

Lady Margaret School

Annual Report and Financial Statements

31 August 2020

Company Limited by Guarantee
Registration Number
08156535 (England and Wales)

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Lady Margaret School

Reference and Administrative Details of the Academy For the Year Ended 31 August 2020

Members

The Lady Margaret School Foundation
The London Diocesan Board for Schools
The Rt Revd Dr Graham Tomlin, Bishop of Kensington
Philip Bladen, Chair of Trustees

Trustees

Eleanor Allen (retired at end of term 31 August 2020)
Justin Bairamian, Vice Chair*
Lorraine Bewes* (resigned 08 September 2019)
Phillip Bladen, Chair*
Marianne Coates (appointed 19 November 2019)
Maxine Boersma (appointed 03 November 2020)
James Ewins*
Kathryn Foulds (appointed 04 November 2020)
William Hunter
Arabella Macintyre*
Nigel Parker
Sarah Peart, Deputy Vice Chair
Vithya Premkumar
Jane Reed
Penelope Seabrook
Paul Sloan
Elisabeth Stevenson, Headteacher*
Philip Thomas*
Nicola Thomson (retired at end of term 04 November 2020)
Charlotte Walton (retired at end of term 20 November 2020)
Tania Weithers
Richard Wormell*
*members of the Finance and Resources Committee

Company Secretary

Alex Parker

Headteacher

Elisabeth Stevenson

Lady Margaret School

Reference and Administrative Details of the Academy (continued)

For the Year Ended 31 August 2020

Senior Leadership team

Sarah Denmark, Assistant Headteacher

Harriet James, Assistant Headteacher

Nicola Lupton, Deputy Headteacher

Alex Parker, Bursar

Charlotte Walton, Assistant Headteacher and Director of Sixth Form

Sarah Webber, Deputy Headteacher

Company Registration Number

08156535

Registered Office

Lady Margaret School

9 – 15 Parsons Green Lane

London

SW6 4UN

Independent Auditors

Haysmacintyre LLP

10 Queen Street Place

London

EC4R 1AG

Bankers

Lloyds Bank

25 Gresham Street

London

EC2V 7HN

Solicitors

Winkworth Sherwood

Minerva House

5 Montague Close

London

SE1 9BB

Lady Margaret School

Governors' Report

For the Year Ended 31 August 2020

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

Structure, governance and management

Constitution

Lady Margaret School Academy Trust is a private company limited by guarantee and an exempt charity. The charity's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Governors act as the trustees for the charitable activities of the Lady Margaret School Academy Trust and are also directors of the charitable company for the purposes of company law. The charitable company is known as Lady Margaret School.

Lady Margaret School is a Church of England School for girls aged 11 – 18 and is located in Parsons Green, South West London.

The charitable company was formed on the 25 July 2012.

On the 1 September 2012, Lady Margaret School converted to an Academy under the Academies Act 2010.

Details of the Governors who served throughout the period except as noted are included in the Reference and Administrative Details on page 1.

Members' liability

There are four members of the charitable company and each member 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 before they ceased to be a member.

Governors Indemnities

The Governors of the Charitable Company have been indemnified in respect of their legal liability resulting from financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. The limit of this indemnity is unlimited.

Lady Margaret School

Governors' Report (continued)

Method of recruitment and appointment and election of Governors

The number of Governors shall not be less than three but shall not be subject to any maximum.

In accordance with the Memorandum and Articles of Association the Academy Trust shall have up to 11 Foundation Governors, 3 Staff Governors, up to 2 Local Community Governors, up to 3 and not less than 2 Parent Governors, Co-opted Governors and the Headteacher. Additional and Further Governors may be appointed in line with the Memorandum and Articles of Association.

The Members appoint the 11 Foundation Governors. The Members appoint 1 Local Community Governor, the Governing Body appoint 1 Local Community Governor (and will invite the LA to propose the candidates). The Headteacher is an ex officio Governor. Parent Governors are Parents/Carers of students within the school at the time of their election. They are elected by Parents/Carers of students by secret ballot. The Staff Governors are members of staff at the time of the election. They are elected by members of staff by a secret ballot.

Policies and procedures adopted for the induction and training of Governors

New Governors have a meeting with the Chair of Governors and the Headteacher in addition to receiving a tour of the school. An induction pack is provided by the Clerk to the Governors which contains documentation relevant to the governance and management of the school.

Training of new Governors is tailored accordingly and those requiring guidance on the roles of Governors are provided with external training from the Local Authority or the London Diocesan Board of Schools and through internal meetings and discussion with other staff and Governors.

Organisational structure

Lady Margaret School is governed by a Governing Body composed of directors and trustees of the company constituted under the Articles of Association of the Academy Trust. The Governing Body acts in accordance with the Funding Agreement and the Articles of Association.

To discharge their responsibilities effectively the Governing Body has established a scheme of delegation and committee structure with their own terms of reference who in turn report back to the Governing Body.

The Governing Body meets every term except in the autumn term whereby an additional Annual General Meeting is held. The committees meet every term.

Lady Margaret School

Governors' Report (continued)

The committees are as follows:

- Finance and Resources Committee
- Curriculum Committee
- Staffing and General Purposes Committee
- Admissions Committee

There are also occasional committees which meet as when required throughout the year.

Ms Elisabeth Stevenson is the Accounting Officer for the Academy Trust.

The Senior Leadership Team controls the running of the Academy at an executive level and implements the policies and decisions of the Governors through the agreed schemes of delegation.

The Governors have an approved scheme of financial delegation that allows financial responsibilities to be delegated within appropriate limits to facilitate the effective running of the academy.

Arrangements for setting pay and remuneration of key management personnel

Lady Margaret Academy Trust operates a policy on school teachers' pay which is reviewed annually and is subject to staff and trade union consultation.

The Policy on School Teachers' Pay for 1 September 2019 to 31 August 2020 ('Pay Policy') set out the pay ranges for the school's senior leadership team; the Headteacher, the Deputy Headteachers and the Assistant Headteachers.

The above Pay Policy has regard to the guidance contained with the School Teacher's Pay and Conditions Document 2019 ('STPCD September 2019'), ESFA Financial Handbook 2019 and Ofsted guidance. In addition the policy is subject to the provisions of the Governing Body's TUPE Letter, 4 May 2012 to trade unions and staff.

Trade Union Facility Time

In accordance with schedule 2 of the Trade Union (Facility Time Publication Requirements) Regulations 2017, there were no relevant union officials and there were no paid trade union activities in 2019/2020.

Connected organisations, including related party relationships

Lady Margaret Academy Trust is connected to the London Diocesan Board for Schools, The Bishop of Kensington, The Lady Margaret School Foundation and the London Borough of Hammersmith and Fulham.

Lady Margaret School

Governors' Report (continued)

The London Diocesan Board for Schools is one of the four members of the Lady Margaret School Academy Trust and party to the Supplemental Agreement of the Academy Trust Funding Agreement. The supplemental agreement is in place to enable the Academy Trust to occupy the land and buildings in which it occupies, which is owned by the London Diocesan Board for Schools.

The Bishop of Kensington is a member of the Academy Trust.

The Lady Margaret School Foundation is a charity established to manage monies held in trust for Lady Margaret School.

Lady Margaret is situated within the London Borough of Hammersmith and Fulham (LBHF) and has a relationship with the Local Authority (LA) as a secondary education provider.

Objectives and Activities

Objects and Aims

The principle activity of the Academy Trust is set out in the Articles of Association. The Academy Trust's objects ('Objects') are specifically restricted to the following:

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a Church of England school which shall offer a broad and balanced curriculum and shall be conducted in accordance with the principles, practices and tenets of the Church of England, including any trust deed governing the use of the land used by the Academy both generally and in particular in relation to arranging for religious education and daily acts of worship and having regard to any advice issued by the Trustees.

In furtherance of the object but not further or otherwise the Academy Trust may exercise additional powers as set out in the Memorandum and Articles of Association.

Objectives, strategies and activities

Lady Margaret School is a Church of England school for girls aged 11 to 18. Founded by Miss Enid Moberly Bell in 1917.

The school became an Academy Trust on 1 September 2012.

Current priorities for the school are reflected in the **School Development Plan 2019 - 2022**. These are identified by the Senior Leadership Team following discussions with the Governing Body.

Lady Margaret School

Governors' Report (continued)

School Development Plan 2019-2022

In preparation for the next phase of the school's development, it was decided that priorities should be set over a three year period 2019-2022, with each of the three years to have a detailed focus.

The development priorities for 2019/2020 contained within the School Development Plan were therefore as follows:

1. For all students to maintain excellent progress, including those from disadvantaged groups
2. To support and develop the well-being of staff and students
3. To develop and sustain an excellent CPD programme across the staff to ensure a high quality of teaching and learning across the school
4. To maintain the school's financial stability

The school development plan is reviewed regularly by the Senior Leadership Team and each priority by the appropriate Governing Body Committee. Each priority is set with a clear focus for the period 2019-2022 and an interim set of goals which needed to be achieved in 2019/2020. For the period 2019/2020 each goal was underpinned with a link to the Christian character of the school, the identification of key strategies and the people required to deliver each goal, along with the success criteria which need to be met.

