



HITCHIN GIRLS' SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

HITCHIN GIRLS' SCHOOL
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

Mrs. C. Astill
Mr. K. Balfe (appointed 19 September 2017)
Mr. K. Down
Mr. G. Edwards (appointed 17 October 2017)
Mrs. C. Emmings
Mr. T. Fitzakerly
Mr. C. Hall
Mrs. N. Job
Mr. A. Jones (resigned 31 August 2018)
Mrs. D. Kaur (appointed 17 October 2017)
Mrs. M. King
Mr. S. Lucas
Mrs. F. Manning
Mrs. M. McPhail (resigned 16 October 2017)
Dr. K. Middleton
Mr. S. Mills
Mr. C. Minton
Mr. G. Montgomery (resigned 16 October 2017)
Mrs. S. Morrison
Mrs. K. Rowe (appointed 24 September 2018)
Mr. T. Scott (appointed 17 October 2017)
Mr. M. Seaman Hill
Mr. S. Sprawson

Trustees

Mrs. C. Astill
Mr. K. Balfe, Staff Governor (appointed 19 September 2017)
Mr. K. Down, Chair of Finance & Resource Committee
Mr. G. Edwards (appointed 17 October 2017)
Mrs. C. Emmings, Staff Governor
Mr. T. Fitzakerly
Mr. C. Hall, Chair of Governing Body
Mrs. N. Job
Mr. A. Jones, Staff Governor (resigned 31 August 2018)
Mrs. D. Kaur
Mrs. M. King
Mr. S. Lucas
Mrs. F. Manning, Head Teacher
Mrs. M. McPhail (resigned 16 October 2017)
Dr. K. Middleton
Mr. S. Mills
Mr. C. Minton
Mr. G. Montgomery (resigned 16 October 2017)
Mrs. S. Morrison
Mrs. K. Rowe, Staff Governor (appointed 24 September 2018)
Mr. T. Scott (appointed 17 October 2017)
Mr. M. Seaman Hill
Mr. S. Sprawson

Company registered number

07697117

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Company name

Hitchin Girls' School

Principal and registered office

Higbury Road, Hitchin, Hertfordshire, SG4 9RS

Company secretary

Mr A Hankin

Senior management team

F. Manning, Headteacher
J. Crowther, Deputy Headteacher
R. Cave, Assistant Headteacher
R. Cooper, Assistant Headteacher
S. Mills, Assistant Headteacher
T. Stojko, Assistant Headteacher
A. Hankin, Director of Finance and Resources

Independent auditors

MHA MacIntyre Hudson, Equipoise House, Grove Place, Bedford, MK40 3LE

Bankers

Lloyds Bank PLC, 1 Brand Street, Hitchin, Hertfordshire, SG5 1YY

Solicitors

Stone King, 30 Station Road, Cambridge, CB1 2RE

HITCHIN GIRLS' SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

The Academy Trust took over the operation of Hitchin Girls' School on the school's conversion to academy status on 17 August 2011. Since then the Academy Trust's principal object and activity has been to manage the school's provision of education to students between the ages of 11 and 18. It had a roll of 1107 in the school census on 18 January 2018.

Structure, governance and management

a. CONSTITUTION

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document of the academy trust.

The Trustees of Hitchin Girls' School are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Hitchin Girls' School.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

b. MEMBERS' LIABILITY

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

c. TRUSTEES' INDEMNITIES

The Academy Trust maintains Governors' and officers' liability insurance which gives appropriate cover for any legal action brought against its Governors. The Academy Trust has also granted indemnities to each of its Governors and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the Governors or other officers may incur to third parties in the course of acting as Governors or officers of the Academy Trust.

Details of the insurance cover are provided in note 11. to the financial statements.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The board of trustees consists of up to 20 members. Six of the trustees are parents of students who attend the school elected by the parent body to serve for a period of four years. Parents are notified by letter that a vacancy has arisen and provided with details of the election process. Nomination forms are submitted to the Clerk to the board of trustees and a ballot form issued on the basis of one form per parent/carer. There are three staff trustees, two to represent the teaching staff and one to represent non-teaching staff. The Headteacher is a trustee appointed by virtue of office. There are 10 community trustees appointed by the

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

members. Where a vacancy occurs, new community trustees are sought through personal recommendation by existing governors or third parties, and advertising on the school website, newsletter and other media. Expressions of interest are requested and potential candidates meet an appointment panel consisting of four existing trustees who give consideration to the skills mix of the trustees when considering whether or not to offer a position to a candidate.

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

An induction pack is provided for all newly appointed Trustees which describes their role as a Governor and Trustee and gives information about the school, Academy Governance and the Governing Body (organisational structure, finance, personnel). The induction of Governors is managed by the Chair of the Governing Body. All new Governors attend an induction training programme offered by Herts. for Learning Ltd. Governors are encouraged to identify their continued training needs which the school endeavours to meet either through mentoring, bespoke training or generic training. The process is monitored by a link Governor. All governors receive Child Protection (Safeguarding in Education) training once every three years. The school subscribes to the Hertfordshire Governors Service which provides training for Governors. Presentations by staff are made regularly at committee and full Governing Body meetings to provide information and training for Governors.

f. ORGANISATIONAL STRUCTURE

As specified in the Articles of Association, the business of the Academy Trust is managed by the Governors who exercise all the powers of the Academy Trust. In exercising their responsibilities, Governors consider the advice given by the Headteacher and other members of the Senior Leadership Team. Governors are responsible for setting policies, planning and budget setting and making senior staff appointments. The Governors are responsible for monitoring the performance of the Headteacher on a regular basis.

The Board of Governors normally meets once each academic term. The Board establishes an overall framework for the governance of the Academy and agrees membership of Committees and Statutory and other Panels. Each committee meets at least once each term. The Board receives reports, and in particular policy documents, from its Committees for ratification. It monitors the activities of the Committees through the Minutes of their meetings. It also establishes the Terms of Reference and Procedures for its Committees. The Board of Governors may also, from time to time, establish Working Groups to perform specific tasks over a limited timescale.

The Senior Leadership Team controls the academy at an executive level implementing the policies laid down by the governors and reporting back to them. The Senior Leadership Team is responsible for the authorisation of spending within agreed budgets and the appointment of staff up to senior positions. Some spending control is devolved to Cost Centre heads. The Headteacher is the Academy Trust's Accounting Officer as required by the Funding Agreement with the Department for Education and the Governors have appointed an independent Responsible Officer.

The Middle Leadership Team includes Curriculum Area Leaders and Heads of House. Along with the Senior Leadership Team these managers are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

All Governors, with the exception of those appointed by staff, are linked to one or more curriculum departments or specialist areas, and meet at least once a year with the head of that department. Governors make a report to the Governing Body following this meeting.

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g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

Pay and remuneration of senior management personnel is set in accordance with the School Teachers Pay & Conditions Document (STPCD) and the school's Pay and Appraisal policy. The Personnel Committee review all recommendations which are ratified by the Board of Governors.

h. TRADE UNION FACILITY TIME

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	-	
Total pay bill	4,564,572	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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i. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The school is part of the Hitchin Schools' Sixth Form Consortium along with Hitchin Boys' School and The Priory School. The Consortium provides students from all three schools with access to a broad curriculum. The consortium operates as a soft federation.

Hitchin Girls' School Charitable Trust (Registered charity number 1147058) is a separate charitable trust which exists to support the school by helping to provide facilities for education and encouraging participation from the wider community in sport and recreation through the provision of facilities for the playing of sport. The Headteacher, Chair of the Governing Body and Director of Finance and Resources are three of the Trustees of the Trust.

