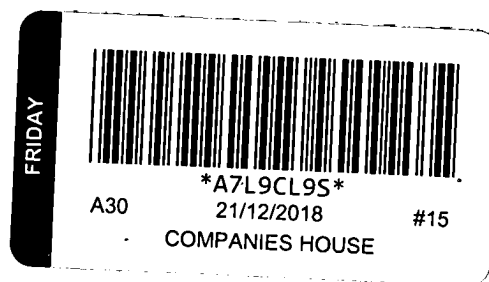


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**THE URSULINE ACADEMY ILFORD**  
(A Company Limited by Guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**



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**THE URSULINE ACADEMY ILFORD**  
**(A Company Limited by Guarantee)**

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**THE URSULINE ACADEMY ILFORD**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**Members**

Bishop Alan Williams  
Sister Kathleen Colmer OSU  
J Anthony

**Trustees**

J Anthony, Chair<sup>1</sup>  
S Bergin, Vice Chair  
L Bath (appointed 27 March 2018)  
J Abazari  
D Burge<sup>1</sup>  
Fr M Bernard-Qureshi  
R Caldeira<sup>1</sup>  
Sister K Colmer OSU (appointed 1 December 2017)  
J Da-Prato  
I Doves (appointed 27 March 2018)  
M Duncan  
D Grant<sup>1</sup>  
E Jakob (appointed 27 March 2018)  
H Mackie, Staff Governor (appointed 27 March 2018)  
K Reilly, Ex- officio Governor and Headteacher  
L Robertson, Staff Governor<sup>1</sup>  
L Sears, Staff Governor (resigned 27 March 2018)  
M Smith, Staff Governor  
A St Ville

<sup>1</sup> Finance & General Purposes Committee

**Company registered number**

07737159

**Company name**

The Ursuline Academy Ilford

**Principal and registered office**

Morland Road  
Ilford  
Essex  
IG1 4JU

**Senior Management Team**

K Reilly, Headteacher & Accounting Officer  
L Nguyen, Deputy Headteacher  
G Challis, Assistant Headteacher  
L Robertson, Extended Leadership  
F McGhee, Extended Leadership  
K Bevan, Business Manager & Principal Finance Officer (resigned 28 June 2018)  
M Scotti, Business Manager & Principal Finance Officer (appointed 22 June 2018)

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

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**Advisers (continued)**

**Chief executive officer**

K Reilly

**Independent auditors**

Haslers  
Chartered Accountants  
Old Station Road  
Loughton  
Essex  
IG10 4PL

**Bankers**

National Westminster Bank Plc  
50 Ilford Hill  
Ilford  
Essex  
IG1 2AT

**Solicitors**

Stone King  
Boundary House  
91 Charterhouse Street  
London  
EC1M 6HR

**Solicitors**

Winckworth Sherwood  
Minerva House  
5 Montague Close  
London  
SE1 9BB

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**THE URSULINE ACADEMY ILFORD**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 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.

**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 The Ursuline Academy Ilford are also the directors of the charitable company for the purpose of company law.

The charitable company is known as The Ursuline Academy Ilford.

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

**b. Members' liability**

The members of the Academy Trust, and subscribers to the Memorandum of Association are the Trustees of UK Province of the Roman Union of the Order of St Ursula, the Diocesan Bishop and the Chair of Trustees. 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**

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees against claims arising from negligent acts, errors or omissions whilst on Trust business. The insurance provides cover up to £1,000,000 on any one claim and details of the costs are disclosed in Note 9 to the accounts.

**d. Method of recruitment and appointment or election of Trustees**

The management of the Academy is the responsibility of the Board, comprising a minimum of three Trustees. The Board appoints new Trustees in the light of specific criteria and the needs created by retirements.

The Trustees may appoint nine Foundation Trustees provided that no fewer than two Trustees are parents of registered pupils attending the Academy at the date of appointment. The Board of Trustees may also appoint Staff Trustees by means of a secret ballot of all staff provided that the number of Trustees who are employees of the Academy does not exceed one third of the total number of Trustees. The Headteacher is treated for all purposes as being an ex-officio Trustees. Parent Trustees are elected by parents of pupils registered at the academy at the time of the election. Up to three Co-opted Trustees may be appointed.

The term of office for all Trustees (with the exception of the Headteacher) is four years. Any Trustees may be re-appointed or re-elected.

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**THE URSULINE ACADEMY ILFORD**  
**(A Company Limited by Guarantee)**

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

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**e. Policies and procedures adopted for the induction and training of Trustees**

New Trustees are inducted into the workings of the Academy Trust, and also of the Company as a registered charity, including Board Policy and Procedures. They are given the Charity Commission leaflets CC3 and CC3(a), Responsibility of Charity Trustees, a copy of the Memorandum and Articles of Association, the latest audited accounts and up to date management figures. The Academy has also developed and published a comprehensive Handbook for Trustees. The Handbook is given to all Trustees and includes role descriptions, terms of reference for all boards and committees, work planners, and a range of other information essential to the role of Trustee.

The Academy actively encourages the development of its Trustees and regularly circulates information and dates for National Trustees Association and local authority training courses and workshops. Updates and feedback of training and development sessions are included on the agenda for all governing body meetings.

**f. Organisational structure**

The governance of the Trust is defined in the Memorandum and Articles of Association, the Funding Agreement and the Academy's approved Scheme of Delegation. Trustees meet at least three times a year to determine the strategic direction of the Academy Trust and review its overall management and control, for which they are legally responsible. They review progress towards the strategic objectives of the school, set the budget and approve the annual financial statements. The day-to-day running of the Academy Trust is delegated to the Headteacher, supported by the Business Manager (Principal Finance Officer) and other teaching members of the Senior Leadership Team. The Senior Leadership Team meet on a weekly basis to discuss emerging issues and to develop future strategies for presentation to the Trustees. Each member of the Senior Leadership Team has specific designated responsibilities to assist the Headteacher to manage certain aspects of the Academy.

