

Registered number: 07563329

KINGS NORTON GIRLS' SCHOOL

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

KINGS NORTON GIRLS' SCHOOL
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members

The members of the company were also governors of the company at the date of signing these financial statements. A full list is shown under the governors heading below.

Governors

J Abbott^{1,3}
C Carr, Vice Chair^{2,3}
D Cassidy²
G Fox, Head Teacher^{1,2,3}
D Green, Chair^{1,2,3}
K Mack¹
J Pritchard (resigned 5 September 2016)
E Tudor Wilson (resigned 5 September 2016)
E Walker (resigned 13 July 2017)²
K Ward¹
P Webb²
J Wright (resigned 3 December 2017)¹
P Fellows (appointed 16 March 2017)²
S Roberts (appointed 16 March 2017)¹
N Bi (appointed 13 July 2017)

¹ Resources committee

² Standards committee

³ Pay committee

Company registered number

07563329

Company name

Kings Norton Girls' School

Principal and registered office

Selly Oak Road
Birmingham
B30 1HW

Company secretary

E Smith

Senior management team

G Fox, Head Teacher
N Raggett, Deputy Head Teacher
D Gunn, Deputy Head Teacher
L Hawksworth, Assistant Head Teacher
L Shakespeare, Assistant Head Teacher
J Wright, Director of Resources
G Woodward, Associate Assistant Head

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Independent auditor

PKF Cooper Parry Group Limited
Chartered Accountants
One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG

Bankers

Lloyds Bank Plc
798 Bristol Road South
Birmingham
B31 2NP

KINGS NORTON GIRLS' SCHOOL
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a Governors' report and a directors' report under company law.

Kings Norton Girls' School's principal activity is the operation of the school to provide education for students of different abilities between the ages of 11 and 18.

Structure, governance and management

a. Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy trust.

The Governors act as trustees for the charitable activities of Kings Norton Girls' School and are also the directors of the Charitable Company for the purpose of company law. The Charitable Company is known as Kings Norton Girls' School.

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

b. Members' liability

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

c. Governors' indemnities

The Academy maintains Governors' and officers' liability insurance which gives appropriate cover for any action against the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of duty of which they maybe guilty in relation to the Academy. Such indemnity will not apply to any act or omission which the governors knew to be in breach of trust or breach of duty or which was committed by the governors in reckless disregard to whether it was a breach of duty or which was or not nor will such indemnity extend to the costs of any unsuccessful defense to a criminal prosecution brought against the governors in their capacity as directors of the academy trust.

d. Method of recruitment and appointment or election of Governors

Up to ten Governors may be appointed by Governors themselves by assessment of the skill base within the Governing Body. Between two and seven Parent Governors may be elected by parents of registered pupils at the Academy. Up to two staff Governors may be elected by staff in addition to the Head teacher. The Secretary of State may appoint further Governors.

A Governors' term in office is four years (excluding the Head teacher) but a Governor is eligible for re-election at the meeting at which they retire.

The Governors who were in office at 1 September 2016 and appointed subsequently during the accounting year are covered by this report shown on page 1.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

e. Policies and procedures adopted for the induction and training of Governors

During the year under review the full Governing Body met four times and there were eleven committee meetings. The training and induction provided for new Governors depends on their existing experience. Where necessary, induction training is provided on charity, educational, legal and financial matters. All new Governors are given a tour of the Academy and the opportunity to meet with staff and students. All Governors are provided with copies of policies through the School web site. Governors are also provided with procedures, minutes, accounts, budgets, plans and other documents that they need to undertake their role as Governors. All Governors are enrolled as members of the National Association of Governors from which they receive regular updates. New governors are paired with a more experienced governor to support induction.

f. Organisational structure

The organisational structure consists of two levels, the Governors and the Leadership Team. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting policy, adopting an annual plan and budget, monitoring the Academy using Budgets and the making of major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Leadership Team comprises the Headteacher, Deputy Headteachers, Assistant Headteachers and Director of Resources. These leaders control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them.

