

**KINGS NORTON GIRLS' SCHOOL**  
**(A company limited by guarantee)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

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**KINGS NORTON GIRLS' SCHOOL**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Members</b>	J Abbott (appointed 9 July 2019) P Fellows (appointed 9 July 2019) K Mack (appointed 9 July 2019) K Ward (appointed 9 July 2019) P Webb (appointed 9 July 2019)
<b>Trustees</b>	J Abbott N Bi J Couperthwaite (appointed 13 September 2018) P Fellows D Gilman (appointed 13 September 2018) D Green K Mack N Raggett (appointed 1 September 2018) K Reynolds (appointed 13 September 2018) S Roberts V Walsh K Ward P Webb D Cassidy (resigned 21 January 2019)
<b>Company registered number</b>	07563329
<b>Company name</b>	Kings Norton Girls' School
<b>Principal and registered office</b>	Selly Oak Road Birmingham West Midlands B30 1HW
<b>Company secretary</b>	V Church

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Senior management  
team**

N Raggett, Headteacher  
D Gunn, Deputy Headteacher  
L Shakespeare, Deputy Headteacher  
L Hawksworth, Assistant Headteacher  
G Woodward, Assistant Headteacher  
T Charlett, Assistant Headteacher  
C Skinner, Business Manager

**Independent auditor**

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

**Solicitors**

Browne Jacobson LLP  
Victoria Square House  
Victoria Square  
Birmingham  
B2 4BU

**KINGS NORTON GIRLS' SCHOOL**  
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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a governors' report and a directors' report under company law.

The principal activity of Kings Norton Girls' School ('KNGS') is the operation of the school to provide education for students of different abilities between the ages of 11 and 19 serving a catchment area in Kings Norton and surrounding areas, with a pupil capacity of 935 and 998 pupils currently enrolled based on the May 2019 Census.

KNGS is currently finalising a Funding Agreement to increase capacity to 1,075 in order to meet demand for places. This will see 800 places for Years 7-11 and 275 places 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 of Kings Norton Girls' School accounts are also the directors of the charitable company for the purposes of company law. The charitable company operates as Kings Norton Girls' School.

Details of the governors who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

**b. Members' liability**

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

**c. Trustees' indemnities**

The academy trust maintains governors' and officers' liability insurance which 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 trust. 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.

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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Structure, governance and management (continued)**

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

The Trust shall have the following Governors, as set out in its Articles of Association and funding agreement:

- up to 10 Governors who are appointed by
- between 2 and 7 Parent Governors who are elected by parents of registered pupils at the Academy Trust;
- up to 2 Staff Governors

Governors are appointed for a 4-year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governors, any Governor can be re-appointed or re-elected.

When appointing new Governors, the Board of Governors will consider the skills and experience mix of existing Governors in order to ensure the Board of Governors has the necessary skills to contribute fully to the Academy Trust's ongoing development.

**e. Policies adopted for the induction and training of governors**

The training and induction provided for new Governors will depend upon their existing experience but will always include a tour of the School and a chance to meet staff and pupils. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Governors. All new Governors also have the opportunity to undertake National Governor Association training and all Governors receive regular National Governor Association updates. As there are normally only a few new Governor appointments each year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by various external organisations as appropriate.

A bespoke governance development program is operated throughout the year which allows Governors to meet informally as a team for training, so as to keep the Governors updated on relevant developments impacting on their roles and responsibilities, and to contribute to the strategic leadership and direction of the Academy Trust.

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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Structure, governance and management (continued)**

**f. Organisational structure**

The Governors are responsible for setting general policy, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Academy Trust by the use of budgets and other data, and making the major decisions about the direction of the Academy Trust, capital expenditure and staff appointments.

During the year, the Governing Body has been amending its structure in line with funding conditions relating to the Condition Improvement Fund for the Sixth Form Build Project. The Trust has identified Members and Governors to ensure that the structure meets current ESFA requirements for Academy Trusts. At the time of writing this report, the new Articles of Association and Special Resolution was with the ESFA for ratification.

The Board of Governors normally meet 4 times each year. The Board of Governors establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees of the Board of Governors and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings and through direct reporting from the elected Chair of each Committee. The Board of Governors may from time to time establish working groups to perform specific tasks over a limited timescale.

There are 2 Committees of the Board of Governors as follows:

- Standards Committee
- Resources Committee

Each Committee has its own terms of reference detailing the responsibilities discharged to it.

The following decisions are reserved to the full Board of Governors:

- to consider any proposals for changes to the status or constitution of the Academy Trust and its committee structure;
- to appoint or remove the Chair and / or Vice Chair; and
- to appoint and / or consider the performance management of the Headteacher

The Governors have devolved the day-to-day management of the Academy Trust to the Senior Leadership Team ('SLT'), which is led by the Headteacher. The SLT comprises the Headteacher, two Deputy Headteachers, three Assistant Headteachers and the Business Manager. The Headteacher is the Academy Trust's Accounting Officer and has overall responsibility for the day to day financial management of the Academy Trust. The SLT implements the policies laid down by the Governors and reports back to them on performance.

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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Structure, governance and management (continued)**

**g. Arrangements for setting pay and remuneration of key management personnel**

The Governors consider the Board of Governors and the senior management team to comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Academy on a day to day basis. All Governors give of their time freely and no Trustee received any remuneration in the current or prior year, other than those Governors who are also employees of the Academy. Details of Governors' remuneration and expenses are disclosed in note 11 of the financial statements.