The Headteacher, as Accounting Officer, is personally responsible to the Trustees and the Education Skills Funding Agency (ESFA) for the finances of the Academy, professionally advised and supported by the Business Manager (Principal Finance Officer) and the academy's external advisors.

**g. Pay policy for key management personnel**

The Headteacher and members of the Senior Leadership Team are set challenging objectives linked to the Academy's Strategic Plan. Performance is monitored via the Academy's Performance Management system supported by formal six monthly reviews and regular one to one meetings. Pay levels for key management roles are aligned to national leadership pay scales and local government pay scales. All pay decisions are ratified by the Board of Trustees.

**Trade union facility time**

The Ursuline Academy Ilford has no employees who were relevant union officials during this reporting period.

**h. Connected organisations, including related party relationships**

The Academy Trust has close links with the UK Province of the Roman Union of the Order of St Ursula and the Ursuline Preparatory School Ilford. All transactions involving these organisations are conducted at arm's length and in accordance with the Trust's Financial Regulations.

**Objectives and Activities**

**a. Objects and aims**

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**THE URSULINE ACADEMY ILFORD**  
**(A Company Limited by Guarantee)**

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

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As per the Memorandum and Articles of Association, the Academy Trust's object is specifically restricted to the following: "to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a Catholic school designated as such ("the Academy") which shall offer a broad and balanced curriculum and shall be conducted in accordance with the principles, practices and tenets of the Catholic Church and all Catholic canon law applying thereto including any trust deed governing the use of land used by the Academy both generally and in particular in relation to arranging for religious education and daily acts of worship and having regard to any advice and following directives issued by the Diocesan Bishop".

**b. Objectives, strategies and activities**

The Academy's long term strategic aims are:

- To empower our students to learn, to lead and to service and leave the Ursuline as Catholic leaders who will make a difference
- To be one of the most high achieving non-selective schools in the Diocese of Brentwood and London Borough of Redbridge
- To remain a centre of excellence for STEM

The Academy's strategy serves its mission statement:

We are a Catholic community of faith, love and service rooted in the spirit of St Angela. Through Christ and the Gospel and in our diverse community we strive to provide an environment for young women to flourish, spiritually, academically and socially. Together we are The Ursuline Academy Ilford.

In pursuit of this mission Trustees and Staff of The Ursuline Academy Ilford commit themselves to the following:

- Recognising the value and uniqueness of every student we teach
- Ensuring that the school is a safe place to be and one where the interests of justice are served
- Creating a community which is inclusive, one whose basis is mutual respect and equality
- Maintaining the long tradition of trust, cooperation and courtesy
- Generating good order and discipline based on sound relationships between staff, pupils and parents
- Nurturing the religious and intellectual lives of our pupils through both curricular and extra-curricular activities
- Inviting parents to play an active role in their daughter's development, academically, spiritually and emotionally.

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**THE URSULINE ACADEMY ILFORD**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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**c. Public benefit**

The Academy's core strategies and activities set out above, speak to the Academy's objects and aims and demonstrate the Trustees compliance with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties.

**Achievements and performance**

**Strategic report**

**a. Key performance indicators**

The Trust measures success through a range of key performance indicators, namely:

- Admission numbers – funding is based on student numbers and is a key measure of the popularity of the Academy
- Public examination results and other indicators of student progress
- Ofsted inspection judgements and performance monitoring
- Financial health

The Academy has a capacity of 760. The school is hugely popular in the local community and surrounding areas and is currently oversubscribed with a roll of 788. The Academy maintains a waiting list of pupils seeking places at the school.

The Academy continues to enjoy academic success across all key stages. The new style exams and grading at GCSE did not affect the usual high standards of attainment. The Academy's Progress 8 score of +0.69 is well above the national average. 83% of students gained a grade 5 or better in English as did 70% of students in Maths. This represents outstanding achievement. At A level, 55% of grades were awarded A\* – C. Almost all students got into the University of their choice including many to Russell Group institutions to read inter alia Law, Medicine, Mathematics, Biomedical Sciences, History and Engineering.

The Academy's KS4 ALPS report shows both pupil attainment at the end of Key Stage 4 and pupil progress from Key Stage 2 to Key Stage 4 to be significantly above that seen in similar schools nationally. All identified groups in the school had a positive Progress score. The Progress 8 score for disadvantaged students is +0.73. There are no significant gaps in attainment or progress between Free School Meals (FSM) pupils and others – a strong indicator as to how well Pupil Premium money is spent and the impact it is having. The percentage of pupils from ethnic minority backgrounds continues to edge upwards and now stands at 88% of the total school population, whilst the proportion of disadvantaged pupils in the school (those in receipt of FSM and those 'Looked After') is broadly in line with the national average. Academy students have been heavily involved in STEM (Science, Technology, Engineering and Maths) projects throughout the year and the school has received notable local and national acclaim for its work on sustainability. Students continue to raise significant sums of money in support of local, national and international charities in keeping with the spirit of Serviam.