Hitchin Educational Foundation (Registered charity number 311024) provides educational grants (including for uniforms) for students under the age of 25 years who meet defined criteria in schools in Hitchin and the surrounding villages. The Chair of the Governing Body is a Trustee of the Charity.

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Hitchin Churches Schools' Worker Trust (Registered charity number 1154364), also known as PHASE, help to lead assemblies, lessons and enrichment days in school and provides mentoring and support for students. The Headteacher is a Trustee of the Trust.

Hitchin Partnership CIO (Registered charity number 1158637) is a Charitable Incorporated Organisation which provides support and services to students, parents and schools in Hitchin and the surrounding area. The Headteacher is a Trustee.

The school is the lead school of the North Herts Teaching School Alliance, set up in summer 2014 following approval by the National College for Teaching and leadership (NCTL). The Alliance provides support and services to schools in the local area. The Headteacher is a member of the Management Group.

The school works closely with the Hertfordshire Music Service, and the North Herts. Music Centre has an office and share facilities and equipment in the Highbury music building.

Objectives and Activities

a. OBJECTS AND AIMS

The Academy Trust was incorporated on 7 July 2011 and the school gained Academy status on 17 August 2011.

The Academy Trust's object is to:

- a) 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 school offering a broad and balanced curriculum, and
- b) promote for the benefit of the inhabitants of Hitchin and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The principal aim of the Academy Trust is to provide high quality learning that helps all students to fulfil their intellectual potential and become well-balanced young people.

Further aims are to:

- Provide students with the knowledge, skills and understanding that they need to make healthy, positive life and lifestyle choices and enabling them to play an active and constructive role in their school, local and global communities.
- Ensure that students make good progress through access to a quality provision which is innovative, challenging and meets their individual learning needs.
- Ensure that leadership and management throughout the school are consistently inspirational, dynamic, efficient, reflective and focussed on delivering the school's aim.
- Provide equality of opportunity for all

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

Key influences on the Academy Trust Development Plan for the period under review remained the significant challenges, uncertainties and opportunities arising from national changes in education policy and funding.

The priorities for the year were to:

- provide the highest provision for Teaching and Learning
- provide the greatest level of care and support for all staff and all students

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- ensure high quality professional support for all staff via CPD
- provide opportunities for high quality learning and experiences beyond the classroom
- work collaboratively across the school and in a wider context
- achieve the best possible outcomes for all students

Specific plans for 2017 – 2018:

- Review Teaching and Learning (T&L) opportunities to ensure regular sharing of best practice and resources in order to reduce individual workload
- Improve the quality of homework, by ensuring it is Motivating, Meaningful and Manageable
- Improve the quality of tutor time to ensure that it benefits and contributes to the overall T&L experience for students.
- Work to achieve greater collaboration and consistency in departments
- Embed a constructive Growth Mindset ethos in HGS T&L practice
- Successfully prepare students for reformed linear examinations.
- Delivery of required facilities and identification of resources and curriculum offer to support the expansion of the school from September 2018.
- Utilise opportunities through the North Herts Teaching Alliance to work collaboratively and share CPD
- Develop a plan for the recruitment and retention of high quality staff

c. PUBLIC BENEFIT

In setting the objectives, Governors have given consideration to the Charity Commission's general guidance on public benefit and in particular its supplementary guidance on education.

The Academy Trust provides education to children and young people that is

- balanced and broadly based
- promotes the spiritual, moral, cultural, mental and physical development of students at the school and of society
- prepares students at the school for the opportunities, responsibilities and experiences of later life
- promotes, sustains and increases individual and collective knowledge and understanding of specific areas of study, skills and expertise.

The Academy Trust is an all-ability school serving Hitchin and the surrounding area. It is subject to the current statutory arrangements as laid down in the national Admissions Code. The school provides an extensive programme of educational and extra-curricular activity - all designed to contribute to the overall education of students in areas such as academic distinction, music, the arts, sport and leadership. Wherever possible the school also aims to contribute to the benefit of the wider public, by making available the premises to third parties for the provision of educational and other opportunities

Strategic report

Achievements and performance

a. ACHIEVEMENTS AND PERFORMANCE

Students at Hitchin Girls' School once again did themselves and their teachers proud, with an excellent set of A Level and GCSE outcomes.

At A level, they achieved outstanding results across the whole grade range, with 19 students achieving 3 A levels all at A* and A grades, a significant increase from 2017. 31% of the grades achieved by our students are A* and A Grades and 58% of the grades achieved by our student are A*, A or B

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At GCSE, one third of all grades achieved were A/A* or 7 and above and 24% of Year 11 gained at least one grade 9 in their GCSEs and 9% of results were grade 9 compared to the National figure of 4%. 89% of grades achieved were C or higher or 4 and above. 83% of our students achieved the threshold in English and Mathematics (currently a grade 4) and 63% of students achieved a 'strong pass' – grade 5 or above – in English and Mathematics.

We are one of only 87 schools to have been awarded a Gold Certificate in Music by the ISM Trust, in recognition of our impressive GCSE Music results. The school has also become an Accredited Centre for the delivery of the National Professional Qualifications for Senior and Middle leaders (NPQSL and NPQML) working through University College London.

The school is delighted that Mrs. Anne Hendy, who has taught at the school for over 50 years, was awarded the MBE for Services to Education.

Events & Activities

Students have continued to benefit from a broad range of learning activities outside the classroom. These have included trips to Berlin (History), Hawaii and India (three Sixth Form attendees at each of the two the Student Global Leadership Institute conferences), Greece (Classics), Switzerland (Geography) and France (Modern Languages). Closer to home, there have been Geography field trips to Snowdonia and Norfolk, the annual Year 8 residential trip, Duke of Edinburgh award training and many visits to theatres, museums, universities and other places in support of the curriculum. Students have also attended revision conferences in school and externally to help prepare for examinations.

Students successfully competed in a number of competitions and sporting events including the Rotary technology tournament, Maths Challenges and county, district and regional sporting competitions.

Students have again supported the local Food Bank with a termly Food Drive along with other local, national and international charities.

Other activities have included the annual Gym and Dance display, Science week, Music concerts, Enterprise week, Sports Day, Art Show, Founders' Day, visits by Authors and careers days.

Facilities & Resources

In January 2018, the much needed 4 court sports hall with associated facilities including a dance studio, fitness suite and classroom was completed and handed over to the school. This was funded by a successful ESFA capital bid in 2016. The new facility is already being heavily used and is much appreciated by staff and students.

Another successful ESFA capital bid was made in 2018 and this has funded work to the boilers and hot water storage system in the 1970s constructed science block.

Following the decision made by the Governing Body in 2016 to expand the school from September 2018, work has been underway to provide the facilities and resources needed to support an increase in the Published Admission Number (PAN) from 165 to 210. A brand new 10 classroom teaching block has been constructed next to the new Sports Hall and was completed at the end of August 2018. A new science laboratory was built next to the existing science block and the dining room has been extended. This work has been funded by a grant from the Local Authority under their secondary school expansion programme to meet the need for increased places.

The school continues to invest in its computer systems with the purchase of new laptops, laptops and workstations.

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Further and fuller information on the school's many activities can be found in the termly newsletter and other information available on the school's website.

b. KEY PERFORMANCE INDICATORS

The Governors consider that the following are key performance indicators for the Academy Trust:

- Student numbers (leading directly to the Education and Skills Funding Agency ("ESFA") funding level);
- General financial stability - aim for income to match expenditure each year;
- Staff costs as a percentage of grant income;
- Staff costs as a percentage of total costs;
- Ofsted inspection results;
- Year 7 student intake;
- Sixth Form student numbers;

The Governors have been pleased that expectations for all key performance indicators listed have been successfully met during the period.

