

Registered number: 07563329

KINGS NORTON GIRLS' SCHOOL

(A company limited by guarantee)

ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

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

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

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.

In line with condition relating to the release of Condition Improvement Funding for the Sixth Form build. The school has undertaken a review of its governance structure. This is currently with the ESFA and the Charities Commission for approval and, once agreed, will update the governance structure to have 5 members (including two of which will be Trustees) and separate Trustees. This change will be reflected in the accounts to 31 August 2019.

Governors

J Abbott, Vice Chair^{1,3}
C Carr (deceased April 2018)^{2,3}
D Cassidy²
J Couperthwaite (appointed 13 September 2018)
G Fox (resigned 31 August 2018)^{1,2,3}
D Gilman (appointed 13 September 2018)
D Green, Chair^{1,2,3}
K Mack¹
K Reynolds (appointed 13 September 2018)
N Raggett, Head Teacher (appointed 1 September 2018)
V Walsh (appointed 30 April 2018)
K Ward¹
P Webb²
J Wright (resigned 1 December 2017)¹
P Fellows²
S Roberts¹
N Bi

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 (to 14 February 2018)

V Church (from 1 March 2018)

Senior management team

G Fox, Head Teacher (to 31 August 2018)

N Raggett, Head Teacher (from 1 September 2018)

D Gunn, Deputy Head Teacher

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

Advisers (continued)

L Hawksworth, Assistant Head Teacher
L Shakespeare, Assistant Head Teacher
J Wright, Director of Resources (to 29 November 2017)
G Woodward, Associate Assistant Head
C Skinner, Business Manager (from 4 December 2017)

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 2018

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The principal activity of KNGS is the operation of the school to provide education for students of different abilities between the ages of 11 and 18. The numbers of students on roll at KNGS as of May 2018 Census date were a total of 965. 764 students in Years 7-11 and 201 in the Sixth Form.

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 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 give appropriate cover for any action against the Governors which by virtue of any law would otherwise attach them in respect of any negligence, default or breach of duty which they may be 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 not nor will such indemnity extend to the costs of any unsuccessful defence 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 skill base within the Governing Body. Between two and seven Parent Governors may be elected by parents of registered students at the Academy. Up to two Staff Governors may be elected by staff in addition to the Headteacher. The Secretary of State may appoint further Governors.

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

The Governors who were in office at 1 September 2017 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 2018

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

During the year under review the full Governing Body met 5 times and there were 10 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 website. 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 strategic direction of the Academy, capital expenditure and senior staff appointments.

The Leadership Team consists of the Headteacher, two Deputy Headteachers, three Assistant Headteachers and a Business Manager. 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. Arrangements for setting pay and remuneration of key management personnel

Each year, in October, the Pay Policy for KNGS is reviewed by the Board of Trustees. The Pay Policy refers to Standard Teachers' Pay & 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.

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

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	98

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time	£000
Total cost of facility time	3
Total pay bill	4,189
Percentage of total pay bill spent on facility time	0.07 %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	49.30 %
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i. Related parties and other connected charities and organisations

The school has a reciprocal arrangement with KNBS to broaden the curriculum for Sixth Form students from both schools.

The school has a reciprocal arrangement with Lumen Christi MAC to provide Responsible Officer services for both Trusts.

The school has strong links with Lordswood Girls' School, the South Area and the Oakes Collegiate network of schools, South and City College, Birmingham University and the Haybridge, Bishop Challoner and Bourneville 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 2018

Objectives and Activities

a. Objects and aims

Core purpose:

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

At KNGS we will:

- Foster a joy in learning and curiosity for diversity
- Recognise and celebrate achievement and instil 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 trusts' objectives 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 2018 are summarised below:

- Achieving Outcomes through having the right focus at the right time
- Teaching, learning and assessment: right strategies to engage and deliver confidence for all
- Vulnerable students: meeting the needs of all, no-one left behind
- Behaviour, welfare and safety: Building a strong supportive community together
- Governance and Leadership: clarity, vision, learning together and from others
- Curriculum and pathways, partnerships and enrichment: opening a world of opportunities

c. Public benefit

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

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

Strategic report

Achievements and performance

a. Review of activities

Applications to attend the school both those in the lower school and Sixth Form continue to be strong. We received 714 applications for 160 places into Year 7 for September 2017 entry and 235 applications for 140 Year 12 places.