The pay of the Headteacher is reviewed annually by the Pay Committee based on the annual performance management process for the Headteacher and in line the Academy's pay and remuneration policy, which includes a set point scale for the role (along with comparisons to similar roles in other Academy Trusts).

The pay of the other members of the senior management team is also reviewed annually the Pay Committee in line with the Academy's pay and remuneration policy and by reference to published pay scales for both teaching and administrative support staff and the annual performance management process adopted by the Academy.

**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	- %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	49 %
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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Structure, governance and management (continued)**

**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.

**Objectives and activities**

**a. Objects and aims**

The principal objects of the Academy Trust, as set out in its Articles of Association, are to:

- advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school, offering a broad and balanced curriculum

The aims of the Academy Trust during the year ended 31 August 2019 are summarised below:

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

**b. Objectives, strategies and activities**

The Academy strives to "open a world of opportunities" for all students. It engages all students, staff and Governors to embrace our values; demonstrating courage and respect in order to flourish. The key priorities for the period are contained in the Academy Trust's Development Plan which is available from the Headteacher. The key activities of the Academy Trust for the year ended 31 August 2019 were focused as follows:

- 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

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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Objectives and activities (continued)**

**c. Public benefit**

The Academy Trust aims to advance for the public benefit education in the Kings Norton and the surrounding area, offering a broad curriculum and an excellent education environment for its pupils. The Academy Trust also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.

The Governors confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

**Strategic report**

**Achievements and performance**

**a. Review of activities**

The Academy Trust continues to evolve and to adapt to the ever-changing educational environment. The Trust is in its 9th year of operation since conversion to an Academy Trust. The total number of pupils in the year ended 31 August 2019 was 998, but this has increased to 1,023 at the October 2019 census due to the continued demand for places at the Academy Trust.

The Academy Trust is committed to continual improvement which is achieved in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self evaluation, data analysis and action planning.

The particular achievements and performance of the Academy Trust during the year ended 31 August 2019 were as follows:

In July 2019, Ofsted carried out a two-day Section 5 Inspection. The outcome of this was that KNKS was awarded an Outstanding rating for overall effectiveness. The key findings of the inspection included:

- Pupils thrive at this school.
- Leaders' uncompromising ambition for academic excellence is underpinned by a nurturing pastoral system. There is a highly supportive environment in which pupils' and staff's well-being is the priority.
- Outcomes over time have been among the best in the country. In 2018, pupils' progress at GCSE was in the top 10% nationally. This includes for disadvantaged pupils and those of middle and high ability.
- Leaders received a letter of commendation from the Department for Education for both the outstanding progress made by pupils and the high proportion studying a modern foreign language.
- Teachers consistently reflect on their practice. They innovate and match work to pupils' abilities. As a result of outstanding teaching, learning and assessment, current pupils make exceptional progress.
- Teachers display deep knowledge and understanding of their subject. This, together with the excellent relationships they form with pupils, creates a purposeful learning environment.
- The broad and balanced curriculum greatly supports pupils' social development. There is a range of provision outside the classroom. This includes opportunities for pupils to develop leadership skills, keep fit, help others, participate in trips and visits, relax and enjoy themselves.
- Pupils are proud of their school and this leads to their behaviour being exemplary. They are polite, personable and very welcoming to visitors. Pupils enjoy school and the vast majority are rarely absent.

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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Strategic report (continued)**

**Achievements and performance (continued)**

- Governance is a major strength. The work of governors is pivotal to the school's continuing success.
- Safeguarding arrangements are effective. Staff are well trained. Leaders are aware of potential risks in the national and local community. They know individual pupils and families very well. Pupils say there is always a member of staff with whom they can discuss any issues. Pupils feel safe and are safe.
- Sixth-form provision is well led and improving, but not yet as effective as key stages 3 and 4. Students' progress, although good, has varied over time between subjects.

The only area for improvement, as identified by the inspection was:

- Continue to improve outcomes in the sixth form so that they are of a similar high quality to the rest of the school.

Applications to attend the school both in the lower school and Sixth Form continue to be strong. We received 899 applications for 160 places into Year 7 for September 2018 entry and 235 applications for 140 Year 12 places.

Attainment remains high both for A Level and GCSE. 2019 results are again well above national average with 38% Grade 7-9, 75% Grade 5+ and 87% Grade 4+. EBacc 4+ 65.5% and EBacc 5+ 44.4%. In September 2018, KNGS received a letter from the Education Secretary congratulating the school on the percentage of students competing the EBacc.

Student progress in 2019 was +0.39 for all students which is above national average.

A level results in 2019 were well above national average with 30% of grades at A\*-A, 64% A\*-B and an average grade of B. Post 18 destinations saw 85% of students moving onto university, 58% of who went to Russell Group Universities. 3 of our A Level students progressed to Cambridge University.

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. The school was invited to showcase their Food Tech subject by running a stall at the annual SSAT Conference at the Birmingham ICC in December 2018. Our home-made cake and ceramic decoration stall at CoComad in July was another huge success continuing from previous years. 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 £130 for Alzheimer's Society, £261 for Cancer Research UK and £180 for Birmingham Childrens' Hospital via the e-praise system. They have also participated in National Awareness Days for the National Autistic Society and the British Dyslexia Association raising £160 and £131 respectively. 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.