The school has been given a score of 2 in the September 2018 Department for Education Secondary School Efficiency Metric. The metric provides schools with an indication of efficiency, based on student attainment and the money used to achieve it, relative to statistically similar schools. The score of 2 means that Hitchin Girls' gets better pupil progress than 40 similar schools for a similar amount of money.

c. GOING CONCERN

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy 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 Accounting Policies.

Financial review

a. FINANCIAL REVIEW

Most of the School's income is obtained from the Department for Education via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the Department for Education during the period ended 31 August 2018 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities and are detailed in note 3 to the financial statements.

Revenue grants received from the ESFA include Pupil Premium (£109K) and 16-19 Bursary Funding (£12K), both of which were ring-fenced and used in accordance with the conditions of the grant.

The school submitted a successful bid of £91,175 to the 2018 ESFA Condition Improvement Fund for work to the heating, hot water and boiler system in the science block, the tenth bid approved by the ESFA since the school became an academy.

Governors entered into a Funding Agreement with the Local Authority on 7 October 2016 whereby the Authority agreed to provide funds to support the provision of additional buildings and facilities needed as a result of the decision to increase the Published Admission Number of the school from 165 to 210 from September 2018. Funding of £3,629,000 has been received.

GAG funding was the core funding element for the provision of education services for the year. 77.4% was

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spent on teaching and educational support staff costs (2017 –76.6%) with a further 11.0% (2017-10.4%) spent on administrative and other support staff. Department for Education financial benchmarking data against other similar academies shows expenditure is targeted to improve students' learning and in those areas the spend per student is higher than the average e.g. learning resources, ICT learning resources, bought in curriculum professional services.

During the period ended 31 August 2018, total revenue expenditure (excluding all impacts arising from the annual LGPS pension revaluation) totalled £6,062,460, after adjusting for a capital transfer of £7,023.. Recurrent grant funding together with other incoming resources totalled £5,999,951 leading to a shortfall of £62,509 for the period. This was funded by the use of Unrestricted Reserves reducing these to £241,941 which still exceeds the minimum level of Unrestricted Reserves set out in the School's Reserve Policy below.

At 31 August 2018, the net book value of tangible fixed assets was £22,635,851 and movements in tangible fixed assets are shown in note 14 to the financial statements. During the period the assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy Trust has taken on the deficit in the Local Government Pension Scheme in respect of its support staff. The deficit is incorporated within the Statement of Financial activity with details in Note 23 to the financial statements.

The school achieves value for money by deploying its available resources efficiently, effectively and economically to meet the needs of its students. Best value practices of challenge, compare, consult and compete are adopted in all financial matters. Budget priorities reflect the objectives of the School Improvement Plan.

b. RESERVES POLICY

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, the risk of unforeseen emergency or other unexpected need for funds, strategic planning including funds earmarked for future capital projects and potential future changes to education funding. Levels of reserves which are too high tie up money which should be spent on current school activities. Levels of reserves which are too low may affect the activities of the school. The Governing Body has decided that an appropriate level of free (unrestricted) reserves, taking into account the points above, is 4% of the value of the General Annual Grant. For 2017/18 this is £203,863. The level of reserves will be kept under review by the Trustees.

At 31 August 2018 the total funds comprised:

Unrestricted		£241,941
Restricted	Fixed asset funds	£23,095,631
	Pension reserve	(£968,000)
	Other	£22,481
		£22,392,053

c. MATERIAL INVESTMENTS POLICY

In a period of low interest rates, the Trust's policy is to ensure that funds which the school does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the school's income but without risk.

d. PRINCIPAL RISKS AND UNCERTAINTIES

The Academy Trust does not use complex financial instruments. It manages its activities using cash and various items such as trade debtors and trade creditors that arise directly from its operations.

The existence of these basic financial instruments exposes the Academy Trust to a number of financial risks which are described in more detail below. The main risks arising from the Trust's financial instruments are liquidity risk and cash flow interest rate risk.

Liquidity risk - The Trust manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.

Interest rate risk - the Trust earns interest on cash deposits. With interest rates currently low, the trustees will consider action to increase the income from these deposits, provided it does not jeopardise the liquidity or security of the Trust's assets.

Credit risk arises from the possibility that amounts owed to the Trust will not be repaid. The Trust does not undertake credit activities so it is only exposed to credit risk as it arises from normal business. Credit risk is managed through the use of approved banks and the prompt collection of amounts due.

Trustees have identified the following principal risk and uncertainties facing the Academy Trust:

Financial Risk

The Academy Trust is operating in a period of considerable financial uncertainty with regard to public funding. Financial planning is focused on maintaining the breadth and quality of future work in the context of diminishing budgets. Funding is also directly linked to the number of students attending the school, and the Trustees continue to monitor student numbers, in particular with regard to the Sixth Form. Trustees have also given due consideration to the risks associated with financial mismanagement and/or compliance failures.

Failures in Governance and/or Management

Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational Risk

The continuing success of the Academy Trust depends on maintaining the highest educational standards in order to continue to attract applicants in sufficient numbers. Trustees are clearly focused on monitoring and reviewing the achievement and success of students.

Trustees continue to give due consideration to other aspects of the schools activities where there could be a reputational risk, including discipline, safeguarding, Health and Safety etc.

Safeguarding and Child Protection Risks

Trustees continue to ensure that the highest standards are maintained in the selection and monitoring of staff and volunteers, the operation of child protection policies in school and in training and support, in order to protect the vulnerable young people in its care.

Significant Changes in Staff

Trustees acknowledge the importance of having a clear succession planning policy, and continue to review and monitor arrangements for recruitment and the development of existing staff to minimise the risk resulting from major changes in key staff.

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Fundraising

Throughout the school year, students are encouraged to fundraise to support a number of charities and organisations as part of their interest and involvement in the local and wider community. In 2017/18, students have raised money through cake sales, sponsored events, mufti days and entertainment performances to support organisations including Cancer Research UK, Jeans for Genes, British Heart Foundation, Refugee Action, Ecuador Child, Marie Curie and Alzheimers Society. An Enterprise Day was held in June, with each Tutor group running a stall and raising money to support the purchase of additional outdoor equipment for the school. Over £3,000 was raised in one day by students to support the Hearing Dogs for the Blind.

The Hitchin Girls' Friends of the School Association (HGfSA - the Parents Society) raise funds at events during the year and a donation was made to the school to support the purchase of equipment for the new Sports Hall,

Parents are given the opportunity to make a small voluntary annual contribution to the Hitchin Girls' School Charitable Trust (Charity No. 1147058) which exists to provide and assist in the provision of facilities for education at the school. Additional fundraising, including a Buy a Brick scheme and donations from former students, along with the voluntary annual contributions, resulted in a donation to the school to support the purchase of equipment for the new Sports Hall.

The School does not work with any professional fundraisers.