Attainment remains high both for A Level and GCSE. 2018 results are again well above national average with 36% Grade 7-9, Grade 4 English and Maths 77.2%, Grade 5+ English and Maths 58.6% and Grade 7 English and Maths 25.5%, EBacc 4+ 50% and EBacc 5+ 37.2%. Our 'Progress 8' Score places us at 183rd out of 6530 schools nationally and 6th across the city, this confirms our ranking in the top 3% of schools in the country.

In relation to the schools performance measure of EBacc average point score, at 5.26 we again exceeded local authority averages of 3.98 and national average of 3.83, again putting KNKS in the top 5% of schools in the country for this measure. The EBacc score measures the average grade of students across English, Maths, science, a modern foreign language and humanities subject.

Student progress in 2018 was +0.73 for all students with Pupil Premium students achieving +0.66, a significant closing of the gap for disadvantaged students at KNKS. English Progress 8 was 0.95 and Maths was 0.11.

A level results in 2018 were in line with national average and showed an improvement in KS5 outcomes since 2017. Value added progress at A Level was -0.01 and for academic subjects was +0.01. All students successfully progressed to universities or their 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 Year 5. In addition 15 of our students gained the School, Student & Teachers Award this year including one Gold award.

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 was another huge success following on from last year. Year 11 were involved in NCS in their summer holidays and in all did over 300 hours of community social action across Birmingham. Across the year the school raised £3,577 for a range of local and national charities as well as sponsoring a child in Burkina Faso for the year and building two toilets in Africa via the e-praise system. The community support has gone both ways though as the local Co-Operative Food store provided bananas to all of our students taking their exams in the summer to ensure they had eaten prior to sitting the important tests.

During Easter 2018, we lost a member of the governing body, Caroline Carr to cancer. Caroline had been a governor at KNKS since 2011 and was Chair of the Standards Committee. The school will be forever grateful for the commitment and support she gave.

The summer of 2018 brought great sadness to the staff and students of the school when we lost a member of staff to cancer. Sharon Piotrowska inspired many students and was a great friend and a huge support to her colleagues during her 18 years' service at KNKS. In memory of Sharon, a group of staff completed the 3 Peaks Challenge and raised just over £6,299 for Macmillan in the process. We are committed to continue raising funds for Macmillan in Sharon's memory in the future.

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

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. 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 third year of our project with Lloyds Bank International which involves mentoring Year 12 and Year 13 students, leadership development and support with career pathways. Purity drinks have also provided significant curriculum and enrichment opportunities through business projects and competitions.

This year we were the proud winners of the Warwickshire School Library Service Gold Award for our School Library and also received the Reading for Pleasure Award as nominated by visiting author Jo Cotterill when she saw our efforts to inspire the students to read outside of education.

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 2017-18 there were a large number of 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 12th year and the school orchestra auditioned for and played on the Disney stage in Paris together with the local boys' school in July. For the third year in a row 100% of the students taking part in the Duke of Edinburgh Award achieved success 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. We are also a training school for Future Teaching Scholars and supporting the training of the next generation of outstanding Maths and Physics teachers.

b. Key performance indicators

Description of KPI	2018	2017	2016
Pupil numbers	965	928	903
Pupils : Teachers	15.1	15.2	14.1
Pupils : Administration/support	20.5	14.9	13.9
Pupils : Management	137.9	132.6	129.0
Income per student	£5,339	£5,329	£5,671
GAG Income per student	£5,255	£5,235	£5,568
Staff costs per student	£4,477	£4,466	£4,519
Staffing costs as a percentage of income	83.9%	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.

