spring 2019. The next capital works which is likely to attract Condition Improvement Fund (CIF) support, is to renew the electrical and fire safety works having to be which will be phased for 2019/20 and to undertake a number of small-scale maintenance and improvement projects whenever funds allow.

The School will continue to provide opportunities for an education to all pupils that reflect its Catholic foundation and ethos. The School is establishing 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 2019**

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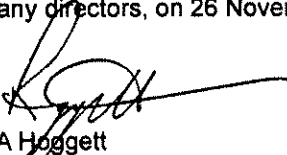
### **Auditor**

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.

A resolution proposing that Wilkins Kennedy 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 26 November 2019 and signed on its behalf by:



Mr R A Hoggett  
**Chair of Governors**



# SACRED HEART OF MARY GIRLS' SCHOOL

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### 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. They are 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'/Trustees' Responsibilities. The Governing Body has formally met seven times during the period. Attendance during the period at meetings of the Governing Body averaged 74% and, in detail, was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mr A J Berry	1	7
Mrs V J Davin	6	7
Mrs B Gopal	4	7
Mrs M V Devlin	5	7
Mr S A Hartley	7	7
Mr R A Hoggett (Chair of Governors)	7	7
Mr D J Leech	6	7
Sister R Lenehan	5	7
Mrs K M O'Neill (Accounting Officer)	6	7
Mr M J O'Riordan	6	7
Mr S Dudeney	7	7
Miss A J Holman	7	7
Mrs K L Jones	7	7
Mr P McAuliffe	3	7
Mrs H Ward	7	7
Mr M F Earley	7	7
Mr M W Heavey	4	7
Mrs T Knight	4	7
Mr G Redmond (Resigned 16 July 2019)	1	7

In the academic year 2018-2019, the Governing Body conducted a self-review and skills audit. Outcomes from this process indicated that there are no significant gaps corporate skills and knowledge of the Board and the issue of further input on the Catholic ethos of the School and its relationship with the wider Catholic Church, requested in the 2017-2018 skills audit by some Governors at that time, has now been covered by a training session for all Governors conducted in May 2019.

# SACRED HEART OF MARY GIRLS' SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **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 2019*

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### **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 ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust/Governing Body 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 at Sacred Heart of Mary Girls' School for the period ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal, ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

# SACRED HEART OF MARY GIRLS' SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 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 Governing Body;
- regular reviews by the Finance, Budget & 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

Wilkins Kennedy reports to the Governing body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

### 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 if relevant;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes committee/audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of governors on 26 November 2019 and signed on its behalf by:

  
Mr R A Hoggett  
Chair of Governors

  
Mrs K M O'Neill  
Accounting Officer

# SACRED HEART OF MARY GIRLS' SCHOOL

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2019

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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 & 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 2018.

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 2018.

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



Mrs K M O'Neill  
Accounting Officer

26 November 2019

# SACRED HEART OF MARY GIRLS' SCHOOL

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2019**

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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 financial statements in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of governors on 26 November 2019 and signed on its behalf by:

  
Mr R A Hoggett  
Chair of Governors

# SACRED HEART OF MARY GIRLS' SCHOOL

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

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### Opinion

We have audited the financial statements of Sacred Heart of Mary Girls' School for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019.

### 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 financial statements' 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 financial statements 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 financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements 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 financial statements 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 financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

# SACRED HEART OF MARY GIRLS' SCHOOL

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

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### **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 financial statements are prepared is consistent with the financial statements; and
- the Governors' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

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

In the light of 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 financial statements 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 financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 financial statements 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <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)

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### 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.

*Wilkins Kennedy Audit Services*

**Mandy Wilson FCA (Senior Statutory Auditor)  
for and on behalf of Wilkins Kennedy Audit Services**

*19/12/2019*  
.....