As a group the Leadership Team are responsible for the authorisation of expenditure within agreed budgets and the appointment of staff with the involvement of Governors for senior appointments. Some spending control is delegated to post holders and other cost centre budget holders, with limits.

g. Pay policy for key management personnel

Each year, in October, the Pay Policy for Kings Norton Girls' School is reviewed by the Board of Trustees. The Pay Policy refers to the Standard Teachers' Pay and Conditions document and details arrangements for Support Staff. It is this policy which defines arrangements for pay and remuneration for all staff appointed by the Trust, including key management personnel.

h. Connected organisations, including related party relationships

The School has a reciprocal arrangement with Kings Norton Boys' School to broaden the curriculum for Sixth Form Students from both Schools.

The school has strong links with the South area and the Oakes Collegiate network of schools, South and City College, Birmingham University and the Bishop Challoner and Bournville Teaching School Alliances. These relationships allow the school to be a provider of support for other institutions, primary and secondary, at leadership and subject management levels. Vocational curricular provision is enhanced and alternative provision to secure engagement and pathways for a small minority of students is more easily sourced. Succession planning initiatives and wider opportunities for professional development and career progression are integral to the work of the school across these networks and provide mutual benefits for all involved.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Objectives and Activities

a. Objects and aims

Core purpose

- To provide an environment for learning in which everyone thrives both personally and academically.

At Kings Norton Girls' School we will:

- Foster a joy in learning and a curiosity for discovery
- Recognise and celebrate achievement and instill pride in success
- Provide opportunities to become independent and resilient in the face of challenges
- Cultivate a sense of own self -worth through involvement and enrichment
- Contribute to and benefit from the richness of the community in which we belong
- Have respect for all in all we do

The academy trust's objects are generally 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 schools offering a broad and balanced curriculum.

b. Objectives, strategies and activities

The main objectives of the Academy during the year ending 31 August 2017 are summarised below:

- Keeping under review a curriculum which ensures that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- Maintaining a clear focus on developing teaching and learning to raise the standard of educational achievement of all pupils and thereby maintaining the academy's local and national reputation.
- Strengthening leadership capacity and succession planning through professional development opportunity keeping the organisational structure under review to maximise impact.
- Providing value for money for expenditure incurred.
- Complying with appropriate statutory and curriculum requirements.
- Conducting the Academy's business in accordance with the highest standards of integrity, probity and openness.

c. Public benefit

In setting the objectives and planning activities the trustees have given careful consideration to ensuring compliance with the Charity Commissions general guidance on public benefit.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Strategic report

Achievements and performance

a. Review of activities

Attainment remains high both for A Level and GCSE. We had our best ever year for GCSE results with 84% of students gaining 5 A*-C (grade 4+) including English and maths; 39% of all grades were at A*/A. The progress students made from key stage 2 continues to be significantly high including for disadvantaged students, putting us in the top 6% of schools in the country. The school was one of only 100 across the country to receive a Pupil Premium Award in 2015 for being one of the most improved schools for attainment and progress of disadvantaged students since 2011. This year the attainment of these students was even higher. At A Level, students exceeded their target for the highest grades A*-A by 5%. All students saw successful progression to universities and other chosen pathways.

We have a continued focus on leadership and students have taken the lead in a variety of initiatives which have had a marked impact on the school and local communities. Engagement with primaries has been a particular strength with our language ambassadors visiting to support the learning of French, our Young Sports Leaders both running and judging key stage 2 and 3 dance competitions, and Science ambassadors running some stunning workshops for Yr 5. In the autumn term our key stage 4 students organised our interfaith forum which was a chance to explore a range of ethical and moral dilemmas with experts in their field. In addition 15 of our students gained the Specialist Trust School Leaders award this year.

The work of the school in the community is flourishing with each and every one of Year 9 engaged in local community projects. Wider community initiatives have included an exhibition of art in July at the Birmingham School of Art where a very rich range of media was showcased including some outstanding photography and 3D work. Our home made cake and ceramic decoration stall at CoComad in July took the festival by storm. Yr 11 were involved in "The Challenge" in their summer holidays and in all did over 300 hours of community social action across Birmingham. Across the year the school raised £5,962 for a range of local and national charities.