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**THE URSULINE ACADEMY ILFORD**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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The Academy is "Good" (Ofsted October 2016). In May 2018 under a Section 48 Inspection from the Diocese of Brentwood, Ursuline was reported as an 'Outstanding Catholic School'. The School Improvement Plan demonstrates the Senior Leadership Team's continuous drive for excellence and progress. The Improvement Plan is regularly reviewed by the Senior Leadership Team and the Trustees. The Improvement Plan sets out the key strategic objectives for the Academy:

- Securing and promoting the Catholic ethos of the school
- Securing high quality teaching and learning
- Securing a safe environment where good behaviour is the norm
- Securing effective leadership and management
- Securing a successful sixth form
- Securing the financial future of the school

The Academy ensures the security of its financial future through the embedding of essential financial controls and processes and the creation and publication of meaningful financial management information. The Leadership Team remain focused on ensuring that the appropriate levels of control and financial reporting are in place and continue to seek efficiencies and cost savings in order to effectively manage cash flow. The positive outcomes reported in termly Internal Scrutiny reviews demonstrate the Academy's commitment to the application of the necessary processes and controls. All staff continue to support the Senior Leadership Team in their drive to identify efficiencies and cost savings whilst, at the same time, continuing to deliver excellent teaching and learning and operational support to ensure that pupils have access to state of the art technologies and a safe and enjoyable environment in which to learn. The year-end position demonstrates the on going commitment of Trustees and staff to secure the financial future of the school.

**b. 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.

**c. Review of activities**

The principal source of funding for the Academy is the General Annual Grant (GAG) and other grants it receives from the Education & Skills Funding Agency (ESFA). Total incoming resources for the year were £4,504,990 (2017: £4,491,053) with expenditure of £4,646,954 (2017: £4,610,564). At the end of this year's trading, the Academy Trust had net assets excluding pension scheme liabilities of £8,879,732 (2017: £8,912,696). The Academy Trust's net assets were £8,628,732 (2017: £8,370,696) including the Academy Trust's share of the net liabilities of the London Borough of Redbridge Pension Fund of £251,000 as at 31 August 2018 (2017: 542,000). The figures for the year include a contingent liability of £118,764 which relates to the potential clawback by the ESFA of an element of a capital grant awarded to the school in 2013/14 which had not been fully spent. The figures demonstrate continued improvement on the prior year outturn and quantifies the positive impact of improved financial controls and budget management under the new stewardship at the school.

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**THE URSULINE ACADEMY ILFORD**  
**(A Company Limited by Guarantee)**

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

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**d. Investment policy and performance**

These are governed by the Memorandum and Articles of Association, which permit surplus funds to be invested in any investments, security or property as may be thought fit and as may be prescribed by law.

The Academy Trust's investment objective is to maximise the return on its investment funds while maintaining maximum security and a high degree of liquidity. To meet this objective the Academy's policy is to invest in call deposits with a high security rating and either fixed interest rates or with a fixed relationship to base rate.

**Financial review**

**a. Reserves policy**

The Trustees are aware of the requirement to balance current and future needs. The Trustees aim to set a balanced budget with annual income balancing annual expenditure. The Trustees have established a general reserve policy to afford some protection to the Academy Trust and its charitable programme and to provide time to adjust to changing financial circumstances. Whilst no reserves are available at present, the long term plan is to build sufficient reserves to afford some protection against unplanned future expenditure. General Reserves are not restricted or designated for use on a particular programme or for some other defined or designated purpose.

Disclosure of funds in deficit is also included in the Funds Note in the financial statements (Note 17).

**b. Principal risks and uncertainties**

The Trustees assess the major risks to which the Academy is exposed, in particular those related to the operations and finances of the Academy Trust. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The Academy maintains a Risk Register which is reviewed at least termly by the Finance & General Purposes Committee, and more frequently where necessary. The Risk Register identifies the key risks, the likelihood of those risk occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate the risk. Risks are prioritised using a consistent scoring system.

No risks have been identified that call in to question the going concern status of the school.

**Plans for future periods**

**a. Future developments**

The Academy intends to maintain the student roll at around 780 for the foreseeable future, including a sixth form of around 160-180. The Academy is developing effective marketing of the Academy's services via an improved website and through the forging of community links, for example visits to feeder schools. Similarly, the Academy will continue to drive forward efforts for further improvement in the achievement and attainment levels of all its students, maintaining the focus and momentum, building upon its success and its ethos to provide students with the best possible preparation for the next stage of their development.

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**THE URSULINE ACADEMY ILFORD**  
**(A Company Limited by Guarantee)**

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

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**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.

**Auditors**

The auditors, Haslers, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 6 December 2018 and signed on its behalf by:



**J Anthony**  
**Chair of Trustees**



**K Reilly**  
**Accounting Officer**

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**THE URSULINE ACADEMY ILFORD**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT**

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**Scope of Responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that The Ursuline Academy Ilford 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 Principal, 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 The Ursuline Academy Ilford 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:

Trustee	Meetings attended	Out of a possible
J Anthony, Chair	3	4
J Abazari, Parent Governor	3	4
L Bath	2	2
S Bergin, Vice Chair	4	4
D Burge	3	4
Fr M Bernard-Qureshi	4	4
R Caldeira	3	4
Sister K Colmer OSU	3	4
I Doves, Parent Governor	2	2
M Duncan	3	4
D Grant	3	4
E Jakob	1	2
H Mackie, Staff Governor	2	2
K Reilly, Ex- officio Governor and Headteacher	4	4
L Robertson, Staff Governor	4	4
L Sears, Staff Governor	2	2
M Smith, Staff Governor	2	4
A St Ville	4	4

There have been several changes to the Board during the year:

The school transferred over to the trusteeship of the Diocese on 1 December 2017;  
Sister K Colmer became a Foundation Governor on 27 March 2018;  
L Bath was co-opted to the board on 27 March 2018;  
E Jakob was co-opted to the board on 27 March 2018;  
I Doves was appointed Parent Governor on 27 March 2018;  
L Sears resigned as a Staff Governor on 27 March 2018;  
H Mackie was appointed Staff Governor on 27 March 2018;

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**THE URSULINE ACADEMY ILFORD**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (continued)**

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**The Finance & General Purposes Committee**

The Finance & General Purposes Committee is a sub committee of the main Board of Trustees. Its purpose is to monitor the Academy's finances and resources. During the year the Finance & General Purposes Committee has focused on the application of financial policies and controls and the effective management of the Academy's budget and cash flow. The Committee has also reviewed and approved a range of updated HR policies and procedures.