**Statutory Auditor**

1-5 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 & SKILLS FUNDING AGENCY**

***FOR THE YEAR ENDED 31 AUGUST 2019***

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In accordance with the terms of our engagement letter dated 20 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sacred Heart of Mary Girls' School during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy 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 & SKILLS FUNDING AGENCY (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2019*

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### 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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Wilkins Kennedy Audit Services*

### Reporting Accountant

Wilkins Kennedy Audit Services  
1-5 Nelson Street  
Southend on Sea  
Essex  
SS1 1EG

Dated: *19/12/2019*

# SACRED HEART OF MARY GIRLS' SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2019 £'000	Total 2018 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	3	400	-	85	485	476
Charitable activities:						
- Funding for educational operations	4	-	4,345	-	4,345	4,335
Other trading activities	5	100	341	-	441	300
<b>Total</b>		<u>500</u>	<u>4,686</u>	<u>85</u>	<u>5,271</u>	<u>5,111</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	7	475	4,687	30	5,192	5,036
<b>Total</b>	6	<u>475</u>	<u>4,687</u>	<u>30</u>	<u>5,192</u>	<u>5,036</u>
<b>Net income/(expenditure)</b>		25	(1)	55	79	75
Transfers between funds	16	-	(108)	108	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial (losses)/gains on defined benefit pension schemes	18	-	(305)	-	(305)	218
<b>Net movement in funds</b>		25	(414)	163	(226)	293
<b>Reconciliation of funds</b>						
Total funds brought forward		397	(743)	999	653	360
Total funds carried forward		<u>422</u>	<u>(1,157)</u>	<u>1,162</u>	<u>427</u>	<u>653</u>

# SACRED HEART OF MARY GIRLS' SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £'000	Restricted funds: General	Fixed asset £'000	Total 2018 £'000
<b>Income and endowments from:</b>					
Donations and capital grants	3	216	98	162	476
Charitable activities:					
- Funding for educational operations	4	-	4,335	-	4,335
Other trading activities	5	79	221	-	300
<b>Total</b>		<u>295</u>	<u>4,654</u>	<u>162</u>	<u>5,111</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	7	298	4,703	35	5,036
<b>Total</b>	6	<u>298</u>	<u>4,703</u>	<u>35</u>	<u>5,036</u>
<b>Net income/(expenditure)</b>		(3)	(49)	127	75
Transfers between funds	16	-	(58)	58	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	18	-	218	-	218
<b>Net movement in funds</b>		(3)	111	185	293
<b>Reconciliation of funds</b>					
Total funds brought forward		400	(854)	814	360
Total funds carried forward		<u>397</u>	<u>(743)</u>	<u>999</u>	<u>653</u>

# SACRED HEART OF MARY GIRLS' SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	11		1,162		999
<b>Current assets</b>					
Stocks	13	20		28	
Debtors	12	64		78	
Cash at bank and in hand		564		581	
		<u>648</u>		<u>687</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	14	(226)		(280)	
<b>Net current assets</b>			<u>422</u>		<u>407</u>
<b>Net assets excluding pension liability</b>			<u>1,584</u>		<u>1,406</u>
Defined benefit pension scheme liability	18		(1,157)		(753)
<b>Total net assets</b>			<u><u>427</u></u>		<u><u>653</u></u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	16				
- Fixed asset funds			1,162		999
- Restricted income funds			-		10
- Pension reserve			(1,157)		(753)
<b>Total restricted funds</b>			<u>5</u>		<u>256</u>
<b>Unrestricted income funds</b>	16		<u>422</u>		<u>397</u>
<b>Total funds</b>			<u><u>427</u></u>		<u><u>653</u></u>

The financial statements on pages 26 to 48 were approved by the Governors and authorised for issue on 26 November 2019 and are signed on their behalf by:

  
Mr R. A. Hoggett  
Chair of Governors

Company Number 07693743

# SACRED HEART OF MARY GIRLS' SCHOOL

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

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	Notes	2019 £'000	£'000	2018 £'000	£'000
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	19		91		102
<b>Cash flows from investing activities</b>					
Capital grants from DfE Group		85		162	
Purchase of tangible fixed assets		(193)		(220)	
<b>Net cash used in investing activities</b>			(108)		(58)
<b>Net (decrease)/increase in cash and cash equivalents in the reporting period</b>			(17)		44
Cash and cash equivalents at beginning of the year			581		537
<b>Cash and cash equivalents at end of the year</b>			<u>564</u>		<u>581</u>

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# SACRED HEART OF MARY GIRLS' SCHOOL

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 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 financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Sacred Heart of Mary Girls' School meets the definition of a public benefit entity under FRS 102.

##### 1.2 Going concern

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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 financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 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 ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

---

### 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 financial statements 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 ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 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 other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Improvement 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 ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

---

### 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 so as 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 on the basis of 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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

# SACRED HEART OF MARY GIRLS' SCHOOL

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

##### Critical areas of judgement

There are no critical areas of judgement.