In March 2020, alongside all schools in England, Lady Margaret School was instructed to close by the Department of Education as a direct result of the Covid-19 pandemic. As a result of both the school closure and the pandemic the school's priorities were immediately diverted from those that were set out in the School Development Plan.

Between March and May 2020 the key priority was managing the school operation in a remote and virtual setting so that it could continue to deliver teaching, learning and safeguarding to all of its students. A small group of students who were children of key workers or from vulnerable backgrounds attended school for face to face teaching during this time.

Between June to July 2020 the school's priorities included the safe and partial reopening of the school to students from Years 10 and 12 and a group of students who were children of key workers or from vulnerable backgrounds. The school also continued to operate as a virtual school delivering remote

During August 2020 the school's priority was to plan for the full and safe reopening of the school in September 2020 and to ensure that correct and adequate Covid-19 health and safety measures were in place.

Lady Margaret School

Governors' Report (continued)

Public Benefit

As a school, we aim to give all our students a 'goodly heritage': an exceptional education, a wide range of opportunities and extra-curricular activities, and a chance to contribute to and be part of a strong community.

As a Church of England academy, we are rooted in our Christian faith, and reaching to everyone. We encourage an understanding of the meaning and significance of faith, and our Christian values underpin how we work together as a community.

In setting the School's objectives and planning its activities, the Governing Body have given careful consideration to the Charity Commission's general guidance on public benefit.

Aims:

1. To provide an exceptional education, with outstanding Teaching and Learning
2. To develop our students into confident, curious and compassionate young adults
3. To develop a staff team who model high expectations and who work together and support each other
4. To sustain the financial stability of our school
5. To sustain and develop our Christian ethos, as a community rooted in our faith and welcoming to all

We aim to offer a safe, inclusive, caring and intellectually demanding environment to enable all our students to benefit from an outstanding secondary education. To this end we will:

- Help students to develop **Wisdom**: to develop lively and inquiring minds, to develop the ability to question and to articulate ideas rationally and clearly
- Develop our students into curious and confident learners who are resilient and resourceful in their approach to education and to life
- Ensure that our curriculum is both accessible and challenging for everyone, enabling each student to develop her best qualities in mind, body and spirit and help her to make excellent progress thereby fulfilling her potential
- Ensure that students are able to participate in a wide range of opportunities beyond the classroom, including clubs and trips, so that we broaden students' horizons and open opportunities and pathways for all, giving students **Hope** and ambition for the future
- Promote understanding of our social, economic and political context, both locally and globally, helping students to approach 'big' questions and problems with a reasoned set of attitudes, values and beliefs and a commitment to both **Justice** and **Friendship**
- Promote among our students an awareness of community and society and help them to show concern for the environment, to value **God's Creation**
- Promote knowledge and understanding of other cultures, religions and ways of life

Lady Margaret School

Governors' Report (continued)

Public Benefit

- Support the development of the well-being of every member of our community, helping each girl to develop a sense of self-respect and self-worth in a school characterised by **Trust, Compassion and Service** to our community

The highest standards of behaviour are demanded at all times - there is school uniform from the Year 7 to the Year 11 and full parental co-operation in maintaining the high standards is expected.

Our Behaviour Policy has been updated and approved by governors as of October 2018 so as to support clear and consistently high expectations of behaviour; girls are expected to respect everyone in the school community. The school prides itself on helping all girls to get the best possible outcomes at GCSE and A Level to maximise the opportunities available to them in higher education and employment.

Lady Margaret is a church school, although not all students are practising Anglicans. As a school community we are rooted in our Christian faith but reach out to all. Our daily worship frames and shapes the school day, with formal assemblies and form group worship at the start of the day, and prayers at the end of afternoon registration. The school has its own small chapel.

All students are encouraged to support the school's chosen charity (which is voted for by the girls). Many senior girls are involved in charity work and volunteering both within the school and in the local community. About half the girls in Year 12 work with Age UK and others act as mentors to girls in the lower school. This year girls have voted to support the charity 'success'. An important part of our understanding of our school motto is that we seek to support a 'goodly heritage' for others, especially those not able to access education.

The Curriculum

The school teaches a broad and balanced curriculum within the constraints of a small site. GCSE examination courses are taught in years 10 and 11. Fifteen A-level subjects are offered in the Sixth Form. All girls in the sixth form are studying for A-levels and nearly all go on to higher education. The curriculum supports the needs of all our learners. For example, some girls at Key Stage 4 have timetabled 'Curriculum Support' to give them extra time for studying English and Maths with subject specialists, and at the same time around a third of girls each year sit three Sciences at GCSE. A small group of girls study Latin as part of a partnership with St. Paul's School.

The school provides a wide programme of extra-curricular activities and girls are encouraged to take on at least one. There are many opportunities for girls to participate in the musical life of the school. Although PE facilities are limited, the school is affiliated to external sporting groups.

Lady Margaret School

Governors' Report (continued)

Public Benefit

Street Dance is popular and in recent years the school has participated in the national Rock Challenge Dance Competition. Girls also take part in Rowing at Fulham Reach. There are Debating and Creative writing clubs run by the English Department.

During a week at the end of the summer term all girls in Key Stage 3 are offered a variety of special activities and residential trips in the UK and further afield. This time is seen as an important part of the curriculum and gives girls the opportunity to develop qualities of leadership, self-reliance and self-respect.

Strategic Report

Achievements and Performance

The school's ability to perform as it would normally expect to was severely challenged as a direct result of the Covid-19 pandemic and the instruction by the Department of Education to close in March 2020. Following the publication of several guidance notes from the Department of Education the school was required to implement a series of Covid-19 protective measures and manage the partial and full reopening of the school in June 2020 and September 2020 respectively.

The impacts of Covid-19 protective measures on the school can be summarised as follows:

- Teaching and Learning and Safeguarding were migrated to a remote learning model and delivered online between March and July 2020 for the majority of students.
- GCSE and A Level Examinations did not take place. In their place the school was required by the Examination Boards to produce 'Centre Assessed Grades'. This work was undertaken by all of the teaching staff remotely.
- Extensive health and safety measures and building modifications were required in order to facilitate the partial reopening of the school in June 2020. These involved a direct financial cost to the school of £9,534.
- Extensive logistical and timetable planning was required in order to facilitate the partial reopening of the school in June 2020 to Years 10 and 12 and a group of students who were children of key workers or from vulnerable backgrounds.
- Extensive logistical and timetable planning was required in both June and September 2020 in order to facilitate the full reopening of the school in September 2020 to all year groups.
- A risk assessment of the school workforce was required in order to ensure a safe environment for staff who were profiled as being at a higher risk to the effects of Covid-19.
- Administrative and management functions i.e. meetings and tasks were performed remotely or in a hybrid format of school based and remote based working.

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Governors' Report (continued)

Strategic Report (continued)

Achievements and Performance (continued)

- Governance functions were performed remotely or in a hybrid format of school based and remote based meetings. Meetings in either format did not take place from March to May 2020, instead the Chair of Governors liaised directly with the Headteacher on a twice weekly basis. Regular written updates were provided by the Headteacher to the Governing Body during that period.

Due to Covid-19, both the GCSE and A Level results for 2020 are based on Centre Assessed Grades submitted by the school to the Examination Boards in June 2020. In order to calculate the Centre Assessed Grades, staff worked very hard to ensure that these grades were based on a comprehensive range of data and work submitted by students. These grades were checked and moderated internally before being sent to the Examination Boards. Staff worked through the school's process with great care and precision to ensure our submitted grades were accurate.

Headline figures for exam results from Summer 2020 are as follows:

GCSE Results

	English Language	English Literature	Mathematics	Both English and Maths
Grade 4 or above	98%	98%	96%	96%
Grade 5 or above	92%	96%	83%	83%

79% of students attained the English Baccalaureate. These are students who attained 5 GCSEs with a minimum of Grade 4 of English and Maths, and a minimum of a grade 4 in three other 'E Bacc' subjects, which are Sciences, History, Geography, French and Spanish.

The overall Attainment 8 score is 67.6. 57% of grades in total were 9-7 and 88% of grades were 9-5.

Nine students attained all 8 and 9 grades, two of them were awarded Grade 9 in all subjects.

A Level Results

Overall 97% of grades were A* - C and 84% of grades attained were A* - B. 53% of grades were A* - A. Fourteen students attained at least three A/A* grades at A Level, which is a fantastic achievement. There were nine A* grades in English, eight in History, six in Mathematics and three in Economics, four in French and in Spanish. In French, Spanish, Politics, History, Fine Art, Textiles, Mathematics, Geography, Physics, Psychology and Music no student attained below a C Grade.