The Committee has also elected a Link Governor to oversee a programme of Internal Scrutiny reviews. Internal Scrutiny visits are carried out each term. The positive outcomes reported by the reviewers demonstrate the Academy's commitment to the application of the necessary processes and controls.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Anthony	3	4
L Bath	0	2
D Burge	3	4
R Caldeira	4	4
D Grant	2	4
K Reilly	4	4
L Robertson	4	4

**Review of Value for Money**

As Accounting Officer, the Principal 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:

- Completing the staggered process of aligning staff salaries with outer London salary scales to control its main cost.
- Effective management of supply staff costs by utilising in-house cover and reducing use of agency staff.
- On-going process of termly departmental budget review meetings.
- Continued use of Service Level Agreements setting out clear service delivery expectations and costs for service users.
- Embedding of financial policies and procedures to ensure the necessary financial controls across the school.
- On-going financial awareness training sessions and regular staff meetings.
- Allocating resources to maintain and improve educational standards.

**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 The Ursuline Academy Ilford for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

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**THE URSULINE ACADEMY ILFORD**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (continued)**

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**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 & General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and as decided:

- To appoint a trustee to plan and oversee a programme of internal checks supported by an external advisor
- To appoint Haslers to undertake a programme of internal checks

The Finance Link Governor'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/reconciliations
- Testing of VAT reclaim systems/reconciliations
- Testing of control accounts/bank reconciliations
- Review of budget setting processes

On a termly basis, the reviewer reports to the Board of Trustees through the Finance & General Purposes Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

**Review of Effectiveness**

As Accounting Officer, the Principal 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 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

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**THE URSULINE ACADEMY ILFORD**  
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**GOVERNANCE STATEMENT (continued)**

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control by the Finance & General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 6 December 2018 and signed on their behalf, by:

J Anthony  
Chair of Trustees



K Reilly  
Accounting Officer



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**THE URSULINE ACADEMY ILFORD**  
**(A Company Limited by Guarantee)**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of The Ursuline Academy Ilford 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 the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA:

The trust has not complied with Part 2 of the Academies Financial Handbook in that the procurement process has shown internal control weaknesses and has not been followed in all instances.



**K Reilly**  
**Accounting Officer**

Date: 6 December 2018



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**THE URSULINE ACADEMY ILFORD**  
**(A Company Limited by Guarantee)**

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

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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 6 December 2018 and signed on its behalf by:

  
**J Anthony**  
**Chair of Trustees**

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**THE URSULINE ACADEMY ILFORD**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
URSULINE ACADEMY ILFORD**

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**Opinion**

We have audited the financial statements of The Ursuline Academy Ilford (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 and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 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 and Skills Funding Agency.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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

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**THE URSULINE ACADEMY ILFORD**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
URSULINE ACADEMY ILFORD**

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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.

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**THE URSULINE ACADEMY ILFORD**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
URSULINE ACADEMY ILFORD**

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**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](http://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.



Laura Ambrose (Senior Statutory Auditor)

for and on behalf of

**Haslers**

Chartered Accountants  
Statutory Auditor

Old Station Road  
Loughton  
Essex  
IG10 4PL

6 December 2018

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**THE URSULINE ACADEMY ILFORD**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE  
URSULINE ACADEMY ILFORD AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 18 September 2015 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 The Ursuline Academy Ilford 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 The Ursuline Academy Ilford and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Ursuline Academy Ilford 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 The Ursuline Academy Ilford and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of The Ursuline Academy Ilford's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of The Ursuline Academy Ilford's funding agreement with the Secretary of State for Education dated 1 September 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 our conclusion includes sample testing of the following:

- Review of governance procedures including inspection of Trustee and relevant Board minutes
- A review of internal auditor reports
- A review of Financial Controls Procedures and related records
- Discussions with the Accounting Officer and the Business Manager
- Reviewing the procedures for identifying and declaring related parties and other business interests

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**THE URSULINE ACADEMY ILFORD**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE  
URSULINE ACADEMY ILFORD AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

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- Assessment and testing of a sample of the specific control activities over regularity of a particular activity
- Perform sample testing of expenditure ensuring items are for the Trust's purposes and are appropriately authorised
- Carrying out substantive testing to cover authorisation of expenditure within internal delegated authorities and externally imposed limits.
- Obtaining formal representation from the Trustees and accounting officer acknowledging their responsibilities
- Scrutinising journals, and other adjustments posted during the year for evidence of unusual entries

**Conclusion**

In the course of our work, except for the matters listed below, 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.

- The trust has not complied with Part 2 of the Academies Financial Handbook in that the procurement process has shown internal control weaknesses and has not been followed in all instances.