# SACRED HEART OF MARY GIRLS' SCHOOL

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Trips	232	-	232	64
Capital grants	-	85	85	162
Other donations	168	-	168	250
	<u>400</u>	<u>85</u>	<u>485</u>	<u>476</u>

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	4,136	4,136	4,173
Other DfE group grants	-	149	149	127
	<u>-</u>	<u>4,285</u>	<u>4,285</u>	<u>4,300</u>
<b>Other government grants</b>				
Local authority grants	-	60	60	35
	<u>-</u>	<u>60</u>	<u>60</u>	<u>35</u>
<b>Total funding</b>	<u>-</u>	<u>4,345</u>	<u>4,345</u>	<u>4,335</u>

### 5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Hire of facilities	32	-	32	29
Income from education and training	-	7	7	7
Sales of goods & services	68	251	319	248
Other income	-	83	83	16
	<u>100</u>	<u>341</u>	<u>441</u>	<u>300</u>

# SACRED HEART OF MARY GIRLS' SCHOOL

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 6 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2019 £'000	Total 2018 £'000
Academy's educational operations					
- Direct costs	3,275	30	367	3,672	3,631
- Allocated support costs	708	152	660	1,520	1,405
	<u>3,983</u>	<u>182</u>	<u>1,027</u>	<u>5,192</u>	<u>5,036</u>

#### Net income/(expenditure) for the year includes:

	2019 £'000	2018 £'000
Fees payable to auditor for:		
- Audit	9	9
- Other services	1	1
Depreciation of tangible fixed assets	30	35
Net interest on defined benefit pension liability	22	23
	<u>62</u>	<u>68</u>

### 7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
<b>Direct costs</b>				
Educational operations	59	3,613	3,672	3,631
<b>Support costs</b>				
Educational operations	416	1,104	1,520	1,405
	<u>475</u>	<u>4,717</u>	<u>5,192</u>	<u>5,036</u>

#### Analysis of costs

	2019 £'000	2018 £'000
<b>Direct costs</b>		
Teaching and educational support staff costs	3,275	3,207
Depreciation	30	35
Technology costs	27	41
Educational supplies and services	112	122
Examination fees	88	85
Other direct costs	140	141
	<u>3,672</u>	<u>3,631</u>

# SACRED HEART OF MARY GIRLS' SCHOOL

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

<b>7</b>	<b>Charitable activities</b>	<b>(Continued)</b>	
	<b>Support costs</b>		
	Support staff costs	708	666
	Maintenance of premises and equipment	135	300
	Insurance	17	19
	Catering	155	128
	Finance costs	22	23
	Other support costs	473	259
	Governance costs	10	10
		<u>1,520</u>	<u>1,405</u>

<b>8</b>	<b>Staff</b>		
	<b>Staff costs</b>		
	Staff costs during the year were:		
		<b>2019</b>	<b>2018</b>
		<b>£'000</b>	<b>£'000</b>
	Wages and salaries	3,009	2,908
	Social security costs	303	292
	Pension costs	587	591
		<u>3,899</u>	<u>3,791</u>
	Amounts paid to employees	3,899	3,791
	Agency staff costs	84	82
		<u>3,983</u>	<u>3,873</u>

### Staff numbers

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

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
Teachers	54	54
Administration and support	55	56
Management	6	6
	<u>115</u>	<u>116</u>

# SACRED HEART OF MARY GIRLS' SCHOOL

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 8 Staff (Continued)

##### Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	8	2
£100,001 - £110,000	1	1

##### 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) received by key management personnel for their services to the academy trust was £519,516 (2018: £467,865).

#### 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

(2018: Remuneration £100k to £105k)

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

(2018: Employer's pension contributions £15k to £20k)

A Holman (Staff Governor):

Remuneration £50k to £55k

(2018: Remuneration £50k to £55k)

Employer's pension contributions £5k to £10k

(2018: Employer's pension contributions £5k to £10k)

K Jones (Staff Governor):

Remuneration £45k to £50k

(2018: Remuneration £40k to £45k)

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

(2018: 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 2019 (2018: £ Nil)



# SACRED HEART OF MARY GIRLS' SCHOOL

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 10 Governors and officers insurance

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.