We are continually looking for opportunities to ensure that our students can reach their potential through both the curriculum and our extra-curricular work. The curriculum continues to provide a very wide range of experiences in science, technology, languages, enterprise and the arts. In 2016-17 the school was a local leader for the Regional Maths Hub and intellectual challenge in maths has been encouraged through work with Warwick University on Bayesian Networks and their influence, and student participation in the regional maths challenge. This has been a real success and much has been learned by both sides. Year 8 were involved in the Forward Thinking programme whose purpose is to inspire them to aim for a Russell Group University. This together with visits to Oxford university and lectures at KNGS by University academics in a range of subjects through the year encourage students to aim high. We are now in our second year of our project with Lloyds Bank International which involves mentoring Yr 12 and Yr 13 students, leadership development and support with career pathways. Purity drinks have also provided significant curriculum and enrichment opportunities through business projects and competitions.

Our very high profile Amnesty International Society supports campaigns to raise awareness of human rights issues, this year involving themselves in a 3 day programme of events in refugee week and the "Write for Rights" campaign; Tutor group G5 sponsored a child in Burkina Faso.

In 2016-17 there were 48 trips and visits to broaden the girls' understanding and experiences, including residential and foreign exchanges and in addition 277 students took part in non-PE clubs and activities. Our exchange with Melle in Germany saw its 11th year and the school orchestra auditioned for and played on the Disney stage in Paris together with the local boys' school in July. In an attempt to capture some of the immense literacy talent across the school in November we published our own book "We are Writers", now sold out!

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Accidentally we entered 5 our Yr 9 students for the Model United Nations Conference in March only to find when we arrived that it was a 6th form conference. Undaunted, the girls went on to challenge in the debate and had 3 of their resolutions accepted. Undaunted too were the D of E group who had 100% success rate in all of their sections again putting the school amongst the highest achieving in the country.

The school plays a significant part in two local secondary school networks, and is a strategic partner in two Teaching School Alliances.

b. Key performance indicators

Description of KPI	2017	2016
Pupil numbers	928	903
Pupils : Teachers	15.2	14.1
Pupils : Administration/support	14.9	13.9
Pupils : Management	132.6	129.0
Income per student	£5,329	£5,671
GAG Income per student	£5,235	£5,568
Staff costs per student	£4,466	£4,519
Staffing costs as a percentage of income	83.8%	79.7%

c. Going concern

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

Financial review

a. Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that an appropriate level of free reserves should be equivalent to one month's wages and salaries of c.£345,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £346,000.

b. Material investments policy

The Academy invests surplus funds in low risk short term deposits with its Banker.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

c. Principal risks and uncertainties

The major risks to which the Academy is exposed have been identified on the Academy's Risk Register. Governors have reviewed the risks to which the Academy is exposed, and systems and procedures have been put in place to manage them.

From the review of risks to which the Academy is exposed which was carried out by Senior Management and Governors, the following material risks and strategies for mitigation were identified:

Loss of senior and middle management staff including long term absence. Mitigated by

- Succession planning
- Flexibility and support within teams
- Work practices to encourage good health
- Use of quality supply staff

Health and Safety issues. Mitigated by

- Full compliance with health and Safety requirements
- Regular meetings of Health and Safety committee
- Two members of staff have been fully COSHEE trained

Theft of School belongings and Fraud. Mitigated by

- System of security employed within school by Site team including full lock up after hours
- Appropriate intruder alarm system installed, Site Manager physically located on site
- Fraud and Whistle Blowing Policies in place
- Use of extensive system of Internal Controls including appropriate system of authorisation of expenditure
- Appointment of external firm to support Responsible Officer in validation of School's system of Internal financial controls

Financial shortfall as a result of falling pupil numbers. Mitigated by

- Maintenance of high standards of education demonstrated by achievement in public examinations
- Quality Open evenings
- Excellent pastoral support

Pressure on finances due to ageing infrastructure. Mitigated by

- Rolling preventative program of buildings and grounds maintenance
- Application for capital grant funding where appropriate

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Plans for future periods

a. Future developments

We plan to:

- Build our school community and the opportunities within it through a vertical tutoring system which crosses all year groups.
- Drive teaching and learning to outstanding, through exchanging best practice both within and outside the school, and providing coaching and modelling as well as structured professional development.
- Develop leadership skills and succession strategies to minimise the risks related to the current staff profile.
- Strengthen student contribution to school improvement by developing student leadership.
- Expand our post-16 and specialist teaching provision to meet the existing needs of our students for more appropriate study facilities and to meet a potential increase in demand.
- Extend our links with the local community in order to further enrich students' experience and foster a wider understanding of the school within its community.
- Continue to develop our international dimension so that it filters through the school curriculum.