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

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 of wages and salaries. 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 £549,000 (2017: £721,000).

With current school funding changes the school has forecast that it will have to use some of its reserves during the next few years as students numbers increase and to combat the impact of lagged funding for numbers on roll. An investment of £100,000 plus a loan of £170,000 over 10 years in relation to the new Sixth Form building will also impact on reserves held by the school in the short to medium term.

b. Material investments policy

The Academy invests surplus funds in low risk short term deposits with Lloyds Bank.

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

Breakdown in Financial Control, mitigated by

- School rigorously follows the procedures in the Finance Policy
- External finance audit carried out annually
- Responsible officer audit carried out termly
- Segregation of duties built into all key procedures
- Finance Policy reviewed against ESFA Direction yearly and compliance confirmed by Head and Business Manager
- External Auditors review Trust Finance Policy annually.
- Tight controls are in place for access to SAP and physical access to cheques and cash
- Bank reconciliations carried out monthly to verify all transactions on accounts
- 2 signatures required on all cheques and BACS runs
- Accounting officer reviews budget regularly and budgetary actions
- Fidelity guarantee insurance provided by Zurich

Increased level of Government initiatives, mitigated by

- SLT/Governors consider carefully before adopting new initiatives, taking on according to school priorities and nature of initiatives i.e. statutory or recommended
- All staff receive PPA time which is used to meet their priorities
- Access to training for all staff
- SDP plans require CPD for whole year
- Opportunities made for sharing good practice

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

Fundraising

The school's approach to fundraising is led by the students or driven by something that has had a direct impact on the school. We carry out all fundraising activities internally and without any oversight or relationship with any professional fundraisers. We do work with Lloyds to gather additional fundraising through match funding as appropriate. All fundraising confirms to recognised standards and the monitoring of fundraising is completed in house.

We did not receive any complaints relating to fundraising during the period to 31 August 2018 and we ensure that all fundraising is carried out with deference to the protection of the public (including vulnerable people) from unreasonably intrusive or persistent fundraising approaches and undue pressure to donate.

Plans for future periods

a. Future developments

Due to retirement of the current Head Teacher, 2018/19 sees change in the leadership of the school. Following a national advertisement and a strong field of applicants, a new Headteacher was appointed to the school.

We plan to focus on the following areas for 2018/19:

- Progress of disadvantaged students
- Progress at KS5 and specifically for HPA (B Target Students) students
- Reducing In school variation
- Behaviour and progress of Vulnerable groups
- Staff and Student well being

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 student subscriptions, donations and contributions which are used to support student activities. The School Fund also acts as a banker for various activities within the school including drama, music and charitable fundraising.

Disclosure of information to auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Governors' 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:



D Green
Chair of Trustees

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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 Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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
D Green, Chair	4	4
J Abbott, Vice Chair	4	4
C Carr	2	3
D Cassidy	1	4
G Fox	4	4
K Mack	3	4
V Walsh	1	1
K Ward	4	4
P Webb	3	4
J Wright	1	1
P Fellows	4	4
S Roberts	4	4
N Bi	4	4

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
D Green	5	5
J Abbott	5	5
G Fox	5	5
K Mack	5	5
K Ward	4	5
J Wright	1	1
S Roberts	4	5

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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 the curriculum offer, to review the impact of curriculum provision ensuring that requirements and relevant legislation are met including SEND requirements. They ensure that SEND needs are met as per the Code of Practice with an annual report from the SENCo. They also monitor and evaluate enrichment activities, extended provision and extra-curricular activities.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
C Carr	3	3
D Cassidy	3	5
G Fox	5	5
D Green	3	5
P Webb	3	5
P Fellows	2	5
N Bi	3	5
V Walsh	2	2

The Pay Committee is also a sub-committee of the main governing body. Its purpose is to achieve the aims of the whole school pay policy in a fair and equal manner and apply the criteria set by the whole school pay policy in determining the pay of each member of staff at the annual review within all statutory and contractual obligations. The committee has to recommend to the Governing Body the annual budget needed for pay, bearing in mind the need to ensure the availability of monies to support any exercise of discretion and keep abreast of relevant developments and to advise the Governing Body when the School's pay policy needs to be revised. Finally, it must carry out the appraisal of the Headteacher and work with the Headteacher in ensuring that the Governing Body complies with the Appraisal Regulations.