### 11 Tangible fixed assets

	Improvement to property £'000	Fixtures, fittings & equipment £'000	Total £'000
<b>Cost</b>			
At 1 September 2018	1,081	156	1,237
Additions	145	48	193
	<u>1,226</u>	<u>204</u>	<u>1,430</u>
At 31 August 2019			
<b>Depreciation</b>			
At 1 September 2018	99	139	238
Charge for the year	24	6	30
	<u>123</u>	<u>145</u>	<u>268</u>
At 31 August 2019			
<b>Net book value</b>			
At 31 August 2019	<u>1,103</u>	<u>59</u>	<u>1,162</u>
At 31 August 2018	<u>982</u>	<u>17</u>	<u>999</u>

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.

<b>12 Debtors</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
VAT recoverable	27	48
Prepayments and accrued income	37	30
	<u>64</u>	<u>78</u>
	<u>64</u>	<u>78</u>
<b>13 Stocks</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Stock of school uniform	20	28
	<u>20</u>	<u>28</u>

# SACRED HEART OF MARY GIRLS' SCHOOL

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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<b>14</b>	<b>Creditors: amounts falling due within one year</b>	<b>2019</b>	<b>2018</b>
		<b>£'000</b>	<b>£'000</b>
	Other taxation and social security	77	77
	Other creditors	86	87
	Accruals and deferred income	63	116
		<u>226</u>	<u>280</u>
		<u><u>226</u></u>	<u><u>280</u></u>
<b>15</b>	<b>Deferred income</b>	<b>2019</b>	<b>2018</b>
		<b>£'000</b>	<b>£'000</b>
	Deferred income is included within:		
	Creditors due within one year	53	8
		<u>53</u>	<u>8</u>
	Deferred income at 1 September 2018	8	45
	Released from previous years	(8)	(45)
	Resources deferred in the year	53	8
		<u>53</u>	<u>8</u>
	<b>Deferred income at 31 August 2019</b>	<b>53</b>	<b>8</b>
		<u><u>53</u></u>	<u><u>8</u></u>

Deferred income for the year relates to income received for school trips taking place in 2019/20.

# SACRED HEART OF MARY GIRLS' SCHOOL

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 16 Funds

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
<b>Restricted general funds</b>					
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>
<b>Restricted fixed asset funds</b>					
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>
<b>Total restricted funds</b>	<u>256</u>	<u>4,771</u>	<u>(4,717)</u>	<u>(305)</u>	<u>5</u>
<b>Unrestricted funds</b>					
General funds	397	500	(475)	-	422
	<u>397</u>	<u>500</u>	<u>(475)</u>	<u>-</u>	<u>422</u>
<b>Total funds</b>	<u>653</u>	<u>5,271</u>	<u>(5,192)</u>	<u>(305)</u>	<u>427</u>

# SACRED HEART OF MARY GIRLS' SCHOOL

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 16 Funds

(Continued)

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

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	4,173	(4,105)	(58)	10
Other DfE / ESFA grants	-	127	(127)	-	-
Other government grants	-	35	(35)	-	-
Other restricted funds	-	319	(319)	-	-
Pension reserve	(854)	-	(117)	218	(753)
	<u>(854)</u>	<u>4,654</u>	<u>(4,703)</u>	<u>160</u>	<u>(743)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	814	162	(35)	58	999
	<u>814</u>	<u>162</u>	<u>(35)</u>	<u>58</u>	<u>999</u>
<b>Total restricted funds</b>	<u>(40)</u>	<u>4,816</u>	<u>(4,738)</u>	<u>218</u>	<u>256</u>
<b>Unrestricted funds</b>					
General funds	400	295	(298)	-	397
	<u>400</u>	<u>295</u>	<u>(298)</u>	<u>-</u>	<u>397</u>
<b>Total funds</b>	<u>360</u>	<u>5,111</u>	<u>(5,036)</u>	<u>218</u>	<u>653</u>

#### 17 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
<b>Fund balances at 31 August 2019 are represented by:</b>				
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)
	<u>-</u>	<u>(1,157)</u>	<u>1,162</u>	<u>-</u>
<b>Total net assets</b>	<u>422</u>	<u>(1,157)</u>	<u>1,162</u>	<u>422</u>

# SACRED HEART OF MARY GIRLS' SCHOOL

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 17 Analysis of net assets between funds

(Continued)

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	Funds
	£'000	£'000	£'000	£'000
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	999	999
Current assets	677	10	-	687
Creditors falling due within one year	(280)	-	-	(280)
Defined benefit pension liability	-	(753)	-	(753)
<b>Total net assets</b>	<b>397</b>	<b>(743)</b>	<b>999</b>	<b>653</b>

### 18 Pensions 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 2016.

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

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

##### The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

# SACRED HEART OF MARY GIRLS' SCHOOL

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 18 Pensions and similar obligations

(Continued)

#### **Valuation of the Teachers' Pension Scheme**

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.08%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the valuation report and supporting documentation is on the Teachers' Pension Scheme 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.