In Autumn 2020 our students will be starting courses in many different subjects, at universities right across the country, including Law at Hereford College, University of Oxford; Medicine at University of Bristol; Chinese at Queen's College, University of Oxford; Politics and International Relations at University of Bristol; History at Durham University; Nursing at King's College, London; Philosophy and

Lady Margaret School

Governors' Report (continued)

Strategic Report (continued)

A Level Results (continued)

Theology at University of Edinburgh; Psychology at University of Leeds and Liberal Arts at Durham University.

This year we have two students who are going to study abroad, one going to study Psychology at the University of Amsterdam and one going to the University of Chicago to study Engineering. Three girls will be starting Art Foundation Courses.

Staff are observed three times during the academic year. Lesson observations are done by pairs of staff to support sharing good practice and developing consistency across the school. The second round of lesson observations in the year are 'teaching observations' to allow a more experienced member of staff to observe with a newer colleague to discuss and identify areas of good practice for the newer member of staff to adopt in their own lessons. For Newly Qualified Teachers, there is a programme of meetings with the Assistant Headteacher, to enable staff to reflect on and improve their practice. There is a CPD programme designed for those new to middle leadership which is run by two members of the Senior Leadership Team.

Key Performance Indicators

The key indicators used by the Governors to assess the performance of the school are:

- Results in Public Examinations
- The quality of teaching and learning
- Student progress in all year groups.
- Student and parent satisfaction
- The continued oversubscription of the school in Year 7
- The continued high number of applications to the Sixth Form
- Information from the School Improvement Partner, the LDBS and LBHF
- External audits and inspections
- The setting of a balanced budget which meets the needs of teaching and learning (with an adequate reserve)

The school can measure its performance against these Key Performance Indicators over the period 2019/2020 as follows:

Both GCSE and A level results were substantially improved against the previous year 2018/2019.

The quality of teaching learning was assessed to be at least good overall and outstanding in many curriculum areas through a programme of performance management and lesson observations.

Lady Margaret School

Governors' Report (continued)

Strategic Report (continued)

Key Performance Indicators (continued)

A number of opportunities were used during the year to assess students' views. Student Voice feedback showed that students valued the quality of teaching they receive, that they were welcoming of all opportunities to express their views and to share their experiences.

Parent feedback is gathered through questionnaires at Parents' Evenings. Overall, feedback from these questionnaires shows very positive satisfaction with the school. In addition, the School has received many messages from parents and governors during 2020 which have been appreciative of the work the School has done to support students' education during a very difficult year.

There will be no performance tables published for the 2020 results and therefore no externally verified data to show student progress and value-added data for schools in England.

Based on how data was assessed in previous years, the results for 2020 would suggest very positive value-added data and therefore very positive progress data. This can be corroborated by the school's ALPS scores. The school's ALPS quality indicator score for A Level was assessed at 2 in 2019/2020 an improvement from 6 in 2018/2019. The equivalent score for GCSE was assessed at 1 in 2019/2020 an improvement from 2 in 2018/2019.

The school was fully subscribed across years 7 to 11 with a waiting list in place for all year groups.

Although the year 12 intake into the Sixth Form was lower than hoped 82 against the targeted 100 for 2019/2020, the introduction of a new online Sixth Form application system over 2019/2020 has generated a year 12 intake of 105 for September 2020.

There were no external audits or inspections.

The school set a in year revenue deficit budget of (£40,993) in 2018/2019 and the actual result for 2019/20 was a revenue deficit of (£50,134). This result includes the finance cost of £170k in relation to the school's defined benefit pension scheme.

Going concern

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

Lady Margaret School

Governors' Report (continued)

Financial Review

Most of the school's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of the General Annual Grant (GAG), the use of which is restricted for education purposes. The total income for the period was £5,278,141 (2019 £5,182,715). The surplus of expenditure over income for the period excluding any fixed asset and pension transactions was £119,866. (2019 Deficit: (£203,002)).

The impact of the Covid-19 pandemic on the school's financial position in 2019/2020 was mainly restricted to specific areas of income and expenditure.

Although the majority of the school's income is restricted funding, the school also depends on unrestricted funding, which includes lettings income. Lettings income was reduced by an estimated £33k against an expected income of £92k as a direct result of cancellations due to Covid-19.

In terms of expenditure, although the school incurred a direct cost related to Covid-19 of £9,534, overall expenditure was less than forecast as a consequence of the pandemic. Savings were derived in the areas of supply teaching, examination costs and utilities. Against the February year end forecast (pre Covid-19) the savings derived at year end from these areas of forecast expenditure can be estimated at approximately £68k against forecast.

On balance the school understands that the losses were less than the savings made as a result of Covid-19 and therefore no adverse effects were placed on the school's finances during the period 2019/2020, despite Covid-19 being a significant and irregular event.

Reserves Policy

As at the 31 August 2020 the value of the school's free reserves was £538,212. The total reserve sum recognises a £Nil balance of restricted funds (excluding pension reserve) and a £565,179 balance of unrestricted funds. There were total reserves of £(2,142,821) which includes the pension deficit of £(2,708,000).

The Governors will maintain their existing reserve policy of a minimum reserve of £250,000 over a three year period 2020/2021 – 2023/2024.

The school's reserves in excess of £250,000 will continue to support the fiscal stability and sustainability of the school budget over the medium term period to the end of financial year 2023/2024.

Lady Margaret School

Governors' Report (continued)

Reserves Policy (continued)

As part of the financial procedures in place within the school, the reserve levels are consistently monitored as part of the budget monitoring process, both at Governor level through the Finance Committee and monthly by the Headteacher and Bursar. As from September 2018 monthly financial reporting has also been introduced to the Governing Body whereby each month they receive budget monitoring and cash flow reports.

The school has a budget in place for 2020/2021 and a budget forecast to 2023/2024 in which the school's reserve limit is maintained at all times, which is achieved through a series of in-year balanced revenue budgets in 2022/2023 and 2023/2024.

It is not anticipated that as a result of the Covid-19 pandemic it will be necessary to set aside specific funds to address its impact, which in turn will have an impact on the academies reserve position. Both Covid-19 direct and indirect costs will be managed within in-year budgets moving forwards.

Material Investments policy

The Academy adopts a prudent and cautious approach to the investment of surplus funds and maintains funds in a current account to provide for day to day operations. This is a short term deposit low risk bank account.

Principle Risks and Uncertainties

The Governors have assessed the major risks to which the academy is exposed and, where possible, have ensured that systems are in place to manage these risks. A comprehensive risk register is in place for the whole school and scrutinised by each Governing Body Committee.

The principle risks facing the academy are:

- The Covid-19 pandemic and its impact on the school operation and finances.

Covid-19 has the potential risk of severely impairing the school's ability to fulfil its public benefit and deliver against its aims, thereby impacting on the overall achievement and performance of the school. This would occur through enforced closure and high numbers of staff and student absence due to death, sickness, isolation or care of dependents.

The school has set out to mitigate this risk by implementing extensive measures identified through the production of a risk assessment 'Covid-19: Operational Risk Assessment for Full School Reopening September 2020'. This assessment is reviewed weekly by the Senior Leadership Team and termly by the Staffing and General Purposes Committee. It also follows all Covid-19 guidance as issued by the Department for Education.

Lady Margaret School

Governors' Report (continued)

Principle Risks and Uncertainties (continued)

The implementation of the 'Covid-19: Operational Risk Assessment for Full School Reopening September 2020' has enabled the school to deliver a full curriculum and offer extra-curricular activity to all of its students in school from September 2020.

The impact of Covid-19 on the school's finances has largely been identified as affecting certain areas of income i.e. lettings and fundraising and affecting certain areas of expenditure i.e. supply cover, health and safety, cleaning, catering and staff recruitment.

The tangible direct cost of Covid-19 across both areas of income and expenditure is difficult to forecast as each may be differently impacted as a result of measures declared by the Department for Education or the impact of Covid-19 generally. E.g. a full school closure would impact lettings income and fundraising but may benefit supply cover and cleaning costs, whereas very high levels of staff absence related to Covid-19 may increase supply cover, cleaning and health and safety costs.

In order to mitigate the uncertainty of this risk, the school management and Governors receive monthly budget monitoring reports. All lettings contracts have been reviewed for 2020/2021 and the school has assisted its clients in making appropriate adjustments to their hire so that their letting is sustainable throughout the period of special measures being in place. Where additional expenditure may occur, monthly forecasting and monitoring against budget takes place. Extra teaching capacity and cost has been built into the timetable for 2020/2021 so that cover teaching can be delivered easily to a high standard but at a low cost.

During 2019/2020 the school was able to manage the indirect costs, direct costs and savings incurred as a result of Covid-19 and feels sufficiently experienced in order to manage a similar range of financial pressures during 2020/2021.