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

Review of Value for Money

As Accounting Officer, the Headteacher 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 finances
- ensuring the operation of the trust demonstrates good value for money and efficient and effective use of resources
- reviewing controls and managing risk
- reviewing operation to maximise use of resources

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GOVERNANCE STATEMENT (continued)

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

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

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews 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 Lana Forrester, the Business Manager of Lumen Christi MAC to perform peer review.

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

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

On a termly basis, the reviewer reports to the board of trustees through the finance and general purposes committee 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 Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the reviewer;
- the work of the external auditor;
- 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 and 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:



D Green
Chair of Trustees



N Raggett
Accounting Officer

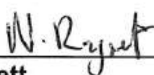
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



N Raggett
Accounting Officer

Date: 6 December 2018

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

The Governors (who 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 & 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 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 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 6 December 2018 and signed on its behalf by:



D Green
Chair of Trustees

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**

Opinion

We have audited the financial statements of Kings Norton Girls' School (the 'academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

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 the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' 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 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 or to cease operations, or have no realistic alternative but to do so.

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

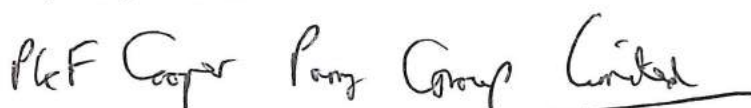
Auditor's responsibilities for the audit of the financial statements

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 control.
- 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
6 December 2018

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 & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 9 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Kings Norton Girls' School during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 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.

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
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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO KINGS
NORTON GIRLS' SCHOOL AND THE EDUCATION & 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 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.

A handwritten signature in black ink that reads "PKF Cooper Parry Group Limited". The signature is written in a cursive style and is underlined.

PKF Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

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

6 December 2018

KINGS NORTON GIRLS' SCHOOL
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Income from:					
Donations and capital grants	2	-	-	20	20
Charitable activities:	3				
Funding for the academy trust's educational operations	155	4,916	-	5,071	4,884
Other trading activities	4	60	-	60	38
Investments	5	1	-	1	3
Total income	<u>216</u>	<u>4,916</u>	<u>20</u>	<u>5,152</u>	<u>4,945</u>
Expenditure on:					
Charitable activities:					
Academy trust educational operations	128	5,260	97	5,485	5,228
Other charitable activities	-	(8)	8	-	-
Total expenditure	6	<u>128</u>	<u>5,252</u>	<u>105</u>	<u>5,228</u>
Net income / (expenditure) before transfers	88	(336)	(85)	(333)	(283)
Transfers between Funds	15	-	(97)	97	-
Net income / (expenditure) before other recognised gains and losses	88	(433)	12	(333)	(283)
Actuarial (losses) / gains on defined benefit pension schemes	12	-	329	-	329
Net movement in funds	88	(104)	12	(4)	(238)
Reconciliation of funds:					
Total funds brought forward	346	(1,144)	3,948	3,150	3,388
Total funds carried forward	<u>434</u>	<u>(1,248)</u>	<u>3,960</u>	<u>3,146</u>	<u>3,150</u>