Funds held as custodian

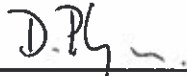
The Academy holds a School fund which is accounted for separately as cash at bank and which is subject to an independent review by the auditors. Income includes pupil subscriptions, donations and contributions which are used to support pupil activities. The School Fund also acts as a banker for various activities within the school including drama, music and charitable fund raising.

Disclosure of information to auditor

Insofar as the Governors are aware:

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

The Governors' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 14 December 2017 and signed on its behalf by:



D Green
Chair of Trustees

KINGS NORTON GIRLS' SCHOOL
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GOVERNANCE STATEMENT

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Kings Norton Girls' School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Governor	Meetings attended	Out of a possible
J Abbott	4	4
C Carr, Vice Chair	3	4
D Cassidy	3	4
G Fox, Head Teacher	4	4
D Green, Chair	4	4
K Mack	3	4
J Pritchard (resigned 5 September 2016)	0	0
E Tudor Wilson (resigned 5 September 2016)	0	0
E Walker (resigned 13 July 2017)	1	3
K Ward	4	4
P Webb	4	4
J Wright	3	4
P Fellows (appointed 16 March 2017)	2	2
S Roberts (appointed 16 March 2017)	2	2
N Bi (appointed 13 July 2017)	1	1

The Resource Committee is a sub-committee of the main governing body. Its purpose is to hold the board of trustees to account for their financial statements, budgeting and value for money and to monitor, review and evaluate financial propriety.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
J Abbott	5	5
G Fox	5	5
D Green	4	5
K Mack	2	5
K Ward	5	5
J Wright	5	5
S Roberts	2	2

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GOVERNANCE STATEMENT (continued)

The Standards Committee is also a sub-committee of the main governing body. Its purpose is to hold the board of trustees to account for their financial statements, budgeting and value for money and to monitor, review and evaluate financial propriety.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
C Carr	3	5
D Cassidy	4	5
G Fox	5	5
D Green	5	5
E Walker	0	3
P Webb	5	5
P Fellows	1	2

The Pay Committee is also a sub-committee of the main governing body. Its purpose is to hold the board of trustees to account for their financial statements, budgeting and value for money and to monitor, review and evaluate financial propriety.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
J Abbott	1	1
C Carr	1	1
G Fox	1	1
D Green	1	1

Review of Value for Money

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

The Accounting Officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy has delivered improved value for money during the year by:

- raising student attainment;
- robust governance and oversight of Academy Trust finances;
- ensuring the operation of the Trust demonstrates good value for money and efficient and effective use of resources;
- reviewing controls and managing risk, and
- reviewing operation to maximise use of resources.

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 Kings Norton Girls' School for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (continued)

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 2016 to 31 August 2017 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 external advisors of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed MLG Education Services Limited, as external advisors, to perform additional checks.

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

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

On a termly basis, MLG Education Services Limited reports to the board of trustees through the governing body on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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GOVERNANCE STATEMENT (continued)

Review of Effectiveness

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the external advisors 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 14 December 2017 and signed on their behalf, by:



D Green
Chair of Trustees



G Fox
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Kings Norton Girls' School I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the 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 2016.

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 2016.