The employer's pension costs paid to the TPS in the period amounted to £357,000 (2018: £336,000).

#### **Scheme changes**

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

#### **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 1.9% for employers and 2.4% 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.

# SACRED HEART OF MARY GIRLS' SCHOOL

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 18 Pensions and similar obligations (Continued)

Total contributions made	2019 £'000	2018 £'000
Employer's contributions	174	157
Employees' contributions	37	36
<b>Total contributions</b>	<b>211</b>	<b>193</b>

Principal actuarial assumptions	2019 %	2018 %
Rate of increases in salaries	2.6	2.4
Rate of increase for pensions in payment	2.3	2.7
Discount rate	1.8	2.8

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

	2019 Years	2018 Years
Retiring today		
- Males	21.1	22
- Females	23.3	24.2
Retiring in 20 years		
- Males	22.2	23.9
- Females	24.8	26.3

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

	2019 £'000	2018 £'000
Discount rate -0.5%	371	333
Salary increase rate +0.5%	38	102
Pension increase rate +0.5%	327	221

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

	2019 Fair value £'000	2018 Fair value £'000
Equities	1,265	1,122
Bonds	754	604
Cash	243	259
Property	170	173
<b>Total market value of assets</b>	<b>2,432</b>	<b>2,158</b>

# SACRED HEART OF MARY GIRLS' SCHOOL

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pensions and similar obligations	(Continued)	
Actual return on scheme assets - gain/(loss)	165	95
	<u>          </u>	<u>          </u>
<b>Amounts recognised in the statement of financial activities</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Current service cost	238	251
Past service cost	13	-
Interest income	(62)	(50)
Interest cost	84	73
	<u>          </u>	<u>          </u>
Total operating charge	273	274
	<u>          </u>	<u>          </u>
<b>Changes in the present value of defined benefit obligations</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Obligations at 1 September 2018	2,911	2,825
Current service cost	238	251
Interest cost	84	73
Employee contributions	37	36
Actuarial loss/(gain)	408	(173)
Benefits paid	(102)	(101)
Past service cost	13	-
	<u>          </u>	<u>          </u>
At 31 August 2019	3,589	2,911
	<u>          </u>	<u>          </u>
<b>Changes in the fair value of the academy trust's share of scheme assets</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Assets at 1 September 2018	2,158	1,971
Interest income	62	50
Actuarial gain	103	45
Employer contributions	174	157
Employee contributions	37	36
Benefits paid	(102)	(101)
	<u>          </u>	<u>          </u>
At 31 August 2019	2,432	2,158
	<u>          </u>	<u>          </u>



# SACRED HEART OF MARY GIRLS' SCHOOL

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 19 Reconciliation of net income to net cash flow from operating activities

	2019 £'000	2018 £'000
Net income for the reporting period (as per the statement of financial activities)	79	75
Adjusted for:		
Capital grants from DfE and other capital income	(85)	(162)
Defined benefit pension costs less contributions payable	77	94
Defined benefit pension scheme finance cost	22	23
Depreciation of tangible fixed assets	30	35
Decrease in stocks	8	6
Decrease/(increase) in debtors	14	(21)
(Decrease)/increase in creditors	(54)	52
	<u>91</u>	<u>102</u>
<b>Net cash provided by operating activities</b>	<u><u>91</u></u>	<u><u>102</u></u>

#### 20 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.

#### 21 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £'000	2018 £'000
Amounts due within one year	6	5
Amounts due in two and five years	3	6
	<u>9</u>	<u>11</u>
	<u><u>9</u></u>	<u><u>11</u></u>

# SACRED HEART OF MARY GIRLS' SCHOOL

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 22 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 used first aid training services from Crusaider First Aid totalling £180 (2018: £1,490) during the period. There were no amounts outstanding at 31 August 2019 (2018: £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.

#### 23 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.

#### 24 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the academy trust received £9,243 (2018: £9,286) and disbursed £4,169 (2018: £3,200) from the fund. In addition to this, £11,461 was clawed back by the ESFA in relation to historical unspent funds. An amount of £300 (2018: £6,086) is included in other creditors relating to undistributed funds that is repayable to ESFA.