Plans for future periods

a. FUTURE DEVELOPMENTS

As an Outstanding school we strive to be exceptional and provide an exceptional experience for all students and all staff. In being exceptional we will:

- Provide the highest provision for Teaching and Learning
- Provide the greatest level of care and support for all staff and all students
- Ensure high quality professional support for all staff via CPD
- Provide opportunities for high quality learning and experiences beyond the classroom
- We will work collaboratively across the school and in a wider context
- Achieve the best possible outcomes for all students

The priorities for the year are:

- Teaching, Learning and Assessment - To provide the highest provision for an exceptional Teaching and Learning experience
- Culture and ethos – To maintain the core values, traditions and family ethos throughout expansion
- Implementation and integration of expansion plans to provide an exceptional learning environment and culture for students
- Collaboration within our school, across the NHTA and beyond
- Leadership & management

Specific plans for 2018 – 2019 include:

- All subject areas to refine new course Schemes of Work in line with school best practice
- To identify and develop methods of feedback and assessment for students which will reduce workload for individuals
- To fully utilise Go4Schools across all year groups for data capture and collection with a view to moving to 'live markbooks'
- To ensure a quality start of the day for all students in all year groups
- Information and Guidance (IAG) development to enhance preparation of students for life after school
- Increase use of praise and rewards on a day to day basis in the classroom, form time and around school.
- Further development of Mental Health support structures

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- Identification of an appropriate and cost effective staffing structure for each year leading up to 2022
- Further development of North Herts teaching alliance (NHTA) and integration of HGS staff into activities and training programmes
- Provision of increased meeting and development time for HODs and their staff teams
- Review the self-evaluation framework identifying the key actions which add value to student learning
- To provide appropriate IT resources which are appropriate for use, meet the needs of the school and are durable
- Develop an effective outward communication strategy for the school – to include social media

FUNDS HELD AS CUSTODIAN

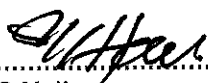
The Academy Trust holds no funds on behalf of others as a custodian trustee.

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 4/12/18 and signed on its behalf by:


.....
C Hall
Chair of Governing Body

HITCHIN GIRLS' SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Head Teacher, 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 Hitchin Girls' School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
Mrs. C. Astill	4	4
Mr. K. Balfe, Staff Governor	2	3
Mr. K. Down, Chair of Finance & Resource Committee	3	4
Mr. G. Edwards	2	3
Mrs. C. Emmings, Staff Governor	4	4
Mr. T. Fitzakerly	3	4
Mr. C. Hall, Chair of Governing Body	3	4
Mrs. N. Job	4	4
Mr. A. Jones, Staff Governor	2	4
Mrs. D. Kaur	1	3
Mrs. M. King	3	4
Mr. S. Lucas	4	4
Mrs. F. Manning, Head Teacher	3	4
Mrs. M. McPhail	1	1
Dr. K. Middleton	3	4
Mr. S. Mills	4	4
Mr. C. Minton	4	4
Mr. G. Montgomery	0	1
Mrs. S. Morrison	2	4
Mr. T. Scott	3	3
Mr. M. Seaman Hill	4	4
Mr. S. Sprawson	1	4

Mrs K Rowe was appointed to the Governing Body on 24 September 2018 and therefore did not attend any meetings during the period.

The Governing Body monitors and evaluates the school's performance through regular reports at Governing Body and committee meetings. The Trustees review and approve the School Improvement Plan each year, and receive updates on progress on the actions agreed for the year.

HITCHIN GIRLS' SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

A review of the committee structure of the Board of Trustees was undertaken in June 2016. With major capital projects taking place over the following two years, it was agreed to merge the Finance Committee and Asset Management Committee into a Finance & Resources Committee from September 2016 to provide a single committee to monitor these projects and the impact on budgets and existing resources. The Board considered the committee structure again in June 2018 and decided to retain this revised structure.

A skills audit of the trustees was undertaken in August 2018, using a template provided by the National Governors Association, which has confirmed that there is a good skills mix within the Board of Trustees. Trustee strengths and skill are considered when appointing Trustees to serve on committees. When a vacancy for a Community Governor arises, the Trustees refer to the audit when considering the suitability of prospective governors.

The Admissions Committee is a committee of the main board of trustees. Its purpose is to ensure sound management of the school's admission policy and practices.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr. K. Down	2	3
Mr. C Hall	3	3
Mrs. N. Job (Chair)	3	3
Mrs. F. Manning	3	3
Mr. S. Mills	1	3
Mr. C. Minton	3	3
Mr. S. Sprawson	3	3

The Curriculum & Performance Committee is a committee of the main board of trustees. Its purpose is to advise the board of trustees on the school's statutory obligations regarding the curriculum and to monitor how the curriculum is taught, evaluated and resourced.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr. G. Edwards	2	3
Mrs. C. Emmings (Staff Trustee)	2	3
Mr. C. Hall	2	3
Mrs. N. Job	3	3
Mr. A. Jones	3	3
Mrs. M. King	2	3
Mrs. F. Manning	3	3
Dr. K. Middleton	2	3
Mr. S. Mills	3	3
Mrs. S. Morrison	3	3
Mr. T. Scott	2	3

HITCHIN GIRLS' SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

The Finance and Resources Committee is a committee of the main board of trustees. Its purpose is to assist the board of trustees by enabling more detailed consideration to be given to the best means of fulfilling the board of trustees's responsibility to ensure sound management of the school's finances and resources, including proper planning, monitoring and probity. Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mrs. C. Astill	2	3
Mr. K. Balfe (Staff trustee)	3	3
Mr. K. Down (Chair)	3	3
Mrs. C. Emmings (Staff trustee)	3	3
Mr. T. Fitzakerly	3	3
Mr. C. Hall	2	3
Mrs. D. Kaur	2	3
Mr. S. Lucas	2	3
Mrs. F. Manning	3	3
Mr. S. Mills	3	3
Mr. C. Minton	3	3
Mr. M. Seaman Hill	3	3

The Personnel Committee is a committee of the main board of trustees. Its purpose is to monitor and review all personnel policies, including pay, performance management and staff training and development. It also advises the board of trustees on statutory responsibilities with regard to safeguarding. Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr. C. Hall	2	3
Mrs. N. Job (Chair)	3	3
Mrs. M. King	1	3
Mr. S. Lucas	3	3
Mrs. F. Manning	3	3
Mr. C. Minton	2	3
Mrs. S. Morrison	2	3
Mr. S. Sprawson	1	3

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Head Teacher has responsibility for ensuring that the Academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy'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 appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by:

- Ensuring resources are directed where they are most needed and most effective in meeting education requirements, for example by targeting resources in key areas such as literacy and numeracy, providing additional 1:1 support, and working with parents to use Pupil Premium funding to provide additional support and facilities for eligible students
- Ensuring contracts and services are reviewed and renegotiated regularly to ensure best value (not necessarily the lowest cost).
- Continuing to monitor staffing costs to ensure they remain sustainable whilst still meeting operational needs and taking into account the expansion of the school from September 2018.

GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hitchin Girls' School for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- 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.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Mr R Dermont, the commercial banker of Lloyds Bank to perform peer review.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a termly basis, the reviewer reports to the board of trustees through the Finance & Resources committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The RO visited two times during the period and found no breaches in the Academy Trust's control systems.

GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

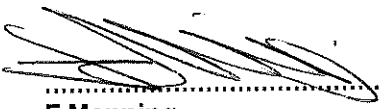
As Accounting Officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the reviewer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and 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 board of trustees on 4/12/18 and signed on their behalf, by:


.....
C Hall
Chair of Governing Body


.....
F Manning
Accounting Officer

HITCHIN GIRLS' SCHOOL
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Hitchin Girls' School I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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



F Manning
Accounting Officer

4/12/18

HITCHIN GIRLS' SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees 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 Trustees 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 4/12/18 and signed on its behalf by:


.....
C. Hall
Chair of Governing Body

HITCHIN GIRLS' SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HITCHIN GIRLS' SCHOOL

OPINION

We have audited the financial statements of Hitchin Girls' School (the 'Academy') for the year ended 31 August 2018 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 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 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in

HITCHIN GIRLS' SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HITCHIN GIRLS' SCHOOL

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

HITCHIN GIRLS' SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HITCHIN GIRLS' SCHOOL

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

USE OF OUR REPORT

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Atul Kariya FCCA (Senior Statutory Auditor)
for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants

Statutory Auditors

Equipoise House

Grove Place

Bedford

MK40 3LE

Date: 09 December 2016

HITCHIN GIRLS' SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HITCHIN GIRLS' SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 03 May 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hitchin Girls' School during the year 1 September 2017 to 31 August 2018 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 Hitchin Girls' School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Hitchin Girls' School and the 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 Hitchin Girls' School and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF HITCHIN GIRLS' SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Hitchin Girls' School's funding agreement with the Secretary of State for Education dated August 2011, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- reviewing the Minutes of the meetings of the Governing Board and other evidence made available to us, relevant to our consideration of regularity
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy

HITCHIN GIRLS' SCHOOL
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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HITCHIN GIRLS' SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

- testing of a sample of payroll payments to staff
- testing of a sample of payments to suppliers and other third parties
- testing of a sample of grants received and other income streams
- evaluating the internal control procedures and reporting lines, testing as appropriate and making appropriate enquiries of the Accounting Officer.