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



G Fox
Accounting Officer

Date: 14 December 2017

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STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

The Governors (who act as governors of Kings Norton Girls' School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the board of trustees on 14 December 2017 and signed on its behalf by:



D Green
Chair of Trustees

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KINGS
NORTON GIRLS' SCHOOL**

Opinion

We have audited the financial statements of Kings Norton Girls' School for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

KINGS NORTON GIRLS' SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KINGS
NORTON GIRLS' SCHOOL**

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report including the Strategic Report for which the financial statements are prepared is consistent with the financial statements.
- the Governors' 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 Governors' Report including the Strategic Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Governors' responsibilities, the Governors (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 Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

KINGS NORTON GIRLS' SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF KINGS
NORTON GIRLS' SCHOOL**

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the academy's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Governors.
- Conclude on the appropriateness of the Governors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's report. However, future events or conditions may cause the academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Simon Atkins FCA (Senior statutory auditor)

for and on behalf of

PKF Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG
14 December 2017

KINGS NORTON GIRLS' SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KINGS
NORTON GIRLS' SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kings Norton Girls' School during the year 1 September 2016 to 31 August 2017 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 Kings Norton Girls' School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Kings Norton Girls' School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Kings Norton Girls' School and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Kings Norton Girls' School's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Kings Norton Girls' School's funding agreement with the Secretary of State for Education dated 24 February 2011, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 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.

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

KINGS NORTON GIRLS' SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KINGS
NORTON GIRLS' SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

PKF Cooper Parry Group Limited

PKF Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG

14 December 2017

KINGS NORTON GIRLS' SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Income from:						
Donations and capital grants	2	-	-	20	20	20
Charitable activities:	3					
Funding for the academy trust's educational operations		105	4,779	-	4,884	5,055
Other trading activities	4	38	-	-	38	42
Investments	5	3	-	-	3	4
Total income		<u>146</u>	<u>4,779</u>	<u>20</u>	<u>4,945</u>	<u>5,121</u>
Expenditure on:						
Academy trust educational operations		74	5,040	114	5,228	5,276
Total expenditure	6	<u>74</u>	<u>5,040</u>	<u>114</u>	<u>5,228</u>	<u>5,276</u>
Net income / (expenditure) before transfers		72	(261)	(94)	(283)	(155)
Transfers between Funds	15	-	(30)	30	-	-
Net income / (expenditure) before other recognised gains and losses		72	(291)	(64)	(283)	(155)
Actuarial (losses) / gains on defined benefit pension schemes	12	-	45	-	45	(543)
Net movement in funds		<u>72</u>	<u>(246)</u>	<u>(64)</u>	<u>(238)</u>	<u>(698)</u>
Reconciliation of funds:						
Total funds brought forward		274	(898)	4,012	3,388	4,086
Total funds carried forward		<u>346</u>	<u>(1,144)</u>	<u>3,948</u>	<u>3,150</u>	<u>3,388</u>


The notes on pages 24 to 41 form part of these financial statements.

KINGS NORTON GIRLS' SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07563329

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£000	2017 £000	2016 £000
Fixed assets				
Tangible assets	12		3,948	4,012
Current assets				
Debtors	13	173		91
Cash at bank and in hand		742		1,009
		915		1,100
Creditors: amounts falling due within one year	14	(194)		(214)
Net current assets			721	886
Total assets less current liabilities			4,669	4,898
Defined benefit pension scheme liability	19		(1,519)	(1,510)
Net assets including pension scheme liabilities			3,150	3,388
Funds of the academy				
Restricted income funds:				
Restricted income funds	15	375		612
Restricted fixed asset funds	15	3,948		4,012
Restricted income funds excluding pension liability		4,323		4,624
Pension reserve		(1,519)		(1,510)
Total restricted income funds			2,804	3,114
Unrestricted income funds	15		346	274
Total funds			3,150	3,388

The financial statements on pages 21 to 41 were approved by the Governors, and authorised for issue, on 14 December 2017 and are signed on their behalf, by:



D Green
Chair of Trustees

The notes on pages 24 to 41 form part of these financial statements.

KINGS NORTON GIRLS' SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £000	2016 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	17	(239)	73
Cash flows from investing activities:			
Dividends, interest and rents from investments		3	4
Purchase of tangible fixed assets		(50)	(91)
Capital grants from DfE/ESFA		20	20
Net cash used in investing activities		(27)	(67)
Change in cash and cash equivalents in the year		(266)	6
Cash and cash equivalents brought forward		1,009	1,003
Cash and cash equivalents carried forward	18	743	1,009

The notes on pages 24 to 41 form part of these financial statements.