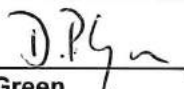
The notes on pages 25 to 43 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£000	2018 £000	2017 £000
Fixed assets				
Tangible assets	12		3,960	3,948
Current assets				
Debtors	13	159		173
Cash at bank and in hand		620		742
		<u>779</u>		<u>915</u>
Creditors: amounts falling due within one year	14	(231)		(194)
Net current assets			<u>548</u>	<u>721</u>
Total assets less current liabilities			<u>4,508</u>	<u>4,669</u>
Defined benefit pension scheme liability	20		(1,362)	(1,519)
Net assets including pension scheme liabilities			<u><u>3,146</u></u>	<u><u>3,150</u></u>
Funds of the academy				
Restricted income funds:				
Restricted income funds	15	114		375
Restricted fixed asset funds	15	3,960		3,948
Restricted income funds excluding pension liability		4,074		4,323
Pension reserve		(1,362)		(1,519)
Total restricted income funds			<u>2,712</u>	<u>2,804</u>
Unrestricted income funds	15		434	346
Total funds			<u><u>3,146</u></u>	<u><u>3,150</u></u>

The financial statements on pages 22 to 43 were approved by the Governors, and authorised for issue, on 6 December 2018 and are signed on their behalf, by:



D Green
Chair of Trustees

The notes on pages 25 to 43 form part of these financial statements.

KINGS NORTON GIRLS' SCHOOL
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash used in operating activities	17	(26)	(240)
Cash flows from investing activities:			
Dividends, interest and rents from investments		1	3
Purchase of tangible fixed assets		(117)	(50)
Capital grants from DfE Group		20	20
Net cash used in investing activities		(96)	(27)
Change in cash and cash equivalents in the year		(122)	(267)
Cash and cash equivalents brought forward		742	1,009
Cash and cash equivalents carried forward	18	620	742

The notes on pages 25 to 43 form part of these financial statements.

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

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

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

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

1. Accounting Policies (continued)

1.4 Expenditure

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

Expenditure on 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 £5,000 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:

Leasehold property	-	2%
Furniture and fixtures	-	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.

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

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

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 20, 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 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.

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

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 20, 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 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Capital Grants	-	20	20	20
Total 2017	-	20	20	

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

3. Funding for Academy's educational operations

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	4,647	4,647	4,524
Other DfE/EFA grants	-	246	246	236
	<u>-</u>	<u>4,893</u>	<u>4,893</u>	<u>4,760</u>
Other government grants				
Local authority grants	-	23	23	19
	<u>-</u>	<u>23</u>	<u>23</u>	<u>19</u>
Other funding				
Other income from the academy trust's educational operations	155	-	155	105
	<u>155</u>	<u>-</u>	<u>155</u>	<u>105</u>
	<u>155</u>	<u>4,916</u>	<u>5,071</u>	<u>4,884</u>
Total 2017	<u><u>105</u></u>	<u><u>4,779</u></u>	<u><u>4,884</u></u>	

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4. Other trading activities

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Other income	60	-	60	38
Total 2017	38	-	38	

5. Investment income

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Short term deposits	1	-	1	3
Total 2017	3	-	3	

6. Expenditure

	Staff costs 2018 £000	Premises 2018 £000	Other costs 2018 £000	Total 2018 £000	Total 2017 £000
Activities:					
Direct costs	3,306	-	688	3,994	3,798
Support costs	1,014	336	141	1,491	1,430
	4,320	336	829	5,485	5,228
Total 2017	4,211	114	903	5,228	

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7. Analysis of expenditure by activities

	Direct costs	Support	Total	Total
	2018	costs	2018	2017
	£000	2018	£000	£000
		£000		
Educational operations	3,994	1,491	5,485	5,228
Total 2017	3,798	1,430	5,228	

Analysis of support costs

	Activities	Total	Total
	£000	2018	2017
		£000	£000
Staff costs	750	750	710
Depreciation	105	105	114
Technology costs	54	54	70
Premises costs	246	246	238
Trip costs	131	131	72
Catering costs	36	36	47
Recruitment and support	3	3	3
Other support costs	151	151	160
Governance costs	15	15	16
	<u>1,491</u>	<u>1,491</u>	<u>1,430</u>
At 31 August 2017	<u>1,430</u>	<u>1,430</u>	

8. Net income/(expenditure)

This is stated after charging:

	2018	2017
	£000	£000
Depreciation of tangible fixed assets:		
- owned by the charity	105	114
Auditors remuneration - audit	9	9
Operating lease rentals	11	22
	<u>125</u>	<u>145</u>

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9. Staff costs

a. Staff costs

Staff costs were as follows:

	2018	2017
	£000	£000
Wages and salaries	3,407	3,282
Social security costs	309	314
Operating costs of defined benefit pension schemes	537	547
	4,253	4,143
Agency staff costs	67	68
	4,320	4,211

b. Staff numbers

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

	2018	2017
	No.	No.
Teachers	64	61
Administration and Support	47	62
Management	7	7
	118	130
	118	130

Average headcount expressed as a full time equivalent:

	2018	2017
	No.	No.
Teachers	57	54
Administration and Support	34	33
Management	7	7
	98	94
	98	94

c. Higher paid staff

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

	2018	2017
	No.	No.
In the band £60,001 - £70,000	3	4
In the band £80,001 - £90,000	0	1
In the band £90,001 - £100,000	1	0

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 £590,000 (2017: £580,000).

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NOTES TO THE FINANCIAL STATEMENTS
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10. Governors' remuneration and expenses

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

		2018	2017
		£000	£000
G Fox (Headteacher and trustee)	Remuneration	90-95	£85-90
	Pension contributions paid	10-15	£10-15
J Wright (Staff trustee to 29 November 2017)*	Remuneration	15-20	£50-55
	Pension contributions paid	0-5	£5-10
E Walker (Staff trustee to 13 July 2017)	Remuneration	-	£30-35
	Pension contributions paid	-	£5-10
N Bi (Staff trustee from 13 July 2017)*	Remuneration	20-25	£0-5
	Pension contributions paid	0-5	£0-5

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

*Part time / term time only

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 2018 was £220 (2017 - £213).

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12. Tangible fixed assets

	Leasehold property £000	Furniture and fixtures £000	Assets under construction £000	Computer equipment £000	Total £000
Cost					
At 1 September 2017	4,308	138	-	242	4,688
Additions	-	4	102	11	117
At 31 August 2018	4,308	142	102	253	4,805
Depreciation					
At 1 September 2017	409	89	-	242	740
Charge for the year	78	26	-	1	105
At 31 August 2018	487	115	-	243	845
Net book value					
At 31 August 2018	3,821	27	102	10	3,960
At 31 August 2017	3,899	49	-	-	3,948

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13. Debtors

	2018	2017
	£000	£000
Other debtors	20	12
Prepayments and accrued income	139	161
	159	173
	159	173

14. Creditors: Amounts falling due within one year

	2018	2017
	£000	£000
Other taxation and social security	82	82
Accruals and deferred income	149	112
	231	194
	231	194
	2018	2017
	£000	£000
Deferred income		
Deferred income at 1 September 2017	50	37
Resources deferred during the year	56	50
Amounts released from previous years	(50)	(37)
	56	50
Deferred income at 31 August 2018	56	50

Deferred income at the year end is in relation to funds received in advance relating to educational visits of £13,000 (2017 - £19,000), looked after children pupil premium of £13,000 (2017 - £10,000) and sixth form bursary of £30,000 (2017 - £21,000).

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Statement of funds

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
Total unrestricted funds	346	216	(128)	-	-	434
Restricted funds						
General Annual Grant (GAG)	375	4,647	(4,811)	(97)	-	114
Other grants	-	269	(269)	-	-	-
Pension reserve	(1,519)	-	(172)	-	329	(1,362)
	(1,144)	4,916	(5,252)	(97)	329	(1,248)
Restricted fixed asset funds						
Transfer on conversion	3,044	-	(89)	-	-	2,955
DfE/ESFA capital grants	241	20	(4)	-	-	257
Capital expenditure from GAG	663	-	(12)	97	-	748
	3,948	20	(105)	97	-	3,960
Total restricted funds	2,804	4,936	(5,357)	-	329	2,712
Total of funds	3,150	5,152	(5,485)	-	329	3,146

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

Restricted general funds

The balance of £203,000 (2017 - £375,000) on the restricted general funds will be used for educational purposes in accordance with the restrictions attached to the funding.