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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Strategic report (continued)**

**Achievements and performance (continued)**

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 fourth 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.

We are extremely proud of individual students' success this year which has included a Regional Finalist for the Explore Learning Award, a representative for England's Junior World Series Indoor Cricket Team in New Zealand, the Judge's Favourite Winner in the ERC Photography competition and a poetry reading as part of the Armistice Festival of Remembrance in the presence of HRH Queen Elizabeth II at the Royal Albert Hall.

Groups of students within KNGS have also achieved some fantastic things this year including 3rd place at the Birmingham School Games for Year 7/8 Rounders, Year 7/8 Netball and Year 9/10 Rounders. Students have also taken part in the Lloyds Art Award and the Princes Trust Enterprise Scheme and the school has gained a Bronze Award for Anti-Bullying as well as a Gold Award for the school Library.

In 2018-19 there were a large number of trips and visits to broaden the girls' understanding and experiences, including residential trips, foreign exchanges and non-PE clubs and activities. Our exchange with Melle in Germany saw its 13th year and, for the fourth 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 the local secondary school network 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.

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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Strategic report (continued)**

**Achievements and performance (continued)**

**b. Key performance indicators**

The Academy Trust uses a number of benchmarks or performance indicators to evaluate its financial performance and drive budgetary control and monitoring.

A key financial performance indicator for the Trust is the level of reserves held at the balance sheet date and, in particular, the amount of unrestricted reserves plus restricted income reserves carried forward. At 31 August 2019, the balance of the unrestricted and restricted income reserves was £663,000 (2018: £548,000). Further details on the level of reserves held by the Academy Trust are set out in the Reserves Policy section below.

As the majority of the Academy Trust's funding is based on student numbers, student numbers is also a key performance indicator. As noted earlier in this report, student numbers at the most recent census were 998 which is an increase of over 30 students from the previous year.

Staffing costs are another key performance indicator for the Academy Trust and the percentage of total staff costs to total educational grant funding (being GAG funding plus other operating educational grants from the ESFA and / or Local Authority) for the year was 86.3% (2018: 88.1%), while the percentage of staff costs to total costs was 83.3% (2018: 81.5%).

Description of KPI	2019	2018	2017
Student numbers	998	965	928
Students:Teachers	17.8	15.1	15.2
Students:Support Staff	30.2	20.5	14.9
Students:Management	142.6	137.9	132.6
Income per student	£5,180	£5,339	£5,329
GAG income per student	£4,850	£5,255	£5,235
Staff costs per student	£4,568	£4,447	£4,466
Staffing costs as a percentage of income	88.2%	83.9%	83.8%

**c. Going concern**

After making appropriate enquiries, the board of governors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 2019**

**Strategic report (continued)**

**Financial review**

**a. Reserves policy**

The governors review the reserve levels of the academy trust 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 £663,000 (2018: £548,000).

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. Investment policy**

All funds surplus to immediate requirements are invested to optimal effect by the Academy Trust with the objective of ensuring maximum return on assets invested but with minimal risk. On a daily basis this is achieved by automatic transfer of surplus funds to an overnight deposit account with the Academy Trust's principal bankers. Where cash flow allows, sums in excess of £250,000 may be invested on deposit for extended periods with the Academy Trust's principal bankers or other reputable financial institutions.

**c. Principal risks and uncertainties**

The Governors have assessed the major risks to which the Academy Trust is exposed, especially in the operational areas, such as in relation to teaching, health & safety, safeguarding and school trips, and in relation to the control of finances and strategic development of the Trust. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk and have agreed a Risk Management Strategy and Risk Management Plan, which incorporates a Risk Register.

Where significant financial risk still remains, the Governors have ensured the Academy Trust has adequate insurance cover in place. The Risk Management Plan is constantly reviewed in light of any new information and formally reviewed annually.

The principal risks and uncertainties facing the Academy Trust are as follows:

Educational

The continuing success of the Academy Trust is dependent on continuing to attract pupil applicants in sufficient numbers by maintaining the highest educational standards across all key stages. To mitigate this risk, the Governors ensure that pupil success and achievement are closely monitored and reviewed, with corrective actions embedded at an early stage, and that relationships and partnerships with parents, the local community and other organisations and groups are maintained and are effective in producing a cohesive and supportive community.

Safeguarding and child protection

The Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Strategic report (continued)**

**Financial review (continued)**

Financial

The Academy Trust has considerable reliance on continued Government funding through the ESFA (and Local Authority). In the year, approximately 98% of the Academy Trust's income (excluding amounts transferred on conversion from the Local Authority or amounts transferred from other academies joining the Trust) was ultimately Government funded. Whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms, particularly in light continuing changes in to the National Funding Formula for schools.

Continuing increases in employment costs, including pension costs association with both the Teachers' Pension Scheme and the Local Government Pension Scheme, and premises costs will also continue to place significant pressure on the Trust's financial position and its ability to deliver balance budgets in the future.

The Governors review the financial health of the Academy Trust formally every month, reviewing performance against budgets and receiving update reports from the Resources Committee. The Resources Committee also review the financial performance and position of the Academy Trust every month, reviewing the latest management accounts and reports from the Chief Financial Officer, while the Chair of Governors also receives and reviews the monthly management accounts.