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 year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

MHA Macintyre Hudson
Chartered Accountants
Statutory Auditor
Equipoise House
Grove Place
Bedford
MK40 3LE

Date: 09 December 2018

HITCHIN GIRLS' SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	-	32,345	4,432,735	4,465,080	2,053,870
Charitable activities:	3					
- Funding for educational operations		-	5,728,382	-	5,728,382	5,794,111
- Funding for teaching schools		-	68,958	-	68,958	51,828
Other trading activities	4	41,941	123,690	-	165,631	184,311
Investments	5	4,635	-	-	4,635	5,584
TOTAL INCOME		46,576	5,953,375	4,432,735	10,432,686	8,089,704
EXPENDITURE ON:						
Raising funds		20,195	-	-	20,195	17,981
Charitable activities:						
- Educational operations		-	6,001,907	385,871	6,387,778	6,388,286
- Teaching schools		-	58,629	-	58,629	42,514
Other charitable activities		-	132,752	-	132,752	-
TOTAL EXPENDITURE	6	20,195	6,193,288	385,871	6,599,354	6,448,781
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	26,381 (102,056)	(239,913) 109,079	4,046,864 (7,023)	3,833,332 -	1,640,923 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
Actuarial gains on defined benefit pension schemes	23	-	354,000	-	354,000	1,051,000
NET MOVEMENT IN FUNDS		(75,675)	223,166	4,039,841	4,187,332	2,691,923
RECONCILIATION OF FUNDS:						
Total funds brought forward		317,616	(1,168,685)	19,055,790	18,204,721	15,512,798
TOTAL FUNDS CARRIED FORWARD		241,941	(945,519)	23,095,631	22,392,053	18,204,721

The notes on pages 30 to 55 form part of these financial statements.

HITCHIN GIRLS' SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07697117

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Intangible assets	13		33,601		33,649
Tangible assets	14		22,635,851		19,061,947
			<u>22,669,452</u>		<u>19,095,596</u>
CURRENT ASSETS					
Debtors	15	296,308		355,286	
Cash at bank and in hand		1,553,118		2,028,618	
		<u>1,849,426</u>		<u>2,383,904</u>	
CREDITORS: amounts falling due within one year	16	(1,131,850)		(2,067,350)	
NET CURRENT ASSETS			<u>717,576</u>		<u>316,554</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>23,387,028</u>		<u>19,412,150</u>
CREDITORS: amounts falling due after more than one year	17		<u>(26,975)</u>		<u>(29,429)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>23,360,053</u>		<u>19,382,721</u>
Defined benefit pension scheme liability	23		<u>(968,000)</u>		<u>(1,178,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>22,392,053</u>		<u>18,204,721</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	18	22,481		9,315	
Restricted fixed asset funds	18	23,095,631		19,055,790	
		<u>23,118,112</u>		<u>19,065,105</u>	
Restricted income funds excluding pension liability					
Pension reserve		<u>(968,000)</u>		<u>(1,178,000)</u>	
Total restricted income funds			<u>22,150,112</u>		<u>17,887,105</u>
Unrestricted income funds	18		<u>241,941</u>		<u>317,616</u>
TOTAL FUNDS			<u>22,392,053</u>		<u>18,204,721</u>

HITCHIN GIRLS' SCHOOL
(A Company Limited by Guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2018

The financial statements on pages 26 to 55 were approved by the Trustees, and authorised for issue, on 4/12/18 and are signed on their behalf, by:


.....
C Hall
Chair of Governing Body

The notes on pages 30 to 55 form part of these financial statements.

HITCHIN GIRLS' SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	<u>(951,762)</u>	<u>940,941</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		4,635	5,584
Purchase of tangible fixed assets		(3,923,439)	(2,083,328)
Capital grants from DfE Group		33,755	23,609
Capital funding received from sponsors and others		4,398,980	2,000,118
Payments to acquire intangible fixed assets		(36,288)	(38,945)
Proceeds from sales of intangible fixed assets		-	832
Net cash provided by/(used in) investing activities		<u>477,643</u>	<u>(92,130)</u>
Cash flows from financing activities:			
Repayments of borrowings		(9,965)	(9,428)
Cash inflows from new borrowing		8,584	-
Net cash used in financing activities		<u>(1,381)</u>	<u>(9,428)</u>
Change in cash and cash equivalents in the year		(475,500)	839,383
Cash and cash equivalents brought forward		<u>2,028,618</u>	<u>1,189,235</u>
Cash and cash equivalents carried forward	21	<u><u>1,553,118</u></u>	<u><u>2,028,618</u></u>

The notes on pages 30 to 55 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Hitchin Girls' School constitutes a public benefit entity as defined by FRS 102.

Hitchin Girls' School is a company limited by guarantee, incorporated in England. The address of the registered office and principal place of operations are detailed in the Trustees Report.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities incorporating Income and Expenditure Account 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities incorporating Income and Expenditure Account in the period in which it is receivable, where receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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

Where the academy holds unused funds on deposit, the interest receivable is recognised on an accruals basis in the Statement of Financial Activities in the period to which it accrued.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the Academy's educational operations, including support costs and those costs relating to the governance of the Academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Intangible fixed assets and amortisation

Intangible assets costing £300 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Computer software	-	Straight line over the licence period
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1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account 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 incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, a transfer is made to reflect these assets in the restricted fixed asset fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

HITCHIN GIRLS' SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

Freehold property	-	2% straight line
Leasehold property	-	2% - 3.3% straight line
Furniture and fixtures	-	10% - 20% straight line
Computer equipment	-	33.3% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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 incorporating Income and Expenditure Account.

1.7 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Academy. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities incorporating Income and Expenditure Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals under operating leases are charged to the Statement of Financial Activities incorporating the Income and Expenditure Account, on a straight line basis, over the lease term.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities and provisions

Liabilities and provisions 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 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. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.11 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy 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. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Taxation

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

1.13 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 23, 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

The LGPS is a funded, multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.14 Agency arrangements

The Academy Trust acts as an agent in distributing Teacher Subject Specialism Training (TSST) funds. Payments received and subsequent payments to schools are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of the funds. The funds received and paid as well as any balances still held are disclosed in note 27.

1.15 Fund accounting

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

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 Department for Education Group.

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

1.16 Concessionary loans

Concessionary loans are initially recognised as a liability at the amount received, with the carrying amount being adjusted in subsequent years to reflect repayments made and any accrued interest payable.