- Teachers' pay award being higher than forecast and announced following the closure of the budgetary process, thereby affecting the school's ability to implement in-year balanced budgets and not breach its reserves policy over the period 2020/2021 – 2023/2024.

In 2018/2019, 2019/2020 and 2020/2021 the teachers' pay award has been announced after the annual budget has been approved by Governors and submitted to the ESFA. In addition the award has been higher than forecast and higher than the amount schools have been expected (either informally or formally) to budget for. To date schools have been expected to make provision for a 1%, 2% and 2% pay increase over the period 2018/2019, 2019/2020 and 2020/2021 respectively. Yet the uplifts awarded to various teacher pay ranges have ranged from 1.5% to 3.5% in 2018/2019, 2.75% in 2019/2020 and 2.75% in 2020/2021.

Lady Margaret School

Governors' Report (continued)

Principle Risks and Uncertainties (continued)

Both the timing of the pay announcement and the awarding of a higher than budgeted for pay rate have made it impossible for the school to take remedial action in order to accommodate the increased salary costs within the same time frame as the cost is expected to be incurred. This has been further impaired by the reduction in the Teachers' Pay Grant in 2019/2020 and 2020/2021 in that it no longer covers the full amount of the annual salary increases year on year. The confirmation of the Teachers' Pay Grant rates is also normally made outside of the ESFAs required budget submission deadlines.

The school has sought to mitigate this risk by continuing to cost a 2% increase to teachers' salaries year on year between 2020/2021 and 2023/2024 in addition to increment increases. The school is also able to use its reserves above £250k in order to fund any unexpected increase in salaries while it makes structural adjustments to the budget. The school continues to ensure that it does not breach its reserves policy of £250k over the period 2020/2021 to 2023/2024 through regular budget monitoring and forecasting.

- Inadequate IT facilities and loss of IT functionality and data through IT failure or loss of buildings or utilities.

It has been identified through the school's Emergency Planning, GDPR Compliance, Curriculum Planning and Covid-19 control measures that the school's IT facilities require significant updating and need to provide increased cloud based functionality. That school data, although backed up needs to be stored off site and easily recoverable to each user.

The impact of inadequate IT facilities will mean an ineffective teaching and learning environment, ineffective management and administrative environment. Outdated software and hardware infrastructure in addition to high future IT investment costs to bring infrastructure up to date.

The impact of a major data loss or the inability to recover data in a useable format would mean that teaching and learning would be severely impacted. School business and administrative functions would be severely affected. There would be the potential loss of following data types: SIMS(MIS) Data, stored server data, data stored on software applications which are hosted in-house, V Centre / Virtual server infrastructure data.

In order to mitigate this risk the school has defined a high level IT strategy and recruited an appropriately skilled Director of IT to undertake the transition to cloud based services. A process is underway to define detailed Teaching and Learning needs in order to inform and justify a future IT investment strategy. Equipment and software that require updating has been identified and a programme of remedial works has been implemented in order to prevent the loss of key IT systems due to lack of investment or inertia.

Lady Margaret School

Governors' Report (continued)

Principle Risks and Uncertainties (continued)

An onsite back up of data is taken daily, weekly and monthly which enables a full restore of all data to take place and work is underway in order to source an appropriate offsite back-up solution in 2020/2021. In the meantime a loss of onsite back up data would require the school to revert to paper based systems and archived paper resources if available. The school would retain information in web based services e.g. Gmail, Google Classroom ,Google Docs and ShowMyHomework.

All other risks are detailed in the above mentioned risk register.

Principal Funding

The majority of the school's income is obtained from the Department of Education via the Education and Skills Funding Agency in the form of a General Annual Grant (GAG), the use of which is restricted to the objects of the Academy Trust. The GAG received during the period covered by this report and associated expenditure is shown as restricted funds in the Statement of Financial Activities.

The school also generates income through rental income and funds collected through fundraising activity.

In addition the Governors brought a surplus carry forward from 2018/2019 into 2019/2020 in line with its reserves policy.

Expenditure for the period covered by this report was covered by GAG and other grants received from the DfE and other income, such as voluntary income and activities for generating funds, and reserves.

As at the 31 August 2020 total income of £5,260,444 (excluding restricted fixed asset funds) was lower than expenditure of £5,310,578 (excluding fixed asset costs) by £50,134.

Fundraising

As defined by the provisions of the Charities (Protection and Social Investment) Act 2016 the principle vehicle by which the school fundraises is through the Lady Margaret School Rose Fund (The Rose Fund).

The Rose Fund is audited in line with all Academy funds and declared as unrestricted income and expenditure. The Lady Margaret School Rose Fund is governed by the school's Financial Regulations, overseen by the Finance Committee of the Governing Body and controlled on day to day basis by the Headteacher in her capacity as Accounting Officer.

Lady Margaret School

Governors' Report (continued)

Fundraising (continued)

The Rose Fund seeks to raise voluntary funds from the parents and carers of current students. In 2019/2020 the Rose Fund campaigned specifically to raise money for extra- curricular opportunities and to improve the learning environment for all current students.

In 2019/2020 The Rose Fund raised £136,783 from parents and carers.

No external fundraisers or commercial organisations are used to raise funds. The Rose Fund is managed internally by the school administration staff and in 2019/2020 parents and carers received two written requests for a voluntary donation in addition to an annual newsletter that reports on the previous year's expenditure. A further request for donors to sign up for Gift Aid was also sent in 2019/2020. No complaints were received as a result of The Rose Fund's fundraising activity.

The school employs a Head of Development with the responsibility to fundraise for the school. Although the role is currently vacant, the school has sourced capacity to continue with its fundraising activity. A fundraising strategy was approved by Governors in January 2020 which contained plans to substantially increase income over the period 2020/2021 to 2023/2024.

The cost to the school in 2019/2020 of fundraising activity was £18,343.

The impact of Covid-19 on the school's ability to fundraise was felt immediately in March 2020. A series of donor and donor prospect engagement events were planned between March and July 2020 along with a tailored fundraising campaigns to segmented groups of parents. It was considered that these events and campaigns would serve to lay foundations for future donations and also increase current donations. They were therefore important fundraising activities.

Following the closure of the school in March 2020 the events could not take place and it was considered inappropriate to be mailing and fundraising to parents at a time when the Covid-19 pandemic was at a peak. The school was therefore unable to increase its income from these activities. It is expected that Covid-19 will impact fundraising moving forwards. The current budget sets out fundraising targets which are based on the school's fundraising strategy being delivered in full.

At present fundraising income is forecast to increase substantially between 2020/2021 to 2023/2024. That income is comprised of three elements, firstly; increased regular parent giving to The Rose Fund, secondly; large one off donations to the school from major donors and thirdly; donations solicited through school fundraising events. Due to Covid-19 it is now unlikely that the school will realise this forecast.

Although the school intends to maintain its income from regular giving, it is likely that until the Covid-19 restrictions are lifted, that the face to face engagement required to engage with donors and to stage school events will not be possible, thereby reducing the school's ability to fundraise to the level of income forecast. The school will therefore keep this income stream under review through budget monitoring and reporting and seek to reforecast it in 2020/2021.

Lady Margaret School

Governors' Report (continued)

Plans for Future Period

As a school, we aim to give all of our students a 'goodly heritage'; an exceptional education, a wide range of opportunities and extra-curricular activities, and a chance to contribute to and be part of a strong community.

As a Church of England Academy, we are rooted in our Christian faith, and reaching to everyone. We encourage an understanding of the meaning and significance of faith, and our Christian values underpin how we work together as a community.

The School Development Plan continues with the same overarching aims in 2020/2021 as it has set for the period 2019/2020 – 2021/2022. These are as follows:

1. To provide an exceptional education with outstanding Teaching and Learning
2. To develop our students into confident, curious and kind young adults
3. To develop a staff team who model high expectations and who work together and support each other
4. To sustain the financial stability of our school
5. To sustain and develop our Christian ethos, as a community rooted in our faith and welcoming to all

The development priorities for 2020/2021 contained within the School Development Plan are as follows:

1. To sustain recent changes in order to maintain excellent progress for all, including those in disadvantaged groups, at each key stage
2. To support the well-being of all members of the school community
3. To support the professional development of our staff team
4. To maintain our financial stability

The School Development Plan will be reviewed regularly by the Senior Leadership Team and each priority by the appropriate Governing Body Committee. In turn each priority is underpinned with a strategy and timeframe, an assessment of budget and resources required to achieve the priority, success criteria and the identification of any future implications.

As a direct result of the Covid-19 Pandemic the School Development Plan priorities for 2020/2021 were amended to accommodate the full reopening of the school in September 2020 and to address the consequences of a period of closure on the school community.