Staffing

The success of the Academy Trust is reliant on the quality of its staff so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Governors continue to review and ensure appropriate measures are in place to mitigate these risks, which includes those relating to fraud and mismanagement of funds.

Fraud and mismanagement of funds

The Academy Trust has engaged L Forrester of the Lumen Christi MAC as responsible officer (RO) to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

At the balance sheet date, the Academy Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy Trust's liquidity.

The Governors recognise that the LGPS deficit represents a significant potential liability to the Academy Trust. However, as the Governors consider the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

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**GOVERNORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Fundraising**

The Academy Trust raises funds for specific projects that will enhance the learning experience and environment for existing and future students, where funds cannot be accessed via existing channels such as government education funding.

Fundraising is primarily undertaken by staff or students; no professional fundraisers or commercial participators work with the Trust currently. Fundraising is undertaken in line with the Fundraising Regulator's Code of Fundraising Practice and is monitored by the central finance function of the Trust.

The Academy Trust is mindful of the requirement to protect the public, particularly vulnerable people, from unreasonably intrusive or persistent fundraising approaches or undue pressure to donate. No complaints have been received in respect of fundraising activities, the general complaints policy of the trust would be applicable if so.

**Plans for future periods**

The Academy Trust strives to continually improve levels of attainment for all pupils, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it is into further and higher education or employment, as well as promoting the continued professional development of its staff.

The Academy Trust's plans for future periods are:

- Progress of vulnerable students
- Wellbeing of staff and students
- Pastoral Systems

**Funds held as custodian on behalf of others**

The Academy Trust and its Governors do not act as Custodian Governors of any other charity.

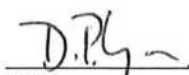
The Academy does however hold Post 16 Bursary Funds on behalf of the ESFA, which are distributed to students as required and in line with the terms and conditions of the funds.

**Disclosure of information to auditor**

Insofar as the governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- that governors 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 governors, as the company directors, on 5 December 2019 and signed on its behalf by:

  
\_\_\_\_\_  
D Green  
Chair of Governors



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

**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 governors 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 governors 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 governors has formally met 4 times during the year.

Attendance during the year at meetings of the board of governors was as follows:

Governor	Meetings attended	Out of a possible
J Abbott	4	4
N Bi	3	4
J Couperthwaite	2	4
P Fellows	2	4
D Gilman	4	4
D Green	4	4
K Mack	2	4
N Raggett	4	4
K Reynolds	2	4
S Roberts	3	4
V Walsh	4	4
K Ward	4	4
P Webb	2	4
D Cassidy	1	2

The Board of Governors reviewed the Trust's governance structure during the year to evaluate its impact and effectiveness. The Board of Governors has a wide range of skills that contribute to the successful governance of the Trust and are satisfied that the current structure in place is appropriate and effective for the Trust.

The Board of Governors met formally 4 times during the financial year. Although the Board of Governors meets less than six times a year, it reviews the financial performance and position of the Academy Trust at every meeting along with receiving reports from the Resources Committee. The Resources Committee also met 5 times during the financial year, at which it reviews the latest management accounts and reports from the Chief Financial Officer, while the Chair of Governors and Chair of the Resources Committee also receives and reviews the monthly management accounts of the Academy Trust. The Board of Governors is therefore satisfied that through these series of meetings and reviews of the Academy Trust's management accounts, there is appropriate and effective oversight of the Academy Trust's funds and financial position.

The Resources Committee is a sub-Committee of the Board of Governors. Its purpose is to provide oversight, guidance and assistance to the Board of Governors on all matters related to finance, resources, premises and Health & Safety of the Academy Trust. This committee also acts as the Academy Trust's Audit Committee, where its purpose is to maintain an oversight of the Trust's governance, risk management, internal control and value for money framework.

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

**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
J Abbott	5	5
D Green	4	5
K Mack	3	5
N Raggett	5	5
S Roberts	4	5
K Ward	4	5

The Standards Committee is also a sub-committee of the main governing body. Its purpose is to hold the board of Governors 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 during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
N Bi	4	5
J Couperthwaite	4	5
P Fellows	2	5
D Gilman	3	5
D Green	5	5
N Raggett	5	5
V Walsh	3	5
P Webb	4	5
D Cassidy	1	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.

Attendance at meetings of the Pay Committee during the year was as follows:

Trustee	Meetings attended	Out of a possible
David Green	2	2
John Abbott	2	2
Kirsty Mack	2	2

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

**GOVERNANCE STATEMENT (CONTINUED)**

**Review of value for money**

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

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

**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 on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The board of governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

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

**GOVERNANCE STATEMENT (CONTINUED)**

**The risk and control framework**

The academy trust'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 governors
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of governors 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 a peer review.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust'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 governors through the finance and general purposes committee on the operation of the systems of control and on the discharge of the governors' financial responsibilities.

The reviewer has delivered their program of work during the year ended 31 August 2019 as planned. While no significant internal control weaknesses were identified from the work completed, the Governors and management have developed an action plan to continue to strengthen and improve internal controls over the next 12 months.

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

GOVERNANCE STATEMENT (CONTINUED)

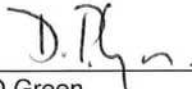
**Review of effectiveness**

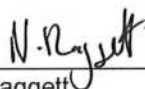
As accounting officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the reviewer;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of governors on and signed on their behalf by:

  
\_\_\_\_\_  
D Green  
Chair of Governors  
5/12/2019

  
\_\_\_\_\_  
N Raggett  
Accounting Officer  
5/12/2019

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

**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 governors 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 2018.