HITCHIN GIRLS' SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.17 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Academy 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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The judgements that have had a significant effect on amounts recognised in the Financial Statements are those concerning depreciation policies and asset lives.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Capital donations	-	63,361	63,361	-
Other donations	-	32,345	32,345	34,143
Capital Grants	-	4,369,374	4,369,374	2,019,727
	-	<u>4,465,080</u>	<u>4,465,080</u>	<u>2,053,870</u>
Total 2017	-	<u>2,053,870</u>	<u>2,053,870</u>	

HITCHIN GIRLS' SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Educational Operations	-	5,728,382	5,728,382	5,794,111
Teaching Schools	-	68,958	68,958	51,828
	-	5,797,340	5,797,340	5,845,939
Total 2017	-	5,845,939	5,845,939	

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant	-	5,096,588	5,096,588	5,191,133
Other DfE/ ESFA grants	-	128,149	128,149	125,451
	-	5,224,737	5,224,737	5,316,584
Other government grants				
Local Authority grants	-	10,103	10,103	35,094
	-	10,103	10,103	35,094
Other funding				
Trip Income	-	235,618	235,618	195,021
Other incoming resources	-	257,924	257,924	247,412
	-	493,542	493,542	442,433
	-	5,728,382	5,728,382	5,794,111
Total 2017	-	5,794,111	5,794,111	

There are no unfulfilled conditions or other contingencies attached to the government grants above.

HITCHIN GIRLS' SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	37,763	1,184	38,947	33,534
Other income	4,178	122,506	126,684	150,777
	<u>41,941</u>	<u>123,690</u>	<u>165,631</u>	<u>184,311</u>
Total 2017	<u>44,654</u>	<u>139,657</u>	<u>184,311</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	4,635	-	4,635	5,584
	<u>4,635</u>	<u>-</u>	<u>4,635</u>	<u>5,584</u>
Total 2017	<u>5,584</u>	<u>-</u>	<u>5,584</u>	

HITCHIN GIRLS' SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income	4,869	15,326			17,981
Direct costs	-	-	20,195	20,195	-
Support costs	-	-	-	-	-
Educational Operations:					
Direct costs	3,993,022	-	692,309	4,685,331	4,676,697
Support costs	637,395	703,854	493,949	1,835,198	1,711,589
Teaching Schools:					
Direct costs	24,442	-	22,753	47,195	23,634
Support costs	8,770	-	2,665	11,435	18,880
	<u>4,668,498</u>	<u>719,180</u>	<u>1,231,871</u>	<u>6,599,354</u>	<u>6,448,781</u>
Total 2017	<u>4,649,437</u>	<u>669,021</u>	<u>1,130,323</u>	<u>6,448,781</u>	

In 2018, of the total expenditure of £6,599,354 (2017: £6,448,781), £20,195 (2017: £17,981) was from unrestricted funds, £6,193,288 (2017: £6,100,277) was from restricted funds and £385,871 (2017: £330,523) was from restricted fixed asset funds.

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational Operations	4,685,331	1,835,198	6,520,529	6,388,286
Teaching Schools	47,195	11,435	58,630	42,514
Total 2018	<u>4,732,526</u>	<u>1,846,633</u>	<u>6,579,159</u>	<u>6,430,800</u>
Total 2017	<u>4,654,364</u>	<u>1,776,436</u>	<u>6,430,800</u>	

HITCHIN GIRLS' SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

Analysis of direct costs

	Educational Operations £	Teaching Schools £	Total 2018 £	Total 2017 £
Agency & Other staff costs	104,056	(130)	103,926	155,289
Educational resources	657,610	22,753	680,363	614,756
Wages and salaries	3,027,727	24,572	3,052,299	3,028,148
National insurance	294,266	-	294,266	304,421
Pension cost	566,973	-	566,973	563,088
Depreciation	34,699	-	34,699	34,629
	<u>4,685,331</u>	<u>47,195</u>	<u>4,732,526</u>	<u>4,700,331</u>
At 31 August 2017	<u>4,676,697</u>	<u>23,634</u>	<u>4,700,331</u>	

Analysis of support costs

	Educational Operations £	Teaching Schools £	Total 2018 £	Total 2017 £
Pension interest	30,000	-	30,000	43,000
Staff costs	637,395	8,770	646,165	598,491
Depreciation	351,172	-	351,172	295,893
Educational technology	8,299	-	8,299	5,359
Premises costs	351,307	-	351,307	325,337
Other support costs	440,071	1,915	441,986	441,807
Governance costs	16,954	750	17,704	20,582
	<u>1,835,198</u>	<u>11,435</u>	<u>1,846,633</u>	<u>1,730,469</u>
At 31 August 2017	<u>1,711,589</u>	<u>18,880</u>	<u>1,730,469</u>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	344,907	294,258
Amortisation of intangible fixed assets	36,336	36,265
Auditors' remuneration - audit	6,550	6,500
Auditors' remuneration - other services	4,152	3,425
Operating lease rentals	35,336	35,454
Net interest on defined benefit pension liability	30,000	43,000
	<u>457,281</u>	<u>454,900</u>

HITCHIN GIRLS' SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	3,502,402	3,440,721
Social security costs	330,219	335,627
Pension costs	731,951	716,000
	<u>4,564,572</u>	<u>4,492,348</u>
Agency staff costs	85,229	131,793
Staff development and other staff costs	18,697	25,296
	<u><u>4,668,498</u></u>	<u><u>4,649,437</u></u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	62	64
Admin & Support staff	49	49
Management	7	7
	<u>118</u>	<u>120</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	2	2
In the band £100,001 - £110,000	1	1

Four of the above employees participated in the Teachers Pension Scheme and one in the Local Government Pension Scheme. During the year ended 31 August 2018, employer pension contributions for these staff amounted to £50,509 and £19,494 (2017: £39,458 and £18,632) respectively.

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employers national insurance and employer pension contributions) received by key management personnel for their services to the academy trust was £799,371 (2017: £776,169).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. TRUSTEES' REMUNERATION AND EXPENSES

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

F Manning (Headteacher):

Remuneration	£105,000 - £110,000 (2017: £105,000 - £110,000)
Employer's pension contributions	£15,000 - £20,000 (2017: £15,000 - £20,000)

K Balfe (Staff Governor):

Remuneration	£35,000 - £40,000 (2017: £40,000 - £45,000)
Employer's pension contributions	£5,000 - £10,000 (2017: £5,000 - £10,000)

C Emmings (Staff Governor):

Remuneration	£35,000 - £40,000 (2017: £30,000 - £35,000)
Employer's pension contributions	£5,000 - 10,000 (2017: £5,000 - £10,000)

A Jones (Staff Governor):

Remuneration	£45,000 - £50,000 (2017: £45,000 - £50,000)
Employer's pension contributions	£5,000 - £10,000 (2017: £5,000 - £10,000)

During the year, expenses paid on behalf of the Academy totalling £1,194 (2017: £1,232) were reimbursed to four Governors.

11. TRUSTEES' 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 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.

12. OTHER FINANCE INCOME & CHARGES

	2018 £	2017 £
Interest income on pension scheme assets	81,000	48,000
Interest cost on pension scheme liabilities	(111,000)	(91,000)
	<u>(30,000)</u>	<u>(43,000)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

13. INTANGIBLE FIXED ASSETS

	Computer software £
Cost	
At 1 September 2017	45,108
Additions	36,288
Disposals	(29,968)
At 31 August 2018	<u>51,428</u>
Amortisation	
At 1 September 2017	11,459
Charge for the year	36,336
On disposals	(29,968)
At 31 August 2018	<u>17,827</u>
Carrying amount	
At 31 August 2018	<u><u>33,601</u></u>
At 31 August 2017	<u><u>33,649</u></u>

14. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold property £	Furniture and fixtures £	Plant and equipment £	Total £
Cost					
At 1 September 2017	18,858,380	972,000	495,047	281,962	20,607,389
Additions	3,456,728	188,751	197,260	80,700	3,923,439
Disposals	-	-	(12,877)	(25,859)	(38,736)
At 31 August 2018	<u>22,315,108</u>	<u>1,160,751</u>	<u>679,430</u>	<u>336,803</u>	<u>24,492,092</u>
Depreciation					
At 1 September 2017	981,379	109,928	209,393	244,742	1,545,442
Charge for the year	221,669	19,632	76,396	27,210	344,907
On disposals	-	-	(8,249)	(25,859)	(34,108)
At 31 August 2018	<u>1,203,048</u>	<u>129,560</u>	<u>277,540</u>	<u>246,093</u>	<u>1,856,241</u>
Net book value					
At 31 August 2018	<u><u>21,112,060</u></u>	<u><u>1,031,191</u></u>	<u><u>401,890</u></u>	<u><u>90,710</u></u>	<u><u>22,635,851</u></u>
At 31 August 2017	<u><u>17,877,001</u></u>	<u><u>862,072</u></u>	<u><u>285,654</u></u>	<u><u>37,220</u></u>	<u><u>19,061,947</u></u>

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14. TANGIBLE FIXED ASSETS (continued)

The trust's transactions relating to land and buildings included:

During the year the academy completed construction of a new sports hall. Additions of £831,265 were added to freehold property in relation to this. The remaining additions of £2,625,463 related to the expansion project to increase classroom capacity.