Each priority for 2020/2021 therefore considers; its link to the Christian character of the school, the impact of Covid-19, the identification of key strategies and the people required to deliver each goal, along with the success criteria which need to be met.

Lady Margaret School

Governors' Report (continued)

Plans for Future Period (continued)

The school's Covid-19 control measures, delivered by the implementation of the 'Covid-19: Operational Risk Assessment for Full School Reopening September 2020' have had the following impacts on the future aims and activities of the school:

- The school has been able to open safely and remain so for the foreseeable future or until such a time that Government guidance changes.
- A full curriculum is being offered to all students across Years 7 – 13.
- A full school day, based in school is being offered to all students.
- A full programme of extra-curricular activity is in place, with a range of activities being offered to each year group 'bubble'.
- Disadvantaged students are able to receive a full curriculum and also benefit from the same pastoral support and curriculum interventions that the school would normally offer.
- Staff continue to be supported and developed through a combination of whole school and individual Continuing Professional Development (CPD) programmes.
- The Sixth Form and Year 11 Wellbeing programme is able to run allowing students to focus on their mental and physical health.
- Teaching capacity has been increased through timetabling in order to deliver in house supply cover and to ensure a quality teaching provision is maintained, in the event of staff absence.
- The school has been able to support Years 11 and 13 to achieve well in their forthcoming GCSE and A Level examinations in Summer 2021.
- The school has also been able to support the Year 7 transition from primary school.
- Restricting access to the school building has meant that external visitors numbers have had to be limited to a minimum. As a consequence, school events are unable to take place in school, instead online events are being held and work is underway to develop and sustain an effective communication with parents to replace the traditional Parents' Evening format, which will not be held on site.

Lady Margaret School

Governors' Report (continued)

Auditor

In so far as the Governors are aware:

1. There is no relevant information of which the School's auditor is unaware; and
2. The Governors have taken all the steps that they ought to have taken to make themselves aware of any relevant information and to establish that the auditor is aware of that information

The Auditors have expressed their willingness to continue in office and will be proposed for reappointment at the Annual General Meeting.

Governors' report, incorporating a strategic report, approved by order of the board of Governors, as the company directors on the 16 December 2020 and signed on the board's behalf by:



Phillip Bladen
Chair of Governors

16 December 2020

Lady Margaret School

Governance Statement

Scope of Responsibility

As Governors we acknowledge we have overall responsibility for ensuring that Lady Margaret School has an effective and appropriate system of control, finance 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 mismanagement or loss. As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Governing Body 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 Lady Margaret School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on Governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met three times between 1 September 2019 – 31 August 2020. Attendance during the period at meetings of the Governing Body was as follows:

Governor	Meetings Attended	Out of a Possible
Eleanor Allen	2	3
Justin Bairamian, Vice Chair	3	3
Phillip Bladen, Chair	3	3
Marianne Coates	2	2
James Ewins	3	3
William Hunter	2	3
Arabella Macintyre	3	3
Nigel Parker	2	3
Sarah Peart, Deputy Vice Chair	2	3
Vithya Premkumar	3	3
Jane Reed	2	3
Penelope Seabrook	3	3
Paul Sloan	3	3
Elisabeth Stevenson, Headteacher	3	3
Philip Thomas	3	3
Nicola Thomson	2	3
Charlotte Walton	3	3
Tania Weithers	3	3
Richard Wormell	1	3

Lady Margaret School

Governance Statement (continued)

The Finance and Resources Committee is a sub-committee of the main Governing Body. Its purpose in consultation with the Headteacher and Bursar is to:

Consider the academies DFE funding, draft the academy's budget and recommend to Governors, receive and make recommendations on the budget headings and areas of expenditure, including the use of any contingency funds or reserves. Monitor, review and authorise expenditure on a regular basis.

Contribute to the formulation of the academy's development plan and to liaise and receive reports from the staffing and curriculum committees and to make recommendations as appropriate.

Receive auditors report and recommend to Governors including the appointment of auditors and to ensure that the functions of an audit committee are carried out.

To review and determine financial policies and procedures and that the risk register is regularly reviewed, prepare financial statements for filing with external agencies, ensure that the school operates within the guidelines set out in the Academies Financial Handbook, complies with the conditions of its Funding Agreement and that the Financial Management and Governance Self Evaluation is completed annually.

Attendance at meetings in the year was as follows:

Governor	Meetings Attended	Out of a Possible
Justin Bairamian, Vice Chair of Governors and Chair of Finance Committee	2	2
Philip Bladen, Chair of Governors	2	2
James Ewins	2	2
Arabella Macintyre	1	2
Elisabeth Stevenson, Headteacher	2	2
Philip Thomas	1	2
Richard Wormell	1	2

Lady Margaret School

Governance Statement (continued)

Governance Review

The Full Governing Body met three times during 2019/2020 which was less than the four meetings which had originally been scheduled. The April Full Governing Body Meeting was cancelled as a direct result of Covid-19 and the closure of the school. In order to substitute for the meeting not taking place, the Chair of Governors liaised directly with the Headteacher on a twice weekly basis and regular updates were provided to the Governing Body during that period. The meeting schedule resumed as normal in July 2020, however Governors were able to attend the meeting either in person or remotely.

The Finance and Resources Committee met two times during 2019/2020, which was less than the three meetings which had originally been scheduled. The March Finance and Resources Committee Meeting was cancelled as a direct result of Covid-19 and the closure of the school. Although the actual March meeting was not held, the material for the meeting was produced and circulated to Governors. The material comprised of; budget reports, year-end and three year budget forecast, cashflow, benchmarking data, finance self-assessment dashboard and checklist for 2018/2019 and 2019/2020, IT Strategic Plan and internal scrutiny reports.

The meeting schedule resumed in June 2020 however Governors were able to attend the meeting either in person or remotely. At this meeting the cancelled March meeting material was tabled and Governors were invited to ask questions and interrogate the data accordingly.

In the Full Governing Body meeting held in July 2020, the structure of the Governing Body was reviewed as a number of Governors were ending their term of office simultaneously. It was identified that this would be an issue for the school at a time when the school's priority was managing the Covid-19 pandemic. As a result a phased withdrawal of long serving governors was planned and a number of Foundation and Community Governor positions were renewed in order to ensure continuity stay in place for 2020/2021.

An external Governance Review was undertaken on 28 September 2017. There were a number of key actions recommended to Governors and these were reviewed in September 2020 as follows.

The Headteacher continues to report Key Stage 4 and 5 data to Governors with information about disadvantaged and SEN students clearly differentiated. For all groups of students, attainment information is reported at the first meeting of the year, achievement at the second. The SENCO and Deputy Headteacher responsible for Student Premium report to Governors' meetings on a regular basis. Reporting data against all groups of student has enabled the school to set Performance Management targets against the progress of specific groups of students.

A named Governor has been appointed to have oversight of the training and development of all Governors. Training is a standing item on all Governing Body agendas and the Clerk maintains a record of the training attended by Governors.

Lady Margaret School

Governance Statement (continued)

Governors appointed with key responsibilities e.g. Safeguarding and SEN continue to hold regular meetings with the school.

Results from parent, staff and student surveys are presented and shared with Governors thereby allowing Governors to gain the feedback and views from all key stakeholders.

The Governing body has a good balance between men and women and actively encourages people to stand for the Governing Body that are from ethnic minority backgrounds or who have a disability.

The next full external Governance Review is expected to be in 2020/2021.

Review of Value for Money

As accounting officer the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the education and wider societal outcomes achieved for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy has delivered improved value for money during the year, as follows:

- The school has undertaken financial benchmarking to establish how its use of resources compares to other schools. Using the Department for Education's School Efficiency Metric, Lady Margaret School ranked '2 out of 10' meaning that the school achieved better student progress than 40 similar schools for a similar amount of money. This provides a clear indication that the school is achieving value for money.

Based on the 2018/2019 benchmarking figures provided by the Department for Education, when comparing income and expenditure to other schools (i.e. those with similar phase, student progress, student numbers, location, free school meals, student premium etc.) there was further evidence of financial efficiency and value for money.

The school ranked 5 out of 15 for its total income (£6,766 per student, down from £6,892 per student in 2017/2018) and 13 out of 15 for its total expenditure (£5,389 per student, down from £6,560 per student in 2017/2018). Of total expenditure the school ranked 15 out of 15 for staff costs (£3,821 per student, down from £4,293 per student in 2017/2018) and went on to rank 6 out of 15 for teaching staff costs (£3,606 per student, down from £4,055 per student in 2017/2018).

The above figures clearly indicate that the school has been reducing its expenditure over the period 2017/2018 and 2018/2019 and managing with less income. Income is ranked high

Lady Margaret School

Governance Statement (continued)

and expenditure low compared to other schools which reinforces the success of the cost efficiency measures put in place by the school over recent years. Staff costs are ranked the lowest out of similar schools which demonstrates that the school is seeking to ensure that staff costs are sustainable and contained within the funding envelope each year. A higher ranking for teaching staff within overall staffing costs demonstrates that teaching is prioritised. The school is therefore able to direct far more of its resources to teaching staff than other schools with a similar profile, a further indication of value for money being achieved. In turn corroborating the initial finding that the school achieved better student progress than 40 other similar schools for a similar amount of money.