I confirm that I and the academy trust board of governors are able to identify any material irregular or improper use of all 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 2018.

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 governors and ESFA.

  
\_\_\_\_\_  
N Raggett  
Accounting Officer  
Date: 5 December 2019

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

**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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 Academies Accounts Direction published 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 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 governors on 5 December 2019 and signed on its behalf by:

  
\_\_\_\_\_  
D Green  
Chair of Governors

**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 trust') for the year ended 31 August 2019 which comprise the Statement of financial activities, 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 2018 to 2019 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 trust's affairs as at 31 August 2019 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 2018 to 2019 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 trust 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 trust'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.



**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 (CONTINUED)**

**Other information**

The governors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Other information includes the Reference and administrative details, the Governors' report including the Strategic report, and the Governance statement. 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 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 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 trust 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.

**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 (CONTINUED)**

**Responsibilities of trustees**

As explained more fully in the Governors' responsibilities statement, the governors (who are also the directors of the academy trust 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 trust'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 trust or to cease operations, or have no realistic alternative but to do so.

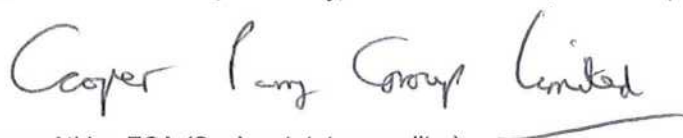
**Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

**Use of our report**

This report is made solely to the academy trust'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 trust'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 trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Atkins FCA (Senior statutory auditor)

for and on behalf of  
**Cooper Parry Group Limited**

Chartered Accountants  
Statutory Auditor

One Central Boulevard  
Blythe Valley Business Park

Solihull  
West Midlands  
B90 8BG

5 December 2019

**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 26 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 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 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**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 (CONTINUED)**

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

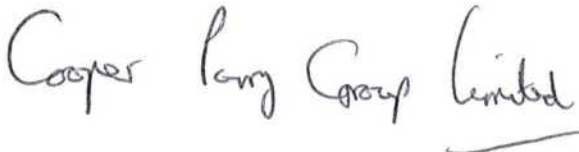
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw our conclusions included:

- Reviewing the internal control policies and procedures implemented by the Academy Trust and evaluating their design and effectiveness to understand how the Academy Trust has complied with the framework of authorities;
- Reviewing the minutes of meetings of the Trustees, relevant sub-committees and other evidence made available to us, relevant to our consideration of regularity;
- Enquiries of the Accounting Officer, including reviewing the work undertaken by the Accounting Officer in relation to their Statement on Regularity, Propriety and Compliance; and
- Detailed testing of the income and expenditure of the Academy Trust based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Cooper Parry Group Limited**

Date: 5 December 2019

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2019**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
<b>Income from:</b>					
Donations and capital grants	-	-	1,568	1,568	20
Charitable activities	111	5,170	-	5,281	5,071
Other trading activities	31	-	-	31	60
Investments	1	-	-	1	1
	<u>143</u>	<u>5,170</u>	<u>1,568</u>	<u>6,881</u>	<u>5,152</u>
<b>Total income</b>					
<b>Expenditure on:</b>					
Charitable activities	109	5,262	96	5,467	5,485
	<u>109</u>	<u>5,262</u>	<u>96</u>	<u>5,467</u>	<u>5,485</u>
<b>Total expenditure</b>					
<b>Net income/(expenditure)</b>	<u>34</u>	<u>(92)</u>	<u>1,472</u>	<u>1,414</u>	<u>(333)</u>
<b>Other recognised gains/(losses):</b>					
Actuarial (losses)/ gains on defined benefit pension schemes	-	(268)	-	(268)	329
	<u>34</u>	<u>(360)</u>	<u>1,472</u>	<u>1,146</u>	<u>(4)</u>
<b>Net movement in funds</b>					
<b>Reconciliation of funds:</b>					
Total funds brought forward	434	(1,248)	3,960	3,146	3,150
Net movement in funds	34	(360)	1,472	1,146	(4)
<b>Total funds carried forward</b>	<u>468</u>	<u>(1,608)</u>	<u>5,432</u>	<u>4,292</u>	<u>3,146</u>

The Statement of financial activities includes all gains and losses recognised in the year.

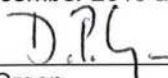
The notes on pages 30 to 51 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Tangible assets	13	4,770	3,960
<b>Current assets</b>			
Debtors	14	518	159
Cash at bank and in hand		1,033	620
		1,551	779
Creditors: amounts falling due within one year	15	(226)	(231)
<b>Net current assets</b>		1,325	548
<b>Net assets excluding pension liability</b>		6,095	4,508
Defined benefit pension scheme liability	23	(1,803)	(1,362)
<b>Total net assets</b>		4,292	3,146
 <b>Funds of the academy trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	17	5,432	3,960
Restricted income funds	17	195	114
Pension reserve	17	(1,803)	(1,362)
<b>Total restricted funds</b>	17	3,824	2,712
<b>Unrestricted income funds</b>	17	468	434
<b>Total funds</b>		4,292	3,146

The financial statements on pages 27 to 51 were approved by the governors, and authorised for issue on 05 December 2019 and are signed on their behalf, by:

  
 \_\_\_\_\_  
 D Green  
 Chair of Governors

The notes on pages 30 to 51 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 2019**

	Note	2019 £000	2018 £000
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	19	(250)	(26)
<b>Cash flows from investing activities</b>	20	663	(96)
<b>Cash flows from financing activities</b>		-	-
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>		413	(122)
Cash and cash equivalents at the beginning of the year		620	742
<b>Cash and cash equivalents at the end of the year</b>	21	<hr/> <u>1,033</u>	<hr/> <u>620</u>

The notes on pages 30 to 51 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 2019**

**1. Accounting policies**

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

**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 historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

**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 trust to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 Income**

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the academy trust has provided the goods or services.