The additions in the year to leasehold property of £188,751 relate to the construction of an additional car park.

The leasehold property is held under a 125 year lease from Hertfordshire County Council ending in 2136. No rent is payable under the terms of the lease.

The freehold property was valued on conversion by RICS valuers using the depreciated cost method.

15. DEBTORS

	2018 £	2017 £
Trade debtors	11,098	12,259
VAT recoverable	123,609	193,494
Other debtors	6,814	3,205
Prepayments and accrued income	154,787	146,328
	<u>296,308</u>	<u>355,286</u>

16. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Other loans	10,502	9,429
Trade creditors	586,079	635,511
Other taxation and social security (see below)	87,127	85,650
Other creditors	103,916	78,924
Accruals and deferred income	344,226	1,257,836
	<u>1,131,850</u>	<u>2,067,350</u>

Other taxation and social security

	2018 £	2017 £
PAYE and NI contributions	<u>87,127</u>	<u>85,650</u>

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16. CREDITORS: Amounts falling due within one year (continued)

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	1,205,278	714,984
Resources deferred during the year	262,998	1,205,278
Amounts released from previous years	(1,205,278)	(714,984)
	<u>262,998</u>	<u>1,205,278</u>
Deferred income at 31 August 2018	<u>262,998</u>	<u>1,205,278</u>

At the balance sheet date the academy trust was holding funds received in advance for the following purposes:

	2018 £	2017 £
School trips	102,218	83,559
ESFA 16-19 bursary	8,282	7,811
Devolved Formula Capital and Condition Improvement Funding	13,851	1,060,233
ESFA rates relief	14,088	13,686
Local authority capital	107,043	-
School fund	-	7,271
Other amounts	17,516	32,718

17. CREDITORS: Amounts falling due after more than one year

	2018 £	2017 £
Other loans	<u>26,975</u>	<u>29,429</u>

Included within the above are amounts falling due as follows:

	2018 £	2017 £
Between one and two years		
Other loans	<u>5,074</u>	<u>9,429</u>
Between two and five years		
Other loans	<u>15,219</u>	<u>12,000</u>
Over five years		
Other loans	<u>6,682</u>	<u>8,000</u>

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FOR THE YEAR ENDED 31 AUGUST 2018**

17. CREDITORS: Amounts falling due after more than one year (continued)

Creditors include amounts not wholly repayable within 5 years as follows:

	2018 £	2017 £
Repayable by instalments	<u>6,682</u>	<u>8,000</u>

Included within other loans are 3 loans totalling £37,477 (2017: £38,858) from Salix Finance Ltd, which are all provided interest free. One loan will be fully repaid within one year, one has 6 years remaining at £4,000 per annum and the final loan is repayable over 8 years at £1,073 per annum.

18. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds - all funds	<u>317,616</u>	<u>46,576</u>	<u>(20,195)</u>	<u>(102,056)</u>	-	<u>241,941</u>
Restricted funds						
General Annual Grant	-	5,096,588	(5,207,845)	111,257	-	-
Teaching Schools	9,315	68,958	(58,629)	-	-	19,644
Other restricted funds	-	787,829	(782,814)	(2,178)	-	2,837
Defined benefit pension scheme	<u>(1,178,000)</u>	-	<u>(144,000)</u>	-	354,000	<u>(968,000)</u>
	<u>(1,168,685)</u>	<u>5,953,375</u>	<u>(6,193,288)</u>	<u>109,079</u>	<u>354,000</u>	<u>(945,519)</u>
Restricted fixed asset funds						
Capital grants and income	<u>19,055,790</u>	<u>4,432,735</u>	<u>(385,871)</u>	<u>(7,023)</u>	-	<u>23,095,631</u>
Total restricted funds	<u>17,887,105</u>	<u>10,386,110</u>	<u>(6,579,159)</u>	<u>102,056</u>	<u>354,000</u>	<u>22,150,112</u>
Total of funds	<u><u>18,204,721</u></u>	<u><u>10,432,686</u></u>	<u><u>(6,599,354)</u></u>	<u><u>-</u></u>	<u><u>354,000</u></u>	<u><u>22,392,053</u></u>

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

Unrestricted funds

Unrestricted funds are funds to be spent at the discretion of the trustees.

General Annual Grant

The General Annual Grant (GAG) must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the

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18. STATEMENT OF FUNDS (continued)

amount of GAG that it could carry forward at 31 August 2018. The transfer of £111,257 to GAG, of £9,201 from restricted funds and £102,056 from unrestricted funds, was required to meet ongoing academy costs.

Other DfE / ESFA

This represents other funding for various purposes including pupil premium, sports funding, training and other pupil related activities.

Other government grants

This represents funding received from local government for various specific purposes including special education needs children and education other than at school.

Teaching Schools

The teaching schools fund represents income received from the NCTL and corresponding expenditure that relates to the training and professional development of teachers and support staff.

Other restricted funds

The other restricted funds relate to various school and educational activities which are not funded by the General Annual Grant.

Pensions Reserve

The defined benefit pension scheme relates to the pension deficit arising on LGPS pension scheme. The scheme is in deficit but given the nature of the liability this is not payable immediately and plans are in place to meet the deficit such that it is not a constraint on reserves going forward.

Restricted fixed asset fund

The restricted fixed asset fund was funded predominantly by the funds inherited on conversion to an academy from the local authority following the transfer of the land and buildings.

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
General Funds - all funds	327,120	49,008	(17,981)	(40,531)	-	317,616
Restricted funds						
General Annual Grant	-	5,191,133	(5,108,052)	(83,081)	-	-
Teaching Schools	-	51,828	(42,513)	-	-	9,315
Other restricted funds	-	774,008	(807,712)	33,704	-	-
Defined benefit pension scheme	(2,087,000)	-	(142,000)	-	1,051,000	(1,178,000)
	<u>(2,087,000)</u>	<u>6,016,969</u>	<u>(6,100,277)</u>	<u>(49,377)</u>	<u>1,051,000</u>	<u>(1,168,685)</u>

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18. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Capital grants and income	17,272,678	2,023,727	(330,523)	89,908	-	19,055,790
Total restricted funds	<u>15,185,678</u>	<u>8,040,696</u>	<u>(6,430,800)</u>	<u>40,531</u>	<u>1,051,000</u>	<u>17,887,105</u>
Total of funds	<u><u>15,512,798</u></u>	<u><u>8,089,704</u></u>	<u><u>(6,448,781)</u></u>	<u><u>-</u></u>	<u><u>1,051,000</u></u>	<u><u>18,204,721</u></u>