- The school continues to make financial efficiencies wherever possible and reviews its service and maintenance contracts when due for renewal. During 2019/2020 the school replaced its main Multi-Functional Printing Device, a heavy duty production machine designed to produce all of the schools high volume printing at a low cost to the school. In order to satisfy the school's obligation to provide value for money, the school used the Government Procurement Framework to gain quotations for a replacement machine. However the school's own enquiries enabled a more competitive quotation to be sourced which resulted in cost savings of 17% per annum being achieved.

Work is ongoing for the school to reducing its non staffing expenditure. Based on actual budget outturn, non-salary expenditure (restricted non salary expenditure only) has moved from £906,500 in 2018/2019 to £857,852 in 2019/2020. When expressed per m² (7816m² in total) or by student (600 students in years 7 to 11) this delivers a reduction from £116m²/£1,511 per student in 2018/2019 to £109m²/£1,430 per student in 2019/2020. The school has therefore made financial efficiencies and delivered cost savings in order to reduce non staffing costs (both per m² and per student). This follows the same trend which has been in place over a seven year period, despite inflationary increases and the school expanding both its student roll and building size.

- The school has continued with its IT Strategic Review in 2019/2020 in order to inform future investment. The school currently has 556 devices including core network infrastructure on its asset register of which 383 (69%) devices are over 5+ years. Given the budgetary constraints being faced by the school, the cost to refresh the existing equipment over 5+ years like for like, will be cost prohibitive. As a result the school is re-evaluating its current and future use of IT in order to ensure that any new investment is targeted to meet the future needs of the school and that value for money is achieved.

Phase 1 of the strategic review has already delivered work streams to rationalise and upgrade the school's core servers, core switch infrastructure, wireless network and data backup systems. The cost to deliver these work streams was met within the 2018/2019 and 2019/2020 budget by generating in year financial efficiencies. The main operating system

Lady Margaret School

Governance Statement (continued)

was replaced in late 2019 bringing Windows10 to the Management and Administration systems.

Phase 2 of the strategic review will focus on identifying and meeting the teaching and learning IT requirements of the school. The output of this review will inform future hardware and software investment strategies and define operational support requirements, all of which will need to be affordable moving forwards.

The Purpose and System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate risk of failure and to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Lady Margaret School for the period 1 September 2019 – 31 August 2020 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 School 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 on-going process for identifying, evaluation and managing the School's significant risks that have been in place for the periods 1 September 2019 – 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

The School'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 scheme of delegation and accountability. In particular it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and period financial reports which are reviewed and agreed by the Governing Body;
- Regular reviews by the Finance and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- Setting targets to measure financial and other performance
- Clearly defined purchasing (asset purchase or capital investment) guidelines

Lady Margaret School

Governance Statement (continued)

- Delegation of authority and segregation of duties
- Identification and management of risks

The Governing Body has considered the need for a specific internal audit function. The Governors have appointed 3BM Education Services Limited to act Responsible Officer (RO) and undertake its Internal Assurance testing. The RO's role includes giving advice on financial matters and performing a range of checks on the School's financial systems, including:

- Testing of payroll
- Testing of purchasing
- Testing of income
- Testing of accounting systems

Twice a year, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The RO completed two internal assurance testing exercises in 2019/2020 and monitored activity across the entire period between the 1 September 2019 - 31 August 2020. One of the exercises was conducted on site and the other was conducted remotely as a direct result of Covid-19 and the school being closed and restricted to visitors. Therefore despite Covid-19 a programme of Internal Assurance took place as expected.

Review of Effectiveness


As Accounting Officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- The work of the Responsible Officer
- The work of the External Auditor
- The Financial Management and Governance Self-Assessment Process
- The work of the Senior Leadership Teams within the School who have responsibility for the development and maintenance for 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 Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on the 16 December 2020 and signed on their behalf, by:


Phillip Bladen
Chair of Governors


Elisabeth Stevenson
Headteacher

Lady Margaret School

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Lady Margaret School I have considered my responsibility to notify the Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the School and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

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



Elisabeth Stevenson
Accounting Officer

16 December 2020

Lady Margaret School

Statement of Governors' Responsibilities

The Governors (who act as trustees of Lady Margaret School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 2019 and Academies Accounts Direction 2019 to 2020;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 grants received from the ESFA/DfE have been applied for the purposes intended.

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

Lady Margaret School

Statement of Governors' Responsibilities (continued)

Approved by order of the members of the Governing Body on 16 December 2020 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'P. Bladen', with a long horizontal flourish extending to the right.

Phillip Bladen
Chair of Governors

Independent Auditor's Report

Independent auditor's report on the financial statements to the members of Lady Margaret School

We have audited the financial statements of Lady Margaret School for the year ended 31 August 2020 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis of 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- ◆ the 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'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.

Independent Auditor's Report (continued)

Other information

The Governors are responsible for the other information. The other information 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 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the Governors' Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Governors' Report (which incorporates the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

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

- ◆ 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' remunerations specified by law not made; or
- ◆ we have not received all the information and explanations we require for our audit.

Independent Auditor's Report (continued)

Responsibilities of trustees

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'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 academy's or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.

Use of our report

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an 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 academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Tracey Young (Senior Statutory Auditor)
for and behalf of
Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

16 December 2020

Independent Reporting Accountant's Report

Independent reporting accountant's assurance report on regularity to Lady Margaret School and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 15 October 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Lady Margaret School during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Lady Margaret School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Lady Margaret School's funding agreement with the Secretary of State for Education dated 1 July 2012 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

Independent Reporting Accountant's Report (continued)

Approach (continued)

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

The work undertaken to draw to our conclusion includes:

- ◆ Walkthrough testing of controls to ensure operational effectiveness;
- ◆ Substantive testing on a sample of expenditure items, ensuring expenditure is in accordance with the funding agreement and appropriately authorised;
- ◆ Detailed testing on a selection of credit card statements and expense claims;
- ◆ Review of minutes, bank certificates and related party declarations provided by Governors and senior management.

Conclusion

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



Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Date: 16 December 2020

**Statement of Financial Activities
for the year ended 31 August 2020**

	Notes	Restricted funds			2020 Total funds £	2019 Total funds £
		Unrestricted general funds £	General funds £	Fixed assets funds £		
Income from:						
Donations and capital grants	2	150,433	-	17,697	168,130	198,549
Charitable activities:						
Funding for the academy trust's educational operations	3	87,459	4,964,022	-	5,051,481	4,901,527
Other trading activities	4	58,261	-	-	58,261	82,280
Investments	5	269	-	-	269	359
Total		296,422	4,964,022	17,697	5,278,141	5,182,715
Expenditure on:						
Raising funds	6	18,343	-	-	18,343	9,599
Charitable activities:						
Academy trust educational operations	7	158,213	5,134,022	17,697	5,309,932	5,617,123
Total		176,556	5,134,022	17,697	5,328,275	5,626,722
Net (expenditure)/income		119,866	(170,000)	-	(50,134)	(444,007)
Other recognised gains/(losses)						
Actuarial (losses) on defined benefit pension schemes	20	-	(222,000)	-	(222,000)	(427,000)
Net movement in funds		119,866	(392,000)	-	(272,134)	(871,007)
Reconciliation of funds						
Total funds brought forward		445,313	(2,316,000)	-	(1,870,687)	(999,680)
Total funds carried forward		565,179	(2,708,000)	-	(2,142,821)	(1,870,687)

All of the Academy's activities derived from continuing operations during the above two financial periods.