KINGS NORTON GIRLS' SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

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

1.3 Income

All 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.

KINGS NORTON GIRLS' SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting Policies (continued)

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £2,000 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:

Long-term leasehold property	-	2%
Fixtures and fittings	-	20%
Computer equipment	-	33%

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 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.

KINGS NORTON GIRLS' SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting Policies (continued)

1.7 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.

1.8 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.

1.9 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. 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 note 14. 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.

1.10 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.

KINGS NORTON GIRLS' SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting Policies (continued)

1.11 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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 19, 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.

1.12 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 Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency 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 and include grants from the Education and Skills Funding Agency.

KINGS NORTON GIRLS' SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting Policies (continued)

1.13 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 19, 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 2017. 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 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Capital Grants	-	20	20	20
<i>Total 2016</i>	-	20	20	

KINGS NORTON GIRLS' SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

3. Funding for Academy's educational operations

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	4,524	4,524	4,680
Other DfE/EFA grants	-	236	236	234
	<u>-</u>	<u>4,760</u>	<u>4,760</u>	<u>4,914</u>
Other government grants				
Local authority grants	-	19	19	19
	<u>-</u>	<u>19</u>	<u>19</u>	<u>19</u>
Other funding				
Other income from the academy trust's educational operations	105	-	105	122
	<u>105</u>	<u>-</u>	<u>105</u>	<u>122</u>
	<u>105</u>	<u>4,779</u>	<u>4,884</u>	<u>5,055</u>
<i>Total 2016</i>	<u>123</u>	<u>4,932</u>	<u>5,055</u>	

KINGS NORTON GIRLS' SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

4. Other trading activities

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Other income	38	-	38	42
<i>Total 2016</i>	42	-	42	

5. Investment income

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Short term deposits	3	-	3	4
<i>Total 2016</i>	4	-	4	

6. Expenditure

	Staff costs 2017 £000	Premises 2017 £000	Other costs 2017 £000	Total 2017 £000	Total 2016 £000
Activities:					
Direct costs	3,434	-	364	3,798	4,037
Support costs	710	238	482	1,430	1,239
	4,144	238	846	5,228	5,276
<i>Total 2016</i>	4,081	251	944	5,276	

KINGS NORTON GIRLS' SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

7. Analysis of expenditure by activities

	Direct costs 2017 £000	Support costs 2017 £000	Total 2017 £000	Total 2016 £000
Educational operations	3,798	1,430	5,228	5,276
<i>Total 2016</i>	<u>4,037</u>	<u>1,239</u>	<u>5,276</u>	

Analysis of support costs

	Activities £000	Total 2017 £000	Total 2016 £000
Staff costs	710	710	531
Depreciation	114	114	136
Technology costs	70	70	21
Premises costs	238	238	251
Trip costs	72	72	106
Catering costs	47	47	44
Recruitment and support	3	3	4
Other support costs	160	160	130
Governance costs	16	16	16
	<u>1,430</u>	<u>1,430</u>	<u>1,239</u>
<i>Total 2016</i>	<u>1,197</u>	<u>1,197</u>	

8. Net income/(expenditure)

This is stated after charging:

	2017 £000	2016 £000
Depreciation of tangible fixed assets: - owned by the charity	114	136
Auditors remuneration - audit	9	9
Operating lease rentals	22	22
	<u>145</u>	<u>167</u>

KINGS NORTON GIRLS' SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

9. Staff costs

Staff costs were as follows:

	2017	2016
	£000	£000
Wages and salaries	3,214	3,160
Social security costs	314	249
Operating costs of defined benefit pension schemes	547	534
	4,075	3,943
Apprenticeship levy	1	-
Supply teacher costs	68	128
Staff restructuring costs	-	10
	4,144	4,081
Staff restructuring costs comprise:		
Severance payments	-	10

Included in staff restructuring costs are non-statutory / non-contractual severance payments totalling £Nil (2016 - £10,000). Individually the payments were £Nil (2016 - £10,000).