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds - all funds	<u>327,120</u>	<u>95,584</u>	<u>(38,176)</u>	<u>(142,587)</u>	<u>-</u>	<u>241,941</u>
Restricted funds						
General Annual Grant	-	10,287,721	(10,315,897)	28,176	-	-
Teaching Schools	-	120,786	(101,142)	-	-	19,644
Other restricted funds	-	1,561,837	(1,590,526)	31,526	-	2,837
Defined benefit pension scheme	<u>(2,087,000)</u>	<u>-</u>	<u>(286,000)</u>	<u>-</u>	<u>1,405,000</u>	<u>(968,000)</u>
	<u>(2,087,000)</u>	<u>11,970,344</u>	<u>(12,293,565)</u>	<u>59,702</u>	<u>1,405,000</u>	<u>(945,519)</u>
Restricted fixed asset funds						
Capital grants and income	17,272,678	6,456,462	(716,394)	82,885	-	23,095,631
	<u>15,185,678</u>	<u>18,426,806</u>	<u>(13,009,959)</u>	<u>142,587</u>	<u>1,405,000</u>	<u>22,150,112</u>
Total of funds	<u><u>15,512,798</u></u>	<u><u>18,522,390</u></u>	<u><u>(13,048,135)</u></u>	<u><u>-</u></u>	<u><u>1,405,000</u></u>	<u><u>22,392,053</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Intangible fixed assets	-	-	33,601	33,601
Tangible fixed assets	-	-	22,635,851	22,635,851
Current assets	241,941	1,149,258	458,227	1,849,426
Creditors due within one year	-	(1,121,348)	(10,502)	(1,131,850)
Creditors due in more than one year	-	-	(26,975)	(26,975)
Pension liability	-	(968,000)	-	(968,000)
	<u>241,941</u>	<u>(945,519)</u>	<u>23,095,631</u>	<u>22,392,053</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Intangible fixed assets	-	-	33,649	33,649
Tangible fixed assets	-	-	19,061,947	19,061,947
Current assets	328,470	564,183	1,491,251	2,383,904
Creditors due within one year	(5,425)	(554,868)	(1,507,057)	(2,067,350)
Creditors due in more than one year	(5,429)	-	(24,000)	(29,429)
Pension liability	-	(1,178,000)	-	(1,178,000)
	<u>317,616</u>	<u>(1,168,685)</u>	<u>19,055,790</u>	<u>18,204,721</u>

HITCHIN GIRLS' SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	3,833,332	1,640,923
Adjustment for:		
Depreciation charges	344,907	294,258
Amortisation of intangible fixed assets	36,336	36,265
Investment income receivable	(4,635)	(5,584)
Loss on the sale of fixed assets	4,628	-
Decrease/(increase) in debtors	58,978	(142,108)
(Decrease)/increase in creditors	(936,573)	998,914
Capital grants from DfE and other capital income	(4,432,735)	(2,023,727)
Defined benefit pension scheme cost less contributions payable	114,000	99,000
Defined benefit pension scheme finance cost	30,000	43,000
Net cash (used in)/provided by operating activities	(951,762)	940,941

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	1,553,118	2,028,618
Total	<u>1,553,118</u>	<u>2,028,618</u>

22. CAPITAL COMMITMENTS

At 31 August 2018 the Academy had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	<u>193,400</u>	<u>872,118</u>

The commitment relates to capital projects that are funded in the majority by grants from the LA and ESFA. Income of £458,227 (2017: £1,036,371) in relation to this commitment is included within the restricted fixed asset fund.

23. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hymans Robertson LLP. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

23. PENSION COMMITMENTS (continued)

year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers 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. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £434,968 (2017 - £431,168).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

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23. PENSION COMMITMENTS (continued)

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £225,000 (2017 - £230,000), of which employer's contributions totalled £180,000 (2017 - £184,000) and employees' contributions totalled £45,000 (2017 - £46,000). The agreed contribution rates for future years are 25.3% for employers and 5.5% to 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.50 %	2.50 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.5	22.5
Females	24.9	24.9
Retiring in 20 years		
Males	24.1	24.1
Females	26.7	26.7

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate -0.5%	445,000	427,000
Mortality assumption - 1 year increase	46,000	48,000
CPI rate +0.5%	396,000	373,000

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23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,842,000	2,047,000
Corporate bonds	1,216,000	787,000
Property	278,000	221,000
Cash and other liquid assets	139,000	94,000
	<u>3,475,000</u>	<u>3,149,000</u>
Total market value of assets	<u>3,475,000</u>	<u>3,149,000</u>

The actual return on scheme assets was £174,000 (2017 - £662,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018 £	2017 £
Current service cost	(294,000)	(283,000)
Interest income	81,000	48,000
Interest cost	(111,000)	(91,000)
	<u>(324,000)</u>	<u>(326,000)</u>
Total	<u>(324,000)</u>	<u>(326,000)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2018 £	2017 £
Opening defined benefit obligation	4,327,000	4,420,000
Current service cost	294,000	283,000
Interest cost	111,000	91,000
Employee contributions	45,000	46,000
Actuarial gains	(261,000)	(437,000)
Benefits paid	(73,000)	(76,000)
	<u>4,443,000</u>	<u>4,327,000</u>
Closing defined benefit obligation	<u>4,443,000</u>	<u>4,327,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

Movements in the fair value of the Academy's share of scheme assets:

	2018 £	2017 £
Opening fair value of scheme assets	3,149,000	2,333,000
Interest income	81,000	48,000
Actuarial gains	93,000	614,000
Employer contributions	180,000	184,000
Employee contributions	45,000	46,000
Benefits paid	(73,000)	(76,000)
	<u>3,475,000</u>	<u>3,149,000</u>
Closing fair value of scheme assets	<u>3,475,000</u>	<u>3,149,000</u>

The amounts recognised in the Balance Sheet are as follows:

	2018 £	2017 £
Closing fair value of scheme assets	3,475,000	3,149,000
Closing defined benefit obligation	(4,443,000)	(4,327,000)
	<u>(968,000)</u>	<u>(1,178,000)</u>
Net defined benefit pension scheme liability	<u>(968,000)</u>	<u>(1,178,000)</u>

24. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	32,842	28,628
Between 1 and 5 years	107,798	82,815
After more than 5 years	35,812	53,718
	<u>176,452</u>	<u>165,161</u>
Total	<u>176,452</u>	<u>165,161</u>

25. MEMBERS' LIABILITY

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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

Expenditure related party transactions

The academy trust purchased services and made donations totalling £2,725 (2017: £4,302) from Hitchin Churches Schools' Worker Trust, a registered charity, related by virtue of F Manning (Head Teacher and Governor) being a trustee during the year.

The academy trust purchased services totalling £Nil (2017: £3,618) from Hitchin Partnership CIO, a registered charity, of which F Manning (Head Teacher and Governor) is a trustee.

Income related party transactions

The academy trust received grants and funding totalling £21,014 (2017: £20,031) from Hitchin Educational Foundation, a registered charity, which is related by virtue of C Hall (Chair of Governors) being an Ex-Officio trustee.

The academy trust received grants and funding totalling £60,000 (2017: Nil) from Hitchin Girls' School Charitable Trust, a registered charity, which is related by virtue of F Manning (Head Teacher and Governor), C Hall (Chair of the Governing Body) and A Hankin (Secretary and member of Senior Leadership Team), all being trustees.

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

No further related party transactions took place in the year other than certain trustees remuneration and expenses disclosed in note 10.

27. AGENCY ARRANGEMENTS

The Academy Trust distributes Teacher Subject Specialism Training (TSST) and acts as an agent for this income. In the year ending 31 August 2018 the Academy Trust received £28,160 and disbursed £7,817 from the TSST income. The balance of £20,343 is carried forward and included in other creditors relating to the undistributed funds at the balance sheet date.