**Haslers**

Chartered Accountants  
Statutory Auditor

Old Station Road  
Loughton  
Essex  
IG10 4PL

Date:

**THE URSULINE ACADEMY ILFORD**  
(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 £
<b>Income from:</b>						
Donations and capital grants	2	15,316	1,476	-	16,792	11,890
Charitable activities	3	-	4,231,921	18,349	4,250,270	4,276,676
Other trading activities	4	237,928	-	-	237,928	202,487
<b>Total income</b>		<b>253,244</b>	<b>4,233,397</b>	<b>18,349</b>	<b>4,504,990</b>	<b>4,491,053</b>
<b>Expenditure on:</b>						
Raising funds		34,870	-	-	34,870	41,389
Charitable activities		100,583	4,317,717	193,784	4,612,084	4,569,175
<b>Total expenditure</b>	5	<b>135,453</b>	<b>4,317,717</b>	<b>193,784</b>	<b>4,646,954</b>	<b>4,610,564</b>
<b>Net before transfers</b>		<b>117,791</b>	<b>(84,320)</b>	<b>(175,435)</b>	<b>(141,964)</b>	<b>(119,511)</b>
Transfers between Funds	17	(117,791)	117,791	-	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>-</b>	<b>33,471</b>	<b>(175,435)</b>	<b>(141,964)</b>	<b>(119,511)</b>
Actuarial gains on defined benefit pension schemes	21	-	400,000	-	400,000	838,000
<b>Net movement in funds</b>		<b>-</b>	<b>433,471</b>	<b>(175,435)</b>	<b>258,036</b>	<b>718,489</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		-	(710,629)	9,081,325	8,370,696	7,652,207
<b>Total funds carried forward</b>		<b>-</b>	<b>(277,158)</b>	<b>8,905,890</b>	<b>8,628,732</b>	<b>8,370,696</b>

**THE URSULINE ACADEMY ILFORD**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07737159**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Tangible assets	11		9,130,384		9,278,496
<b>Current assets</b>					
Stocks	12	39,413		36,153	
Debtors	13	51,734		146,231	
Cash at bank and in hand		74,455		22,281	
			<u>165,602</u>	<u>204,665</u>	
<b>Creditors: amounts falling due within one year</b>	14	(281,403)		(427,571)	
<b>Net current liabilities</b>			<u>(115,801)</u>		<u>(222,906)</u>
<b>Total assets less current liabilities</b>			<u>9,014,583</u>		<u>9,055,590</u>
<b>Creditors: amounts falling due after more than one year</b>	15	(16,087)		(24,130)	
Provisions for Liabilities	16		<u>(118,764)</u>		<u>(118,764)</u>
<b>Net assets excluding pension scheme liabilities</b>			<u>8,879,732</u>		<u>8,912,696</u>
Defined benefit pension scheme liability	21		<u>(251,000)</u>		<u>(542,000)</u>
<b>Net assets including pension scheme liabilities</b>			<u><u>8,628,732</u></u>		<u><u>8,370,696</u></u>
<b>Funds of the academy</b>					
Restricted income funds:					
Restricted income funds	17	(26,158)		(168,629)	
Restricted fixed asset funds	17	8,905,890		9,081,325	
Restricted income funds excluding pension liability		8,879,732		8,912,696	
Pension reserve		<u>(251,000)</u>		<u>(542,000)</u>	
Total restricted income funds			<u>8,628,732</u>		<u>8,370,696</u>
<b>Total funds</b>			<u><u>8,628,732</u></u>		<u><u>8,370,696</u></u>



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**THE URSULINE ACADEMY ILFORD**  
**(A Company Limited by Guarantee)**

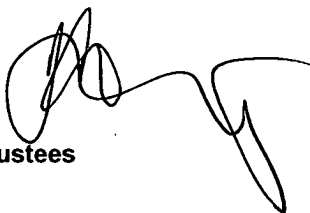
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**BALANCE SHEET (continued)**  
**AS AT 31 AUGUST 2018**

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The financial statements on pages 21 to 46 were approved by the Trustees, and authorised for issue, on 6 December 2018 and are signed on their behalf, by:

**J Anthony**  
**Chair of Trustees**

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a series of loops and a long horizontal stroke.

**K Reilly**  
**Accounting Officer**

A handwritten signature in black ink, featuring a large, stylized 'K' followed by a series of loops and a horizontal stroke.

**THE URSULINE ACADEMY ILFORD**  
(A Company Limited by Guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	<u>97,846</u>	<u>203,696</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		<u>(45,672)</u>	<u>(96,689)</u>
<b>Net cash used in investing activities</b>		<u>(45,672)</u>	<u>(96,689)</u>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		<u>-</u>	<u>(92,982)</u>
<b>Net cash used in financing activities</b>		<u>-</u>	<u>(92,982)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>52,174</b>	<b>14,025</b>
Cash and cash equivalents brought forward		<u>22,281</u>	<u>8,256</u>
<b>Cash and cash equivalents carried forward</b>	20	<u><u>74,455</u></u>	<u><u>22,281</u></u>

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**THE URSULINE ACADEMY ILFORD**  
**(A Company Limited by Guarantee)**

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

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**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.

The Ursuline Academy Ilford constitutes a public benefit entity as defined by FRS 102.

**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.

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**THE URSULINE ACADEMY ILFORD**  
**(A Company Limited by Guarantee)**

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

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**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.

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.

**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.

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**THE URSULINE ACADEMY ILFORD**  
**(A Company Limited by Guarantee)**

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

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**1. Accounting Policies (continued)**

**1.5 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, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, 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:

Freehold property	-	2% straightline
Leasehold property	-	2% straightline
Assets under construction	-	25% straightline

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

The land and buildings at The Ursuline Academy Ilford is owned by The Brentwood Roman Catholic Diocese. The Trustees of The Brentwood Roman Catholic Diocese have granted the academy, via a supplemental agreement, the right to use the land and buildings for educational purposes. The land and buildings have therefore been included in the financial statements of the academy.

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.

**1.6 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.7 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.

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**THE URSULINE ACADEMY ILFORD**  
**(A Company Limited by Guarantee)**

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

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**1. Accounting Policies (continued)**

**1.8 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.

**1.9 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.

**1.10 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 13. 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 14 and 15. 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 instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

**1.11 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.

**1.12 Pensions**

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**THE URSULINE ACADEMY ILFORD**  
**(A Company Limited by Guarantee)**

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

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**1. Accounting Policies (continued)**

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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities 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.