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

	2017	2016
	No.	No.
Teachers	61	64
Administration and Support	62	65
Management	7	7
	130	136

KINGS NORTON GIRLS' SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

9. Staff costs (continued)

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	54	56
Administration and Support	33	30
Management	7	7
	<u>94</u>	<u>93</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	4	3
In the band £80,001 - £90,000	1	1

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 £579,909 (2016: £492,574).

10. Governors' remuneration and expenses

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

		2017 £000	2016 £000
G Fox (Headteacher and trustee)	Remuneration	£85-90	£85-90
	Pension contributions paid	£10-15	£10-15
J Wright (Staff trustee)*	Remuneration	£50-55	£50-55
	Pension contributions paid	£5-10	£5-10
E Walker (Staff trustee)	Remuneration	£30-35	£30-35
	Pension contributions paid	£5-10	£5-10
N Bi (Staff trustee from 13 July 2017)	Remuneration	£0-5	
	Pension contributions paid	£0-5	

During the year ended 31 August 2017, no Governors received any reimbursement of expenses (2016 - £NIL).

*Part time / term time only

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11. Governors' 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 £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £1,213 (2016 - £1,269).

12. Tangible fixed assets

	Long-term leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost				
At 1 September 2016	4,287	117	234	4,638
Additions	21	21	8	50
At 31 August 2017	<u>4,308</u>	<u>138</u>	<u>242</u>	<u>4,688</u>
Depreciation				
At 1 September 2016	331	61	234	626
Charge for the year	78	28	8	114
At 31 August 2017	<u>409</u>	<u>89</u>	<u>242</u>	<u>740</u>
Net book value				
At 31 August 2017	<u>3,899</u>	<u>49</u>	<u>-</u>	<u>3,948</u>
At 31 August 2016	<u>3,956</u>	<u>56</u>	<u>-</u>	<u>4,012</u>

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13. Debtors

	2017	2016
	£000	£000
Other debtors	12	3
Prepayments and accrued income	161	88
	173	91
	173	91

14. Creditors: Amounts falling due within one year

	2017	2016
	£000	£000
Other taxation and social security	82	79
Accruals and deferred income	112	135
	194	214
	194	214

	2017	2016
	£000	£000
Deferred income		
Deferred income at 1 September 2016	37	72
Resources deferred during the year	50	37
Amounts released from previous years	(37)	(72)
	50	37
Deferred income at 31 August 2017	50	37

Deferred income at the year end is in relation to funds received in advance relating to educational visits of £19,000 (2016 - £12,000), looked after children pupil premium of £10,000 (2016 - £9,000) and sixth form bursary of £21,000 (2016 - £16,000).

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15. Statement of funds

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
Unrestricted funds						
Total unrestricted funds	274	146	(74)	-	-	346
Restricted funds						
General Annual Grant (GAG)	600	4,524	(4,719)	(30)	-	375
Other grants	12	255	(267)	-	-	-
Pension reserve	(1,510)	-	(54)	-	45	(1,519)
	(898)	4,779	(5,040)	(30)	45	(1,144)
Restricted fixed asset funds						
Transfer on conversion	3,141	-	(97)	-	-	3,044
DfE/ESFA capital grants	225	20	(4)	-	-	241
Capital expenditure from GAG	646	-	(13)	30	-	663
	4,012	20	(114)	30	-	3,948
Total restricted funds	3,114	4,799	(5,154)	-	45	2,804
Total of funds	3,388	4,945	(5,228)	-	45	3,150

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

Restricted general funds

The balance of £375,000 (2016 - £612,000) on the restricted general funds will be used for educational purposes in accordance with the restrictions attached to the funding.

The pension reserve of £1,519,000 (2016 - £1,510,000) (overdrawn) represents the charitable company's deficit in the West Midlands Pension Fund.

Restricted fixed asset fund

The restricted fixed asset fund relates predominantly to the assets acquired on conversion to an Academy trust, being the properties.