Balance Sheet
for the year ended 31 August 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	13		26,967		1,345
Current assets					
Debtors	14	67,059		121,052	
Cash at bank and in hand		<u>564,890</u>		<u>475,677</u>	
		631,949		596,729	
Liabilities					
Creditors: Amounts falling due within one year	15	<u>(93,737)</u>		<u>(152,761)</u>	
Net current assets			<u>538,212</u>		<u>443,968</u>
Total assets less current liabilities			<u>565,179</u>		<u>445,313</u>
Net assets excluding pension scheme liability			<u>565,179</u>		<u>445,313</u>
Defined benefit pension scheme liability	20		<u>(2,708,000)</u>		<u>(2,316,000)</u>
Total net assets			<u>(2,142,821)</u>		<u>(1,870,687)</u>
Funds of the academy trust:					
Restricted funds					
Pension reserve	16		<u>(2,708,000)</u>		<u>(2,316,000)</u>
Total restricted funds			<u>(2,708,000)</u>		<u>(2,316,000)</u>
Unrestricted income funds					
General fund	16		<u>565,179</u>		<u>445,313</u>
Total funds			<u>(2,142,821)</u>		<u>(1,870,687)</u>

The financial statements were approved by the trustees and authorised for issue on 16 December 2020 and are signed on their behalf by



Philip Bladen
Chair of Governors

Company number: 08156535

Statement of Cash Flows
for the year ended 31 August 2020

	Notes	2020 £	2019 £
Net cash inflow from operating activities			
Net cash provided by/(used in) operating activities	A	102,300	(400,818)
Cash flows from investing activities	B	(13,087)	59,014
Change in cash and cash equivalents in the year	D	89,213	(341,804)
Cash and cash equivalents at beginning of year		475,677	817,481
Cash and cash equivalents at the end of the year	C	564,890	475,677
A Reconciliation of net (expenditure) to net cash flow from operating activities			
		2020 £	2019 £
Net (expenditure) for the reporting period (as per the statement of financial activities)		(50,134)	(444,007)
Adjusted for:			
Depreciation charges		5,431	9,285
Capital grants from DfE and other capital income		(17,697)	(58,655)
Interest receivable		(269)	(359)
Defined benefit pension scheme costs		170,000	156,000
Decrease in debtors		53,993	119,226
(Decrease) in creditors		(59,024)	(182,308)
Net cash provided by/(used in) used in operating activities		102,300	(400,818)
B Cash flows from investing activities			
		2020 £	2019 £
Interest receivable		269	359
Purchase of tangible fixed assets		(31,053)	-
Capital grants from DfE/ESFA		17,697	58,655
Net cash (used in)/provided by investing activities		(13,087)	59,014
C Analysis of cash and cash equivalents			
		2020 £	2019 £
Cash in hand and at bank		564,890	475,677
Total cash and cash equivalents		564,890	475,677
D Analysis of changes in net funds			
	Balance at 1 September 2019 £'000	Cash Flows £'000	Balance at 31 August 2020 £'000
Cash	475,677	89,213	564,890
Total	475,677	89,213	564,890

**Notes to the Financial Statements
for the year ended 31 August 2020**

1 Statement of accounting policies

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.

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 Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 academy trust 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.

This assessment is based on the consideration of the Governors given to the of the schools cashflows and cashflow management, alongside its three-year forecasts and the school's Strategic Development Plan, and at current pupil levels and expected future pupil levels of which the school remains oversubscribed and continue to perform above the national average.

Income

All income is 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 year 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.

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.

1 Statement of accounting policies (continued)

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.

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.

All expenditure is inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

The academy trust company occupies land and buildings which are owned by the Diocesan Board for Schools. The academy trust occupies the land and buildings under a mere licence. The Trustees of the Diocesan Board for Schools have given an undertaking to the Secretary of State that they will not give the academy trust less than two years notice to terminate the occupation of the land and buildings. Having considered the factual matrix under which the academy trust is occupying the land and buildings the governors have concluded that the value of the land and buildings occupied by the academy trust will not be recognised on the balance sheet of the academy trust. All leasehold improvements associated with the land and buildings will not be capitalised and instead expensed.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the 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.

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

Fixtures, fittings and equipment - 3 years 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.

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 Statement of accounting policies (continued)

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

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:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. 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 as detailed in note 16. 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.

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 part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1 Statement of accounting policies (continued)

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.

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. As stated in note 21, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded 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.

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 ESFA/Department for Education.

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability and assets. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**Notes to the Financial Statements
for the year ended 31 August 2020**

2 Donations and capital grants

	Unrestricted funds £	Restricted general funds £	Restricted fixed assets funds £	2020 Total funds £	2019 Total funds £
Capital grants	-	-	17,697	17,697	58,655
Other donations	150,433	-	-	150,433	139,894
	<u>150,433</u>	<u>-</u>	<u>17,697</u>	<u>168,130</u>	<u>198,549</u>

In 2019, of the total income from donations and capital grants, £139,894 was to unrestricted funds and £58,655 was to restricted fixed asset funds.

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted general funds £	2020 Total funds £	2019 Total funds £
DfE / ESFA grants				
General Annual Grant (GAG)	-	4,775,547	4,775,547	4,381,210
Pupil premium	-	132,562	132,562	145,959
	<u>-</u>	<u>4,908,109</u>	<u>4,908,109</u>	<u>4,527,169</u>
Other Government grants				
Special Educational Needs (SEN)	-	55,913	55,913	49,077
	<u>-</u>	<u>55,913</u>	<u>55,913</u>	<u>49,077</u>
Other income from the academy trust's educational operations	87,459	-	87,459	325,281
	<u>87,459</u>	<u>4,964,022</u>	<u>5,051,481</u>	<u>4,901,527</u>

In 2019, of the total income from charitable activities, £325,281 was to unrestricted funds and £4,576,246 was to restricted general funds.

4 Other trading activities

	Unrestricted funds £	Restricted general funds £	2020 Total funds £	2019 Total funds £
Hire of facilities	58,261	-	58,261	82,280

In 2019, of the total income from other trading activities, £82,280 was to unrestricted funds.

5 Investment income

	Unrestricted funds £	Restricted general funds £	2020 Total funds £	2019 Total funds £
Short term deposits	269	-	269	359

In 2019, of the total investment income, £359 was to unrestricted funds.

**Notes to the Financial Statements
for the year ended 31 August 2020**

Lady Margaret School

**Notes to the financial statements
For the year ended 31 August 2020**

6 Expenditure (2020)	Non Pay Expenditure			2020	2019
	Staff costs £	Premises £	Other £	Total funds £	Total funds £
Expenditure on raising funds	-	-	18,343	18,343	9,599
Academy's educational operations:					
Direct costs	3,454,530	-	324,329	3,778,859	3,807,506
Allocated support costs	687,684	357,099	486,290	1,531,073	1,809,931
	<u>4,142,214</u>	<u>357,099</u>	<u>828,962</u>	<u>5,328,275</u>	<u>5,627,036</u>

Expenditure (2019)	costs	Non Pay Expenditure		2019	2018
		£	Other		
Expenditure on raising funds	-	-	9,599	9,599	1,640
Academy's educational operations:					
Direct costs	3,204,608	-	602,898	3,807,506	3,698,884
Allocated support costs	732,852	569,109	507,970	1,809,931	1,463,179
	<u>3,937,460</u>	<u>569,109</u>	<u>1,120,467</u>	<u>5,627,036</u>	<u>5,163,703</u>

In 2019, of the total expenditure, £750,816 was to unrestricted funds, £143,660 was to restricted fixed asset funds and £4,732,246 was to restricted funds.

Net (expenditure)/income for the year	2020	2019
Includes:	£	£
Operating lease rentals	9,003	4,801
Depreciation	5,431	9,285
Fees payable to auditor for		
Audit	11,200	10,700
Other services	3,860	3,760

7 Charitable activities	2020	2019
	Total funds £'000	Total funds £'000
Direct costs - educational operations	3,778,859	3,807,506
Support costs - educational operations	1,531,073	1,809,617
	<u>5,309,932</u>	<u>5,617,123</u>

Analysis of support costs	2020	2019
	Total funds £'000	Total funds £'000
Support staff costs	687,684	732,852
Depreciation	5,431	9,285
Premises costs	357,099	569,109
Legal costs - other	-	-
Other support costs	349,817	345,541
Governance costs	131,042	152,830
Total support costs	<u>1,531,073</u>	<u>1,809,617</u>

**Notes to the Financial Statements
for the year ended 31 August 2020**

8 Staff

(a) Staff costs

Staff costs during the period were:

	2020 Total funds £	2019 Total funds £
Wages and salaries	2,952,722	2,848,995
Social security costs	313,036	304,306
Operating costs of defined benefit pension schemes	658,006	510,486
	3,923,764	3,663,787
Agency staff costs	218,450	273,673
	4,142,214	3,937,460

(b) Staff numbers

The average numbers of persons employed by the Academy during the period was as follows:

	2020 No.	2019 No.
Teachers	51	48
Administration and support	30	32
Management	7	7
	88	87

(c) Higher paid staff

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

	2020 No.	2019 No.
£60,001 - £70,000	1	2
£70,001 - £80,000	2	3
£80,001 - £90,000	3	-
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-

(d) 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 £769,028 (2019: £616,113).

9 Related Party Transactions - Governors' remuneration and expenses

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

	2020 £	2019 £
E Stevenson		
Remuneration	110,000 - 115,000	105,000 - 110,000
Employer's pension contributions paid	25,000 - 30,000	15,000 - 20,000
C Walton		
Remuneration	65,000 - 70,000	55,000 - 60,000
Employer's pension contributions paid	15,000 - 20,000	5,000 - 10,000
V Premkumar		
Remuneration	30,000 - 35,000	30,000 - 35,000
Employer's pension contributions paid	5,000 - 10,000	5,000 - 10,000
T Weithers		
Remuneration	40,000 - 45,000	40,000 - 45,000
Employer's pension contributions paid	10,000 - 15,000	5,000 - 10,000

During the period ended 31 August 2020, no expenses were reimbursed or paid directly to Governors in respect to travel or subsistence. Subscription of £95 was paid on behalf of the entire governing body (2019: £90).