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**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.

• **Charitable activities**

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**1.5 Tangible fixed assets**

Assets costing £5,000 or more are capitalised as tangible fixed assets 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 and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Depreciation is provided on the following basis:

Leasehold property	-	2%
Furniture and fixtures	-	20%
Computer equipment	-	33%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

**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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**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**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**1.9 Financial instruments**

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement bases 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 14. Prepayments are not financial instruments. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment.

**1.10 Taxation**

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.11 Operating leases**

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

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**1. Accounting policies (continued)**

**1.12 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**1.13 Fund accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

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

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**2. Critical accounting estimates and areas of judgement**

Estimates and judgements 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:

Tangible fixed assets are depreciated over their economic useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The classification of expenditure between restricted and unrestricted funds is deemed as a critical area of judgement as certain expenditure can be applied to both funds. Where this is the case and the amounts in question are considered material the expenditure is apportioned to both funding streams on an appropriate basis.

The academy trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet

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

	<b>Restricted funds 2019 £000</b>	<b>Total funds 2019 £000</b>	<b>Total funds 2018 £000</b>
Capital Grants	1,568	1,568	20
<b>Total 2019</b>	<u>1,568</u>	<u>1,568</u>	<u>20</u>
<b>Total 2018</b>	<u>20</u>	<u>20</u>	

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**4. Funding for the academy trust's academy trust educational operations**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	4,841	4,841	4,647
Other DfE / ESFA Grants	-	309	309	246
	<u>-</u>	<u>5,150</u>	<u>5,150</u>	<u>4,893</u>
<b>Other Government grants</b>				
Local authority grants	-	20	20	23
	<u>-</u>	<u>20</u>	<u>20</u>	<u>23</u>
Other income from the academy's trust's educational operations	111	-	111	155
<b>Total 2019</b>	<u>111</u>	<u>5,170</u>	<u>5,281</u>	<u>5,071</u>
<b>Total 2018</b>	<u>155</u>	<u>4,916</u>	<u>5,071</u>	

**5. Income from other trading activities**

	Unrestricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Other income	<u>31</u>	<u>31</u>	<u>60</u>

**6. Investment income**

	Total funds 2019 £000	Total funds 2018 £000
Short term deposits	<u>1</u>	<u>1</u>

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**7. Expenditure**

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000	Total 2018 £000
Academy trust educational operations:					
Direct costs	3,502	-	281	3,783	3,860
Allocated support costs	1,057	310	317	1,684	1,625
<b>Total 2019</b>	<u>4,559</u>	<u>310</u>	<u>598</u>	<u>5,467</u>	<u>5,485</u>
<b>Total 2018</b>	<u>4,468</u>	<u>336</u>	<u>681</u>	<u>5,485</u>	

**8. Analysis of expenditure by activities**

	Activities undertaken directly 2019 £000	Support costs 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Academy trust educational operations	<u>3,783</u>	<u>1,684</u>	<u>5,467</u>	<u>5,485</u>
<b>Total 2018</b>	<u>3,860</u>	<u>1,625</u>	<u>5,485</u>	

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Total funds 2019 £000</b>	<b>Total funds 2018 £000</b>
Staff costs	1,057	884
Depreciation	96	105
Technology	54	54
Premises	205	246
Trip	78	131
Catering	37	36
Recruitment	2	3
Other support	139	151
Governance	16	15
<b>Total 2019</b>	<u><u>1,684</u></u>	<u><u>1,625</u></u>

**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2019 £000</b>	<b>2018 £000</b>
Depreciation of tangible fixed assets	96	105
Fees paid to auditor for:		
- audit	9	9
- other services	2	2
	<u><u>9</u></u>	<u><u>116</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	3,458	3,407
Social security costs	298	309
Pension costs	740	685
	4,496	4,401
Agency staff costs	63	67
	4,559	4,468

**b. Staff numbers**

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

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
Teachers	62	64
Administration and support	46	47
Management	7	7
	115	118
	115	118

The average headcount expressed as full-time equivalents was:

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
Teachers	56	57
Administration and support	33	34
Management	7	7
	96	98
	96	98



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**10. Staff costs (continued)**

**c. Higher paid staff**

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

	2019 No.	2018 No.
£60,001 - £70,000	-	3
£70,001 - £80,000	3	-
£80,001 - £90,000	3	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
	-	-

**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: £570,000 (2018 - £590,000).

**11. Governors' remuneration and expenses**

One or more governors has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of governors' remuneration and other benefits was as follows:

		2019 £000	2018 £000
V Walsh	Remuneration	40 - 45	-
	Pension contributions paid	5 - 10	-
N Bi	Remuneration	15 - 20	20 - 25
	Pension contributions paid	5 - 10	0 - 5
N Raggett (appointed 1 September 2018)	Remuneration	75 - 80	
	Pension contributions paid	15 - 20	

During the year ended 31 August 2019, no governor expenses have been incurred (2018 - £NIL).