**1.13 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.

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**1. Accounting Policies (continued)**

**1.14 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 21, 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.

**2. Income from donations and capital grants**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Other donations	15,316	1,476	-	16,792	11,890
<i>Total 2017</i>	10,842	1,048	-	11,890	



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**3. Funding for Academy's educational operations**

	<b>Restricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<i>Total funds 2017 £</i>
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	4,019,255	4,019,255	3,981,900
Capital Grants	18,349	18,349	18,282
Other DfE/ESFA grants	179,928	179,928	247,753
	<u>4,217,532</u>	<u>4,217,532</u>	<u>4,247,935</u>
<b>Other government grants</b>			
Local authority grants	32,738	32,738	28,741
	<u>32,738</u>	<u>32,738</u>	<u>28,741</u>
	<u>4,250,270</u>	<u>4,250,270</u>	<u>4,276,676</u>
<i>Total 2017</i>	<u>4,276,676</u>	<u>4,276,676</u>	

**4. Other trading activities**

	<b>Unrestricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<i>Total funds 2017 £</i>
Hire of facilities	78,489	78,489	70,956
Goods for resale	43,173	43,173	52,850
Catering income	37,600	37,600	2,723
Other activities	78,666	78,666	75,958
	<u>237,928</u>	<u>237,928</u>	<u>202,487</u>
<i>Total 2017</i>	<u>202,487</u>	<u>202,487</u>	

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**5. Expenditure**

	<b>Staff costs 2018 £</b>	<b>Premises 2018 £</b>	<b>Other costs 2018 £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Expenditure on raising voluntary income	-	-	-	-	5,470
Expenditure on fundraising trading	-	-	34,870	34,870	35,919
Educational operations:					
Direct costs	2,822,507	-	412,668	3,235,175	3,253,981
Support costs	551,459	277,027	548,423	1,376,909	1,315,194
	<u>3,373,966</u>	<u>277,027</u>	<u>995,961</u>	<u>4,646,954</u>	<u>4,610,564</u>
<i>Total 2017</i>	<u>3,460,708</u>	<u>236,374</u>	<u>913,482</u>	<u>4,610,564</u>	

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**6. Charitable activities**

	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
<b>Direct costs - educational operations</b>		
Wages and salaries	2,140,641	2,148,196
National insurance	231,669	218,576
Pension cost	307,983	306,605
Educational supplies & ICT costs	228,473	163,034
Examination fees	74,556	54,805
Staff development	1,677	3,456
Visits and sixth form activities	80,336	64,781
Training and development	8,567	8,023
Educational consultancy	15,761	18,519
Other direct costs	20,662	7,081
Agency supply costs	124,850	260,905
	<u>3,235,175</u>	<u>3,253,981</u>
<b>Support costs - educational operations</b>		
Wages and salaries	416,341	387,948
National insurance	41,982	45,422
Pension cost	110,500	93,800
Depreciation	193,784	192,737
Pension finance expense	14,000	26,000
Printing, postage and stationery	14,803	17,163
Staff development	5,419	6,913
Equipment leasing costs	116,786	109,917
Staff recruitment	13,565	26,783
Maintenance	83,243	98,810
Cleaning	97,024	94,715
Rates	40,215	33,114
Energy costs	60,416	53,889
Insurances	41,593	15,478
Security & transport	9,555	7,936
Catering	63,368	34,926
Bank interest & charges	4,646	4,996
Other support costs	18,157	18,387
Governance costs	31,512	46,260
	<u>1,376,909</u>	<u>1,315,194</u>
	<u><u>4,612,084</u></u>	<u><u>4,569,175</u></u>

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NOTES TO THE FINANCIAL STATEMENTS  
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7. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	193,784	192,736
Auditors' remuneration - audit	12,250	12,000
Auditors' remuneration - other services	3,400	4,400
Operating lease rentals	116,786	109,917

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**8. Staff costs**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	2,556,982	2,536,144
Social security costs	273,651	263,998
Operating costs of defined benefit pension schemes	418,483	400,406
	<u>3,249,116</u>	<u>3,200,548</u>
Agency staff costs	124,850	245,495
Staff restructuring costs	-	14,665
	<u><u>3,373,966</u></u>	<u><u>3,460,708</u></u>

Staff restructuring costs comprise:

Redundancy payments	-	14,665
	<u><u>-</u></u>	<u><u>14,665</u></u>

**b. Staff numbers**

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

	2018 No.	2017 No.
Teaching staff	45	43
Administration support	29	25
Management	6	6
	<u>80</u>	<u>74</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	1	2
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	1	1

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**8. Staff costs (continued)**

All of the above participated in the Teachers' Pension Scheme except 1 employee's who contributed to the local government pension scheme (2017: 1 employee).

**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 employer pension contributions) received by key management personnel for their services to the academy trust was £452,434 (2017: £456,633).

**9. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. 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:

		2018 £	2017 £
K Reilly (Principal)	Remuneration	90,000-95,000	90,000-95,000
	Pension contributions paid	5,000-10,000	10,000-15,000
L Robertson (Staff Governor)	Remuneration	55,000-60,000	55,000-60,000
	Pension contributions paid	5,000-10,000	5,000-10,000
M Smith (Staff Governor)	Remuneration	50,000-55,000	50,000-55,000
	Pension contributions paid	10,000-15,000	10,000-15,000
L Sears (Staff Governor)	Remuneration	45,000-50,000	45,000-50,000
	Pension contributions paid	5,000-10,000	5,000-10,000
H Mackie (Staff Governor)	Remuneration	40,000-45,000	Nil
	Pension contributions paid	5,000-10,000	Nil

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £NIL to 0 Trustees).

**10. Trustees' and Officers' Insurance**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2018 was £2,250 (2017 - £2,464).