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16. Analysis of net assets between funds

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	3,948	3,948
Current assets	365	550	-	915
Creditors due within one year	(19)	(175)	-	(194)
Provisions for liabilities and charges	-	(1,519)	-	(1,519)
	<u>346</u>	<u>(1,144)</u>	<u>3,948</u>	<u>3,150</u>

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

	2017 £000	2016 £000
Net expenditure for the year (as per Statement of Financial Activities)	(283)	(155)
Adjustment for:		
Depreciation charges	114	136
Dividends, interest and rents from investments	(3)	(4)
(Increase)/decrease in debtors	(82)	39
Increase/(decrease) in creditors	39	(13)
Capital grants from DfE and other capital income	(20)	(20)
Defined benefit pension scheme cost less contributions payable	30	35
Defined benefit pension scheme finance cost	(34)	55
Net cash (used in)/provided by operating activities	<u>(239)</u>	<u>73</u>

18. Analysis of cash and cash equivalents

	2017 £000	2016 £000
Cash in hand	743	1,009
Total	<u>743</u>	<u>1,009</u>

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19. 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 West Midlands Pension Fund. 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 £Nil were payable to the schemes at 31 August 2017 (2016 - £Nil) and are included within creditors. Included in prepayments and accrued income are prepaid contributions in respect of the LGPS amounting to £68,000 (2016 - £Nil) in respect of the period to 1 April 2019.

Teachers' Pension Scheme

Introduction

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

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- 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%.

During the previous year the employer contribution rate was 14.1%. 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 £632,000 (2016 - £479,000).

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19. Pension commitments (continued)

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

Under the definitions set out in FRS 102, the TPS is 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 2017 was £253,000 (2016 - £126,000), of which employer's contributions totalled £211,000 (2016 - £90,000) and employees' contributions totalled £42,000 (2016 - £35,000). The agreed contribution rates for future years are 18.3% for employers and 5.5% to 7.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Rate of increase in salaries	4.20 %	3.80 %
Rate of increase for pensions in payment / inflation	2.70 %	2.20 %
Inflation assumption (CPI)	2.60 %	2.00 %
Commutation of pensions to lump sums	2.70 %	2.20 %

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

	2017	2016
Retiring today		
Males	21.8	23.1
Females	24.3	25.8
Retiring in 20 years		
Males	24	25.3
Females	26.6	28.1

Sensitivity analysis	At 31 August 2017	At 31 August 2016
	£000	£000
Discount rate +0.1%	77	66
Discount rate -0.1%	(78)	(67)
Mortality assumption - 1 year increase	(125)	(86)
Mortality assumption - 1 year decrease	121	84
CPI rate +0.1%	(69)	(58)
CPI rate -0.1%	68	56

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19. Pension commitments (continued)

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

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equities	1,377	951
Gilts	159	111
Corporate bonds	84	137
Property	159	128
Cash and other liquid assets	108	103
Other	289	173
	<hr/>	<hr/>
Total market value of assets	2,176	1,603
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £296,000 (2016 - £253,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £000	2016 £000
Current service cost (net of employee contributions)	233	145
Net interest cost	31	34
Administrative expenses	1	1
	<hr/>	<hr/>
Total	265	180
	<hr/> <hr/>	<hr/> <hr/>

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

	2017 £000	2016 £000
Opening defined benefit obligation	3,113	2,143
Current service cost	233	145
Interest cost	69	86
Employee contributions	42	36
Benefits paid	8	(41)
Actuarial (gain) / loss	230	744
	<hr/>	<hr/>
Closing defined benefit obligation	3,695	3,113
	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Pension commitments (continued)

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

	2017 £000	2016 £000
Opening fair value of scheme assets	1,603	1,266
Return on plan assets (excluding net interest on the net defined pension liability)	275	201
Interest income	38	52
Employer contributions	211	90
Employee contributions	42	36
Benefits paid	8	(41)
Plan introductions, benefit changes, curtailments and settlements	(1)	(1)
	2,176	1,603
Closing fair value of scheme assets	2,176	1,603

20. Operating lease commitments

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £000	2016 £000
Amounts payable:		
Within 1 year	11	22
Between 1 and 5 years	5	14
	16	36
Total	16	36

21. 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 £NIL for the debts and liabilities contracted before he/she ceases to be a member.

22. 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 10.