**12. Governors' and Officers' insurance**

In accordance with normal commercial practice, the academy trust has purchased insurance to protect governors 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 2019 was £201 (2018 - £220). The cost of this insurance is included in the total insurance cost.

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**13. Tangible fixed assets**

	Leasehold property £000	Furniture and equipment £000	Computer equipment £000	Assets under construction £000	Total £000
<b>Cost or valuation</b>					
At 1 September 2018	4,308	142	253	102	4,805
Additions	22	2	29	853	906
At 31 August 2019	4,330	144	282	955	5,711
<b>Depreciation</b>					
At 1 September 2018	487	115	243	-	845
Charge for the year	79	9	8	-	96
At 31 August 2019	566	124	251	-	941
<b>Net book value</b>					
At 31 August 2019	3,764	20	31	955	4,770
At 31 August 2018	3,821	27	10	102	3,960

**14. Debtors**

	2019 £000	2018 £000
<b>Due within one year</b>		
Other debtors	61	20
Prepayments and accrued income	457	139
	518	159

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

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Other taxation and social security	82	82
Accruals and deferred income	144	149
	226	231
	226	231

**16. Accruals and deferred income**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Deferred income at 1 September 2018	56	50
Resources deferred during the year	56	56
Amounts released from previous periods	(56)	(50)
<b>Deferred income at 31 August 2019</b>	<b>56</b>	<b>56</b>
	<b>56</b>	<b>56</b>

Deferred income at the year end is in relation to funds received in advance relating to educational visits of £25,000 (2018: £13,000), looked after children pupil premium of £4,000 (2018: £13,000) and sixth form bursary of £27,000 (2018: £30,000).

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**17. Statement of funds**

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
<b>Unrestricted funds</b>						
General funds	434	143	(109)	(23)	-	445
Ringfenced funds	-	-	-	23	-	23
	<u>434</u>	<u>143</u>	<u>(109)</u>	<u>-</u>	<u>-</u>	<u>468</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	114	4,841	(4,760)	-	-	195
Other DfE / ESFA grants	-	309	(309)	-	-	-
Other grants	-	20	(20)	-	-	-
Pension reserve	(1,362)	-	(173)	-	(268)	(1,803)
	<u>(1,248)</u>	<u>5,170</u>	<u>(5,262)</u>	<u>-</u>	<u>(268)</u>	<u>(1,608)</u>
<b>Restricted fixed asset funds</b>						
Transfer on conversion	2,955	-	(80)	-	-	2,875
DfE / ESFA capital grants	257	1,568	(4)	-	-	1,821
Capital expenditure from GAG	748	-	(12)	-	-	736
	<u>3,960</u>	<u>1,568</u>	<u>(96)</u>	<u>-</u>	<u>-</u>	<u>5,432</u>
<b>Total Restricted funds</b>	<u>2,712</u>	<u>6,738</u>	<u>(5,358)</u>	<u>-</u>	<u>(268)</u>	<u>3,824</u>
<b>Total funds</b>	<u><u>3,146</u></u>	<u><u>6,881</u></u>	<u><u>(5,467)</u></u>	<u><u>-</u></u>	<u><u>(268)</u></u>	<u><u>4,292</u></u>

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

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

**Unrestricted general funds**

The balance of £468,000 (2018: £434,000) on the unrestricted general funds can be used how the academy trust deems suitable. Included within the total balance is £23,000 (2018: £Nil) which has been ringfenced for fixtures and fittings for the Sixth Form building in 2019 / 2020.

**Restricted general funds**

The balance of £195,000 (2018: £114,000) on the restricted general funds will be used for educational purposes in accordance with the restrictions attached to the funding.

The pension reserve of £1,803,000 overdrawn (2018: £1,362,000 overdrawn) represents the academy'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.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

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

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
<b>Unrestricted funds</b>						
General funds	346	216	(128)	-	-	434
<b>Restricted general funds</b>						
General Annual Grant (GAG)	375	4,647	(4,811)	(97)	-	114
Other DfE / ESFA grants	-	246	(246)	-	-	-
Other grants	-	23	(23)	-	-	-
Pension reserve	(1,519)	-	(172)	-	329	(1,362)
	<u>(1,144)</u>	<u>4,916</u>	<u>(5,252)</u>	<u>(97)</u>	<u>329</u>	<u>(1,248)</u>
<b>Restricted fixed asset funds</b>						
Transfer on conversion	3,044	-	(89)	-	-	2,955
DfE / ESFA capital grants	241	20	(4)	-	-	257
Capital expenditure from GAG	663	-	(12)	97	-	748
	<u>3,948</u>	<u>20</u>	<u>(105)</u>	<u>97</u>	<u>-</u>	<u>3,960</u>
<b>Total Restricted funds</b>	<u>2,804</u>	<u>4,936</u>	<u>(5,357)</u>	<u>-</u>	<u>329</u>	<u>2,712</u>
<b>Total funds</b>	<u><u>3,150</u></u>	<u><u>5,152</u></u>	<u><u>(5,485)</u></u>	<u><u>-</u></u>	<u><u>329</u></u>	<u><u>3,146</u></u>