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**11. Tangible fixed assets**

	Freehold property £	Freehold improvements £	Plant and equipment £	Total £
<b>Cost</b>				
At 1 September 2017	9,575,849	709,759	84,844	10,370,452
Additions	-	36,832	8,840	45,672
Disposals	-	-	(45,886)	(45,886)
At 31 August 2018	9,575,849	746,591	47,798	10,370,238
<b>Depreciation</b>				
At 1 September 2017	990,786	49,955	51,215	1,091,956
Charge for the year	165,131	14,929	13,724	193,784
On disposals	-	-	(45,886)	(45,886)
At 31 August 2018	1,155,917	64,884	19,053	1,239,854
<b>Net book value</b>				
At 31 August 2018	8,419,932	681,707	28,745	9,130,384
At 31 August 2017	8,585,063	659,804	33,629	9,278,496

Included in land and buildings is freehold land at valuation of £1,319,298 (2017: £1,319,298), which is not depreciated.

**12. Stocks**

	2018 £	2017 £
Uniforms held for resale	39,413	36,153

**13. Debtors**

	2018 £	2017 £
Trade debtors	140	-
Other debtors	23,632	37,656
Prepayments and accrued income	27,962	108,575
	51,734	146,231

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**14. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Trade creditors	82,676	218,547
Other taxation and social security	72,408	65,198
Other creditors	80,463	62,044
Accruals and deferred income	45,856	81,782
	<u>281,403</u>	<u>427,571</u>

**15. Creditors: Amounts falling due after more than one year**

	2018 £	2017 £
Other creditors	<u>16,087</u>	<u>24,130</u>

Loans of £28,796 (2017: £38,006) from Salix Finance Limited which carry no interest are included within other creditors.

**16. Provisions**

	ACMF clawback £
At 1 September 2017 and 31 August 2018	<u>118,764</u>

**ACMF clawback**

The academy received an Academies Capital Maintenance Fund (ACMF) grant in previous years to fund the capital improvement works to the roof of the main building. The total amount of funding provided was £533,249 of which the academy can only identify applicable expenditure of £414,485. A provision was made in 2016 for the clawback and have made ESFA aware.



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**17. Statement of funds**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds - all funds	-	253,244	(135,453)	(117,791)	-	-
<b>Restricted funds</b>						
General Annual Grant (GAG)	(287,323)	4,015,755	(3,897,514)	117,791	-	(51,291)
Pupil Premium	26,000	156,292	(157,159)	-	-	25,133
Other DfE/ ESFA grants	92,694	27,136	(119,830)	-	-	-
Local authority grants	-	32,738	(32,738)	-	-	-
Jack Petchey Foundation	-	1,476	(1,476)	-	-	-
Pension reserve	(542,000)	-	(109,000)	-	400,000	(251,000)
	(710,629)	4,233,397	(4,317,717)	117,791	400,000	(277,158)
<b>Restricted fixed asset funds</b>						
Converted from High School	8,647,896	-	(193,784)	-	-	8,454,112
Capital expenditure from GAG	136,703	-	-	-	-	136,703
DfE/ ESFA capital grants	296,726	18,349	-	-	-	315,075
	9,081,325	18,349	(193,784)	-	-	8,905,890
Total restricted funds	8,370,696	4,251,746	(4,511,501)	117,791	400,000	8,628,732
Total of funds	8,370,696	4,504,990	(4,646,954)	-	400,000	8,628,732

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

General Annual Grant (GAG) grant fund - Funds received from the ESFA under the General Annual Grant arrangements for the recurrent expenditure of the school as defined in the Funding Agreement.

Pupil premium - Funds received from the ESFA under the Pupil Premium grant arrangements for the recurrent expenditure of the school as defined in the Funding Agreement.

Other DfE/ ESFA grants - Other government grants received for restricted educational purposes not forming part of General Annual Grant.

Local authority grants - Grants received from the local authority for restricted educational purposes.

Jack Petchey Foundation - Funds received for programmes and projects that benefit young people.

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**17. Statement of funds (continued)**

Pension reserve - The pension reserve recognises the deficit of the local government pension scheme.

Restricted fixed asset fund - The purpose of the Restricted Fixed Asset Fund is to hold the Academy's fixed assets recorded net of depreciation.

The transfers shown in the Statement of Funds relate to excess general funds used to reduce the GAG deficit.

The academy is carrying a net deficit of £26,158 on restricted general funds (excluding pension reserve) plus unrestricted funds for the following reasons.

The net deficit for the Academy is due to historic financial mismanagement which lead to the Academy being issued a Financial Notice to Improve (FNTI) in July 2016. Since then, the Academy has replaced the finance team with the main focus being cost savings. The FNTI was removed in July 2017. The deficit has reduced each year since and if the costs due to the cyber attack were not incurred the Academy would be out of the deficit position. The deficit of £26,158 should be cleared by the end of financial year 2018/19.

The academy is taking the following action to return these funds to surplus:

- Restructure of the premises team
- Change of existing suppliers
- Review contracts to ensure value for money is achieved

These changes will bring future savings to the academy thus the deficit will be cleared.