10 Governors' and Officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees' and officers' indemnity element from the overall cost of the RPA scheme membership (2019: £1,840).

11 Members liability

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

12 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 trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Expenditure related party transaction:

During the year payments totalling £8,977 were made to The London Diocesan Board of School and its subsidiary (2019: £9,741). There were no outstanding balances at the year-end.

Income related party transaction:

The Lady Margaret School Foundation made a donation to the School of £7,244 (2019: £7,334). There were no outstanding balances at the year-end.

Donations were made by Governors to the School's Rose Fund, totalling £1,300 (2019: £3,200).

**Notes to the Financial Statements
for the year ended 31 August 2020**

13 Tangible fixed assets

	Furniture and equipment £	Total funds £
Cost		
At 1 September 2019	381,304	381,304
Additions	31,053	31,053
At 31 August 2020	412,357	412,357
Depreciation		
At 1 September 2019	379,959	379,959
Charge in year	5,431	5,431
At 31 August 2020	385,390	385,390
Net book value		
At 31 August 2020	26,967	26,967
At 31 August 2019	1,345	1,345

14 Debtors

	2020 £	2019 £
Trade debtors	4,789	405
VAT recoverable	25,616	31,694
Other debtors	9,245	239
Prepayments and accrued income	27,409	88,714
	67,059	121,052

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Other creditors	15,882	15,912
Accruals and deferred income	77,855	136,849
	93,737	152,761
Deferred Income		
Deferred income at 1 September 2019	83,411	104,755
Released during the year	(83,411)	(104,755)
Resources deferred in the year	-	83,411
Deferred income at 31 August 2020	-	83,411

In 2019, the academy trust was holding funds received in advance for school trips.

Notes to the Financial Statements
for the year ended 31 August 2020

16 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	-	4,775,547	(4,775,547)	-	-
Pupil Premium	-	132,562	(132,562)	-	-
SEN	-	55,913	(55,913)	-	-
Pension reserve	(2,316,000)	-	(170,000)	(222,000)	(2,708,000)
	<u>(2,316,000)</u>	<u>4,964,022</u>	<u>(5,134,022)</u>	<u>(222,000)</u>	<u>(2,708,000)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	-	17,697	(17,697)	-	-
	<u>-</u>	<u>17,697</u>	<u>(17,697)</u>	<u>-</u>	<u>-</u>
Total restricted funds	<u>(2,316,000)</u>	<u>4,981,719</u>	<u>(5,151,719)</u>	<u>(222,000)</u>	<u>(2,708,000)</u>
Unrestricted funds					
General funds	445,313	296,422	(176,556)	-	565,179
Total unrestricted funds	<u>445,313</u>	<u>296,422</u>	<u>(176,556)</u>	<u>-</u>	<u>565,179</u>
Total funds	<u>(1,870,687)</u>	<u>5,278,141</u>	<u>(5,328,275)</u>	<u>(222,000)</u>	<u>(2,142,821)</u>

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	-	4,381,210	(4,381,210)	-	-
Pupil Premium	-	145,959	(145,959)	-	-
SEN	-	49,077	(49,077)	-	-
Pension reserve	(1,733,000)	-	(156,000)	(427,000)	(2,316,000)
	<u>(1,733,000)</u>	<u>4,576,246</u>	<u>(4,732,246)</u>	<u>(427,000)</u>	<u>(2,316,000)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	85,005	58,655	(143,660)	-	-
	<u>85,005</u>	<u>58,655</u>	<u>(143,660)</u>	<u>-</u>	<u>-</u>
Total restricted funds	<u>(1,647,995)</u>	<u>4,634,901</u>	<u>(4,875,906)</u>	<u>(427,000)</u>	<u>(2,316,000)</u>
Unrestricted funds					
General funds	648,315	547,814	(750,816)	-	445,313
Total unrestricted funds	<u>648,315</u>	<u>547,814</u>	<u>(750,816)</u>	<u>-</u>	<u>445,313</u>
Total funds	<u>(999,680)</u>	<u>5,182,715</u>	<u>(5,626,722)</u>	<u>(427,000)</u>	<u>(1,870,687)</u>

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

The General Annual Grant is funding from the DfE for the Academy's operating costs.

SEN funding is used to meet the needs of pupils with statements or pupils requiring support under School Action or School Action Plus.

Pupil premium is used to fund the Academy's operating costs.

DfE/ESFA capital grants were to fund the purchase of fixed assets

**Statement of Financial Activities
for the year ended 31 August 2020**

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	26,967	-	-	26,967
Current assets	631,949	-	-	631,949
Current liabilities	(93,737)	-	-	(93,737)
Pension scheme liability	-	(2,708,000)	-	(2,708,000)
Total net assets	565,179	(2,708,000)	-	(2,142,821)

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	1,345	-	-	1,345
Current assets	596,729	-	-	596,729
Current liabilities	(152,761)	-	-	(152,761)
Pension scheme liability	-	(2,316,000)	-	(2,316,000)
Total net assets	445,313	(2,316,000)	-	(1,870,687)

18 Capital commitments

	2020 £	2019 £
Contracted for, but not provided in the financial statements.	-	-

19 Commitments under operating leases

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

	2020 £	2019 £
Amounts due within one year	4,038	3,998
Amounts due between one and five years	14,134	-
	18,172	3,998

20 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 managed by the London Borough of Hammersmith and Fulham. Both are multi-employer defined benefit schemes.

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

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

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The pension charge for the year includes contributions payable to the TPS of £508,584 (2019: £359,044).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £192,074 (2019: £214,000), of which employer's contributions totalled £149,422 (2019: £167,000) and employees' contributions totalled £42,652 (2019: £47,000). The agreed contribution rates for future years are 23.9% for employers and 5.5-12.5% for employees.

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

**Notes to the Financial Statements
for the year ended 31 August 2020**

20 Pensions and similar obligations (continued)

Principal actuarial assumptions

	At 31 August 2020	At 31 August 2019
Rate of increase of salaries	3.25%	3.70%
Rate of increase for pensions in payment/inflation	2.25%	2.20%
Discount rate for scheme liabilities	1.60%	1.90%
Inflation assumption (CPI)	1.45%	2.20%

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

Current mortality rates

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	21.8	23.4
Females	24.4	24.8
<i>Retiring in 20 years</i>		
Males	23.2	25.1
Females	25.9	26.6

Below sets out the impact on the present value of defined benefit obligations of changes in key assumptions:

Sensitivity analysis

	At 31 August 2020 £	At 31 August 2019 £
Discount rate +0.1%	4,304	4,014
Discount rate -0.1%	4,542	4,225
Mortality assumption – 1 year increase	4,591	4,271
Mortality assumption – 1 year decrease	4,257	3,971
CPI rate +0.1%	4,427	4,129
CPI rate -0.1%	4,415	4,107

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

	Fair value at 31 August 2020 £	Fair value at 31 August 2019 £
Equities	760,000	873,000
Property	174,000	178,000
Cash and other liquid assets	119,000	51,000
Other	660,000	700,000
Total market value of assets	1,713,000	1,802,000

The actual return on scheme assets was £112,000 (2019: £76,000)

**Notes to the Financial Statements
for the year ended 31 August 2020**

20 Pensions and similar obligations (continued)

Amount recognised in the statement of financial activities

	2020 £	2019 £
Service cost	(276,000)	(312,000)
Net interest on defined liability	(42,000)	(44,000)
Admin expenses	(1,000)	-
Total amount recognised in the Statement of Financial Activities	(319,000)	(356,000)

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

	2020 £	2019 £
Scheme obligations as at 1 September 2019	4,118,000	3,291,000
Current service cost	276,000	267,000
Interest cost	77,000	87,000
Employee contributions	43,000	47,000
Benefits paid	(153,000)	(46,000)
Change in demographic assumptions	(176,000)	(222,000)
Change in financial assumptions	380,000	649,000
Experience (gain)/loss on defined benefit obligation	(144,000)	-
Past service cost	-	45,000
At 31 August 2020	4,421,000	4,118,000

Changes in the fair value of academy's share of scheme assets:

	2020 £	2019 £
Fair value of scheme assets at 1 September 2019	1,802,000	1,558,000
Return on assets	77,000	33,000
Interest income	35,000	43,000
Other actuarial (loss)/gain	(239,000)	-
Employer contributions	149,000	167,000
Employee contributions	43,000	47,000
Benefits paid	(153,000)	(46,000)
Administration expenses	(1,000)	-
At 31 August 2020	1,713,000	1,802,000