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

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

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	28	-	4,742	4,770
Current assets	440	393	718	1,551
Creditors due within one year	-	(198)	(28)	(226)
Provisions for liabilities and charges	-	(1,803)	-	(1,803)
<b>Total</b>	<u>468</u>	<u>(1,608)</u>	<u>5,432</u>	<u>4,292</u>

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

	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)
<b>Total</b>	<u>434</u>	<u>(1,248)</u>	<u>3,960</u>	<u>3,146</u>

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**19. Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Net income/(expenditure) for the year (as per Statement of financial activities)	1,414	(333)
	<hr/>	<hr/>
<b>Adjustments for:</b>		
Depreciation	96	105
Capital grants from DfE and other capital income	(1,568)	(20)
Interest receivable	(1)	(1)
Defined benefit pension scheme cost less contributions payable	138	133
Defined benefit pension scheme finance cost	35	39
(Increase)/decrease in debtors	(359)	14
(Decrease)/increase in creditors	(5)	37
	<hr/>	<hr/>
<b>Net cash used in operating activities</b>	<b>(250)</b>	<b>(26)</b>
	<hr/> <hr/>	<hr/> <hr/>

**20. Cash flows from investing activities**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Dividends, interest and rents from investments	1	1
Purchase of tangible fixed assets	(906)	(117)
Capital grants from DfE Group	1,568	20
	<hr/>	<hr/>
<b>Net cash provided by/(used in) investing activities</b>	<b>663</b>	<b>(96)</b>
	<hr/> <hr/>	<hr/> <hr/>

**21. Analysis of cash and cash equivalents**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Cash in hand	1,033	620
	<hr/>	<hr/>
<b>Total cash and cash equivalents</b>	<b>1,033</b>	<b>620</b>
	<hr/> <hr/>	<hr/> <hr/>

**22. Capital commitments**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	800	1,937
	<hr/> <hr/>	<hr/> <hr/>



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**23. Pension commitments**

The academy trust's employees belong to two principal pension schemes: the Teachers' 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 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**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies 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 September 2019.

The employer's pension costs paid to TPS in the year amounted to £422,678 (2018 - £412,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

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**23. Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £172,000 (2018 - £167,000), of which employer's contributions totalled £129,000 (2018 - £125,000) and employees' contributions totalled £ 43,000 (2018 - £42,000). The agreed contribution rates for future years are 18.8 per cent for employers and 5.5-7.5 per cent 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**

	<b>2019</b>	<b>2018</b>
	%	%
Rate of increase in salaries	3.7	3.8
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.85	2.65

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

	<b>2019</b>	<b>2018</b>
	Years	Years
<i>Retiring today</i>		
Males	20.9	21.9
Females	23.2	24.4
<i>Retiring in 20 years</i>		
Males	22.6	24.1
Females	25.1	26.7

**Sensitivity analysis**

	<b>2019</b>	<b>2018</b>
	£000	£000
Discount rate +0.1%	91	76
Discount rate -0.1%	(93)	(78)
Mortality assumption - 1 year increase	(170)	(125)
Mortality assumption - 1 year decrease	164	121
CPI rate +0.1%	(87)	(69)
CPI rate -0.1%	85	68

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**23. Pension commitments (continued)**

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

	At 31 August 2019 £000	At 31 August 2018 £000
Equities	1,536	1,460
Gilts	242	166
Other bonds	97	85
Property	208	187
Cash and other liquid assets	92	86
Other	379	332
<b>Total market value of assets</b>	<u>2,554</u>	<u>2,316</u>

The actual return on scheme assets was £154,000 (2018 - £27,000).

The amounts recognised in the Statement of financial activities are as follows:

	2019 £000	2018 £000
Current service cost	(239)	(258)
Past service cost	27	-
Interest income	62	58
Interest cost	(97)	(96)
Administrative expenses	(1)	(1)
<b>Total amount recognised in the Statement of financial activities</b>	<u>(248)</u>	<u>(297)</u>

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

	2019 £000	2018 £000
<b>At 1 September</b>	3,668	3,695
Current service cost	239	258
Interest cost	97	96
Employee contributions	43	42
Actuarial losses/(gains)	360	(360)
Benefits paid	(77)	(63)
Past service costs	27	-
<b>At 31 August</b>	<u>4,357</u>	<u>3,668</u>

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**23. Pension commitments (continued)**

Changes in the fair value of the academy trust's share of scheme assets were as follows:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>At 1 September</b>	2,306	2,176
Interest income	62	58
Actuarial gains/(losses)	92	(31)
Employer contributions	129	125
Employee contributions	43	42
Benefits paid	(77)	(63)
Administrative expenses	(1)	(1)
	2,554	2,306
<b>At 31 August</b>	2,554	2,306

**24. Operating lease commitments**

At 31 August 2019 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>academy trust</b>	<b>academy trust</b>
	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Not later than 1 year	22	22
Later than 1 year and not later than 5 years	35	54
	57	76
	57	76

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**25. Members' liability**

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

**26. 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 11.

**27. Agency arrangements**

The academy distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period 31 August 2019 the academy received £16,565 (2018: £11,000) and disbursed £19,574 (2018: £1,838) from the fund. An amount of £27,239 (2018: £30,248) is included in other creditors relating to the undistributed funds that are repayable to the ESFA.