**Statement of funds - prior year**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Funds - all funds	-	213,329	(116,911)	(96,418)	-	-
<b>Restricted funds</b>						
General Annual Grant (GAG)	(357,069)	3,978,400	(4,005,072)	96,418	-	(287,323)
Pupil Premium	26,497	158,560	(159,057)	-	-	26,000
Other DfE/ ESFA grants	-	92,694	-	-	-	92,694
Local authority grants	-	28,741	(28,741)	-	-	-
Jack Petchey Foundation	-	1,047	(1,047)	-	-	-
Pension reserve	(1,273,000)	-	(107,000)	-	838,000	(542,000)
	<u>(1,603,572)</u>	<u>4,259,442</u>	<u>(4,300,917)</u>	<u>96,418</u>	<u>838,000</u>	<u>(710,629)</u>

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**17. Statement of funds (continued)**

**Restricted fixed asset funds**

Converted from High School	8,840,632	-	(192,736)	-	-	8,647,896
Capital expenditure from GAG	136,703	-	-	-	-	136,703
DfE/ ESFA capital grants	278,444	18,282	-	-	-	296,726
	<u>9,255,779</u>	<u>18,282</u>	<u>(192,736)</u>	<u>-</u>	<u>-</u>	<u>9,081,325</u>
Total restricted funds	<u>7,652,207</u>	<u>4,277,724</u>	<u>(4,493,653)</u>	<u>96,418</u>	<u>838,000</u>	<u>8,370,696</u>
Total of funds	<u>7,652,207</u>	<u>4,491,053</u>	<u>(4,610,564)</u>	<u>-</u>	<u>838,000</u>	<u>8,370,696</u>

**18. Analysis of net assets between funds**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	9,130,384	9,130,384
Current assets	-	165,600	-	165,600
Creditors due within one year	-	(191,758)	(89,643)	(281,401)
Creditors due in more than one year	-	-	(16,087)	(16,087)
Provisions for liabilities and charges	-	(251,000)	(118,764)	(369,764)
	<u>-</u>	<u>(277,158)</u>	<u>8,905,890</u>	<u>8,628,732</u>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	9,278,496	9,278,496
Current assets	-	204,665	-	204,665
Creditors due within one year	-	(349,162)	(78,407)	(427,569)
Creditors due in more than one year	-	(24,132)	-	(24,132)
Provisions for liabilities and charges	-	(542,000)	(118,764)	(660,764)
	<u>-</u>	<u>(710,629)</u>	<u>9,081,325</u>	<u>8,370,696</u>

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**19. Reconciliation of net movement in funds to net cash flow from operating activities**

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(141,964)	(119,511)
<b>Adjustment for:</b>		
Depreciation charges	193,784	192,736
(Increase)/decrease in stocks	(3,260)	8,805
Decrease/(increase) in debtors	94,497	(8,090)
(Decrease)/increase in creditors	(154,211)	22,756
Defined benefit pension scheme cost less contributions payable	95,000	81,000
Defined benefit pension scheme finance cost	14,000	26,000
<b>Net cash provided by operating activities</b>	<b>97,846</b>	<b>203,696</b>

**20. Analysis of cash and cash equivalents**

	2018 £	2017 £
Cash in hand	74,455	22,281
<b>Total</b>	<b>74,455</b>	<b>22,281</b>

**21. 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 L.B. Redbridge. 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.

Contributions amounting to £44,739 were payable to the schemes at 31 August 2018 (2017 - 40,284) and are included within creditors.

**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.

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**21. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. 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 £248,483 (2017 - £244,736).

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](http://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 a 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**

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 £101,000 (2017 - £102,000), of which employer's contributions totalled £75,000 (2017 - £75,000) and employees' contributions totalled £26,000 (2017 - £27,000). The agreed contribution rates for future years are 23.1% for employers and 6.5% 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.

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**21. Pension commitments (continued)**

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Expected return on scheme assets at 31 August	2.80 %	2.50 %
Rate of increase in salaries	2.40 %	2.40 %
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	22.1	22.1
Females	24.3	24.2
Retiring in 20 years		
Males	23.9	23.9
Females	26.3	26.3

	At 31 August 2018 £	At 31 August 2017 £
<b>Sensitivity analysis</b>		
0.5% decrease in Real Discount Rate	458,000	453,000
0.5% increase in the Salary Increase Rate	60,000	62,000
0.5% increase in the Pension Increase Rate	394,000	385,000

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	2,791,000	2,565,000
Corporate bonds	726,000	713,000
Property	306,000	285,000
<b>Total market value of assets</b>	<b>3,823,000</b>	<b>3,563,000</b>

The actual return on scheme assets was £131,000 (2017 - £20,000).

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**21. Pension commitments (continued)**

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

	2018 £	2017 £
Current service cost	(170,000)	(156,000)
Interest income	90,000	69,000
Interest cost	(104,000)	(95,000)
<b>Total</b>	<b>(184,000)</b>	<b>(182,000)</b>
 Actual return on scheme assets	 <b>131,000</b>	 <b>20,000</b>

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

	2018 £	2017 £
Opening defined benefit obligation	4,105,000	4,699,000
Current service cost	170,000	156,000
Interest cost	104,000	95,000
Employee contributions	26,000	27,000
Actuarial gains	(269,000)	(818,000)
Benefits paid	(62,000)	(54,000)
<b>Closing defined benefit obligation</b>	<b>4,074,000</b>	<b>4,105,000</b>

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

	2018 £	2017 £
Opening fair value of scheme assets	3,563,000	3,426,000
Interest income	90,000	69,000
Actuarial losses	131,000	20,000
Employer contributions	75,000	75,000
Employee contributions	26,000	27,000
Benefits paid	(62,000)	(54,000)
<b>Closing fair value of scheme assets</b>	<b>3,823,000</b>	<b>3,563,000</b>

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**22. 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 £
<b>Amounts payable:</b>		
Within 1 year	126,208	82,406
Between 1 and 5 years	316,510	263,954
After more than 5 years	-	12,380
<b>Total</b>	<b>442,718</b>	<b>358,740</b>

**23. Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

**24. Related party transactions**

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.

**25. Agency Arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2017 the trust received £18,181 (2017: £18,404) and disbursed £3,841 (2017: £24,000) from the fund. An amount of £14,340 (2017: £Nil) is included in other creditors relating to undistributed funds that is repayable to ESFA.