The pension reserve of £1,362,000 (2017 - £1,519,000) (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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**NOTES TO THE FINANCIAL STATEMENTS
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15. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
General 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

16. Analysis of net assets between funds

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	3,960	3,960
Current assets	434	345	-	779
Creditors due within one year	-	(231)	-	(231)
Provisions for liabilities and charges	-	(1,362)	-	(1,362)
	434	(1,248)	3,960	3,146

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16. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2017 £000	2017 £000	2017 £000	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

	2018 £000	2017 £000
Net expenditure for the year (as per Statement of Financial Activities)	(333)	(283)
Adjustment for:		
Depreciation charges	105	114
Dividends, interest and rents from investments	(1)	(3)
Decrease/(increase) in debtors	14	(82)
Increase in creditors	37	38
Capital grants from DfE and other capital income	(20)	(20)
Defined benefit pension scheme cost less contributions payable	133	(36)
Defined benefit pension scheme finance cost	39	32
Net cash used in operating activities	<u>(26)</u>	<u>(240)</u>

18. Analysis of cash and cash equivalents

	2018 £000	2017 £000
Cash in hand	620	742
Total	<u>620</u>	<u>742</u>

19. Capital commitments

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

	2018 £000	2017 £000
Contracted for but not provided in these financial statements	<u>1,937</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. 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.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £412,000 (2017 - £632,000).

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

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

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20. Pension commitments (continued)

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 £167,000 (2017 - £253,000), of which employer's contributions totalled £125,000 (2017 - £211,000) and employees' contributions totalled £42,000 (2017 - £42,000). 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:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Commutation of pensions to lump sums	2.30 %	2.70 %

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	21.9	21.8
Females	24.4	24.3
Retiring in 20 years		
Males	24.1	24.0
Females	26.7	26.6

	At 31 August 2018 £000	At 31 August 2017 £000
Sensitivity analysis		
Discount rate +0.1%	76	77
Discount rate -0.1%	(78)	(78)
Mortality assumption - 1 year increase	(128)	(125)
Mortality assumption - 1 year decrease	123	121
CPI rate +0.1%	(73)	(69)
CPI rate -0.1%	71	68

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20. Pension commitments (continued)

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equities	1,460	1,377
Gilts	166	159
Corporate bonds	85	84
Property	187	159
Cash and other liquid assets	86	108
Other	322	289
	<hr/>	<hr/>
Total market value of assets	<u>2,306</u>	<u>2,176</u>

The actual return on scheme assets was £27,000 (2017 - £296,000).

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

	2018 £000	2017 £000
Current service cost (net of employer contributions)	133	22
Net interest cost	38	31
Administrative expenses	1	1
	<hr/>	<hr/>
Total	<u>172</u>	<u>54</u>

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

	2018 £000	2017 £000
Opening defined benefit obligation	3,695	3,113
Current service cost	258	233
Interest cost	96	69
Employee contributions	42	42
Benefits paid	(63)	8
Actuarial (gain) / loss	(360)	230
	<hr/>	<hr/>
Closing defined benefit obligation	<u>3,668</u>	<u>3,695</u>

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20. Pension commitments (continued)

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

	2018	2017
	£000	£000
Opening fair value of scheme assets	2,176	1,603
Return on plan assets (excluding net interest on the net defined pension liability)	(31)	275
Interest income	58	38
Employer contributions	125	211
Employee contributions	42	42
Benefits paid	(63)	8
Plan introductions, benefit changes, curtailments and settlements	(1)	(1)
	2,306	2,176
Closing fair value of scheme assets	2,306	2,176

21. 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
	£000	£000
Amounts payable:		
Within 1 year	18	11
Between 1 and 5 years	54	5
	72	16
Total	72	16

22. 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.

23. 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.

